WONDERFULsky

皓天財經集團

WONDERFUL SKY FINANCIAL GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability) Stock Code: 01260

2017 ANNUAL REPORT

CONTENTS

FINANCIAL SUMMARY

	Year ended 31 March				
	2013	2014	2015	2016	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
RESULTS					
Revenue	343,539	458,543	523,580	619,122	**616,945**
Profit before taxation	147,839	183,948	239,958	291,657	**324,024**
Taxation	(24,201)	(30,127)	(41,001)	(51,765)	**(52,862)**
Profit for the year	123,638	153,821	198,957	239,892	**271,162**

FINANCIAL SUMMARY

	At 31 March				
	2013	2014	2015	2016	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
ASSETS AND LIABILITIES					
Total assets	584,151	734,137	1,044,583	1,671,850	**1,954,349**
Total liabilities	(50,199)	(116,834)	(320,673)	(452,796)	**(623,833)**
	533,952	617,303	723,910	1,219,054	**1,330,516**
Equity attributable to owners of the Company	533,952	617,303	723,910	1,219,054	**1,330,516**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors
Liu Tianni *(Chairman and Chief Executive Officer)*
Liu Lin

Non-executive Director
Sun Bin (resigned on 30 April 2016)

Independent non-executive Directors
Li Ling Xiu
Lam Yim Kei, Sally (formerly Lam Ling)
Lee Wing Sze, Rosa

AUDIT COMMITTEE

Lee Wing Sze, Rosa *(Chairman)*
Li Ling Xiu
Lam Yim Kei, Sally (formerly Lam Ling)

NOMINATION AND REMUNERATION COMMITTEES

Li Ling Xiu *(Chairman)*
Liu Tianni
Lam Yim Kei, Sally (formerly Lam Ling)
Lee Wing Sze, Rosa

COMPANY SECRETARY

Wong Yat Tung HKICS

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hong Kong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House, 3rd Floor,
24 Shedden Road
P.O. Box 1586,
Grand Cayman KY1-1110,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

6/F, Nexxus Building
No. 41 Connaught Road Central
Hong Kong

REGISTERED OFFICE

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119
Grand Cayman KY1-1205
Cayman Islands

STOCK CODE

1260

COMPANY WEBSITE

http://www.wsfg.hk

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Wonderful Sky Financial Group Holdings Limited (the "**Company**", together with its subsidiaries collectively referred to as the "**Group**"), I am pleased to present all shareholders with our annual report of the Group for the year ended 31 March 2017.

RESULTS

The Group's profit for the year attributable to owners of the Company increased from approximately HK$239.9 million for the year ended 31 March 2016 to HK$271.2 million for the year ended 31 March 2017, representing an increase of approximately 13.0%.

FINAL DIVIDEND AND SPECIAL DIVIDEND

In appreciation of our shareholders' support, the Directors recommended the payment of a final dividend of HK4.9 cents per share and special dividend of HK2.5 cents per share for the year ended 31 March 2017 to all shareholders whose names appear on the register of members of the Company at the close of business on 16 August 2017. Subject to the approval of the shareholders at the forthcoming annual general meeting, the proposed final dividend and special dividend is expected to be paid on or about 28 August 2017. The proposed final and special dividend, together with the interim and special dividend of HK6.3 cents per share paid in December 2016, amounts to a total dividend of HK13.7 cents per share for the year ended 31 March 2017.

BUSINESS REVIEW

The Group's profit increased from approximately HK$239.9 million for the year ended 31 March 2016 to approximately HK$271.2 million for the year ended 31 March 2017, representing an increase of approximately 13.0%. The Group's revenue decreased from approximately HK$619.1 million for the year ended 31 March 2016 to approximately HK$616.9 million for the year ended 31 March 2017, representing a decrease of approximately 0.4%.

The Group's business consists of two major business segments, namely, the financial public relations service segment and the international roadshow service segment.

Financial public relation service segment

Our financial public relation services include (i) public relations services; (ii) investor relations services; (iii) financial printing services and (iv) capital markets branding. During the year ended 31 March 2017, this business segment delivered a turnover of approximately HK$513.9 million (2016: HK$455.2 million), representing an increase of approximately 12.9%. The profit of this business segment for the year ended 31 March 2017 was approximately HK$291.0 million (2016: HK$260.3 million), representing an increase of approximately 11.8%. The increase in revenue and profit of this business segment was attributed to the bigger market share that the Group has in the Hong Kong financial public relations market in the current year.

International roadshow service segment

Our international roadshow services include coordination, organisation and management of the overall logistics of roadshows for our clients. While we handle this for our clients, they would be able to focus on the presentation aspect of the roadshows. During the year ended 31 March 2017, the reduction in the scale of initial public offering ("IPO") projects in Hong Kong had resulted in a corresponding reduction in the scope and scale of IPO roadshows. As a result, the revenue and profit of this segment decreased by approximately 37.1% and 61.4%, respectively, to approximately HK$103.1 million (2016: HK$164.0 million) and HK$18.6 million (2016: HK$48.2 million) for the year ended 31 March 2017.

Aside from the profit generated from the two business segments, the Group also generated investment income and gain of HK$50.3 million (2016: HK$29.6 million) and HK$33.2 million (2016: HK$19.5 million) respectively from its available-for-sale investments for the year ended 31 March 2017. The available-for-sale investments mainly comprise bonds listed on either the Stock Exchange of Hong Kong Limited ("**HKEx**") or the Singapore Exchange Securities Trading Limited ("**SGX**"). Management believes that the available-for-sale investments will provide another source of income and cash flow for the Group. Nevertheless, the Group takes a prudent approach on its investments and reviews their performance regularly. Details of the Group's available-for-sale bond investments which exceeded 5% of total available-in-sale investments balance as at 31 March 2017 are as follows:

					31 March 2017		
Bond issuer name	**Listed on**	**Bond code**	**Coupon rate**	**Maturity date**	**Face value**	**Market value**	**Coupon interest receivable**
					US$	*HK$*	*HK$*
China Water Affairs Group Limited	SGX	XS1556165477	5.25%	7 February 2022	11,000,000	88,071,775	671,344
Xinyuan Real Estate Company Limited	SGX	XS1567240418	7.75%	28 February 2021	11,000,000	84,552,500	575,599
Huarong Finance II Company Limited	HKEx	XS1515239942	3.63%	22 November 2021	$\boxed{9,000,000}$	$\boxed{70,105,725}$	$\boxed{906,023}$
		XS1486060483	2.88%	Perpetual	$\boxed{1,840,000}$	$\boxed{13,603,327}$	$\boxed{19,360}$
					10,840,000	83,709,052	925,383
China Evergrande Group	SGX	XS1580430681	7.00%	23 March 2020	10,000,000	78,926,000	120,556
China Cinda Asset Management Company Limited	HKEx	XS1496760239	4.45%	Perpetual	10,000,000	76,453,750	1,724,375

					31 March 2017		
Bond issuer name	Listed on	Bond code	Coupon rate	Maturity date	Face value	Market value	Coupon interest receivable
					US$	*HK$*	*HK$*
Yancoal International Resources Development Co., Ltd.	HKEx	USY97279AB28	5.73%	16 May 2022	9,000,000	71,136,106	1,498,757
Greenland Global Investment Ltd.	HKEx	XS1094594964	4.38%	7 August 2017	3,000,000	23,306,963	152,578
		XS1081319698	4.38%	3 July 2019	6,000,000	46,937,100	497,292
					9,000,000	70,244,063	649,870
Shougang Corporation	SGX	XS1526063893	3.38%	9 December 2019	9,000,000	70,015,050	732,375
Sunshine 100 China Holdings Ltd.	HKEx	XS1464644324	6.50%	11 August 2021	9,000,000	69,572,137	629,687

The remaining available-for-sale bond investments comprise 20 listed bond investments. The individual balance of these bond investments represents less than 5% of the total available-for-sale investments balance as at 31 March 2017.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cash flow and banking facilities provided by banks in Hong Kong. The Group is financially sound and its cash position remains healthy. The Group's bank balances and cash and short-term bank deposits as of 31 March 2017 amounted to approximately HK$178.2 million. Aside from placing deposits with commercial banks, the Group purchased principal guaranteed, short-term and low risk unlisted financial products so as to ensure the security and value of the capital. These products were offered and guaranteed by banks with good reputation. At 31 March 2017, the aggregate principal of these products amounted to HK$79.5 million and their maturity dates were before 17 April 2017. The unguaranteed annualised rate of returns of these products ranged from 3.1% to 4.2%. The Group takes a prudent approach in selecting financial products.

The Group's gearing ratio as at 31 March 2017 was 38.1% (2016: 25.8%), based on the short-term bank loans of the Group and the equity attributable to equity holders of the Company. Management believes that the Group's bank balance, liquid assets value, operating inflow and available banking facilities are sufficient to fulfill the working capital requirements of the Group.

Exchange Rates Exposure

Most of the transactions of the Group were made in Hong Kong dollars, US dollars and Renminbi. As of 31 March 2017, the Group was not exposed to any material exchange risk on US dollars as the exchange rates of Hong Kong dollars and US dollars were relatively stable under the currency peg system. The Group does not currently have a hedging policy on Renminbi but its management monitors such exposure closely and will consider hedging such exposure should the need arise.

Pledge of assets

As at 31 March 2017, available-for-sale investments amounted to approximately HK$1,282.2 million (31 March 2016: HK$864.5 million) and bank balances amounting to approximately HK$0.2 million (31 March 2016: HK$4.0 million) were pledged as securities for bank facilities.

Contingent Liabilities

As at 31 March 2017, the Group had no contingent liabilities.

PROSPECTS

Looking ahead, the Group expects the operating environment to continue to be full of challenges. However, from a long-term perspective, we can see the global economy is gradually recovering, the pace of reform of mainland China enterprises is gathering more speed and the interaction of the capital markets of Hong Kong and mainland China has brought lasting and healthy growth to the financial public relations industry of the two places.

For the year ended 31 March 2017, the Group continued to be the absolute leader in terms of market share in the financial public relations and international roadshow markets in Hong Kong. At the same time, in light of the needs of cross-border capital markets, we are further developing our overseas, Hong Kong and mainland China markets through setting up offices in international cities like Singapore and through further strengthening and integration of our overseas, Hong Kong and mainland China work force. In the 2016/2017 financial year, our mainland China working team, with its one-stop integrated financial public relations services, successfully completed the listing of China Nuclear Engineering Co., Ltd. on the Shanghai Stock Exchange and Chinamerica Educational Development Consulting Associates on the New OTC (Over the counter) Market in the PRC; while our Singapore team completed the listing of China Jinjiang Environmental Holdings Company Limited on the Singapore Exchange Securities Trading Limited.

In addition to geographical expansion, the Group is continuing to meet the service requirements of its customers. We are improving and expanding our professional services in order to provide diversified one-stop financial services to our customers. At the date of this report, our Group, CECEP (Hong Kong) Investment Co., Ltd. (the only state-owned company engaged in energy conservation and environmental protection and which is directly and wholly sponsored by the State-owned Assets Supervision and Administration Commission of the State Council) and Shinewing (HK) CPA Ltd. has jointly formed a company, CECEP Environmental Consulting Group. It helps its customers to prepare environmental, social and governance ("**ESG**") reports and also provide all-round tailor-made ESG solutions. Our Group has also entered the human resources search market. We subscribed for shares in Talentpool (Hong Kong) Co., Ltd. which is engaged in the provision of professional search solutions to companies with senior managerial needs. Our Group will actively explore expansion into the strategy consultancy and asset management businesses and will enter these fields at opportune time.

While the Group is constantly updating and strengthening its database, it is also proactively building the "Wonderful Cloud" financial service platform. Wonderful Cloud is leveraging on its offline advantages to provide value-adding services including information sharing, data storage and sharing and professional data analysis to capital market professionals, senior executives of listed companies and the general public. We believe Wonderful Cloud will not only help us to develop our online services, but also increase client loyalty and help our Group to expand geographically.

In light of the further opening up of the capital market in mainland China and the closer connection between the capital market of Hong Kong and mainland China, the Group is actively exploring the media market in mainland China. At the date of this report, the Group has established strategic cooperation with 栢西（上海）文化傳媒有限公司 and has acquired a 20% equity interest in it. Our Group will continue to explore strategic cooperation, acquisition and joint venture opportunities to execute its global development strategy. We endeavour to make announcements in accordance with the listing rules requirements of the HKEx as deemed appropriate.

Looking ahead, the Group will continue to leverage on its experience, skillset and know-how to build new growth drivers and initiate new value-adding services so as to solidify our leader position in the industry. We will proactively execute our global development strategy and will try to maximize the value of our Group for our shareholders.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 March 2017, the Group had 296 full-time employees. Remuneration packages are generally structured by reference to market terms and individual merits. Salaries are normally reviewed on an annual basis and bonuses paid, if any, will be based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

CLOSURE OF REGISTER OF MEMBERS FOR THE ANNUAL GENERAL MEETING ("AGM")

The AGM of the Company will be held on 11 August 2017. The register of members of the Company will be closed from 8 August 2017 to 11 August 2017 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 7 August 2017.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDENDS

The register of members of the Company will be closed from 17 August 2017 to 18 August 2017 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and special dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 16 August 2017.

TOP-UP PLACING AND TOP-UP SUBSCRIPTION UNDER GENERAL MANDATE

The Company received net proceeds in the sum of approximately HK$423.0 million from the issue of new shares in its top-up placement in 2015. The top-up subscription was completed on 4 May 2015.

The net placement proceeds are intended to be used on a mobile internet professional service platform, the "Wonderful Cloud", which provides online to offline ("**O2O**") financial services to our customers and the public investment community. Wonderful Cloud is now in the process of being developed and is expected to go online in phases. Our intention is to develop Wonderful Cloud into a premier financial service platform and we, based on the current plan, endeavor to have phase 1 of Wonderful Cloud to go online as soon as practicable. Currently, the net proceeds are placed on short-term deposits and money market instruments with authorized financial institutions and licensed banks in Hong Kong and the PRC. The Directors are of the opinion that the net proceeds will be applied in the coming years to their intended uses as set out in the Company's announcement dated 4 May 2015 on the website of the HKEx.

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

During the year, the Company repurchased a total of 2,014,000 ordinary shares of the Company on the HKEx, all of which have been cancelled on 6 March 2017. Details of the repurchases are set out as follows:

Date of Repurchase	No. of Shares Repurchased	Repurchase Price Highest	Repurchase Price Lowest	Total Consideration Paid
		HK$	*HK$*	*HK$'000*
9 February 2017	294,000	2.03	1.96	584
13 February 2017	394,000	2.03	2.00	793
22 February 2017	646,000	2.00	1.97	1,282
23 February 2017	680,000	2.00	1.98	1,354
Total	**2,014,000**			**4,013**

Saved as disclosed herein, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2017.

APPRECIATION

On behalf of the Board, I would like to thank all our staff for their dedication and contributions and our customers, suppliers, business associates and shareholders for their continuous support over the years.

Liu Tianni
Chairman

Hong Kong, 28 June 2017

BIOGRAPHICAL DETAILS OF THE DIRECTORS OF THE COMPANY

EXECUTIVE DIRECTORS

Mr. Liu Tianni (劉天倪), aged 53, is the Chairman and Chief Executive Officer of the Company and has been an executive Director since January 2011. He is an executive Director of all subsidiaries of the Group. He is primarily responsible for leading and broadening the development of the Group's project platforms, actively developing new business areas, and formulating the Group's developmental goals and strategies. Mr. Liu has over 20 years of experience in the financial investment sector as well as the financial public relations sector. Mr. Liu has extensive experiences in capital markets, post-listing corporate financings, and mergers and acquisitions. Mr. Liu obtained a master's degree in Science (理學碩士學位) from Beijing Normal University (北京師範大學) in 1990. Mr. Liu has been the President of The Listed Companies Council, Hong Kong Chinese Enterprises Association since 2015. Currently, Mr. Liu is an executive director of Silver Grant International Industries Limited (stock code: 171) and, an independent non-executive director of Qingling Motors Company Limited (stock code: 1122) and Luoyang Glass Company Limited (stock code: 1108), shares of which are all listed on the Main Board of the HKEx. Mr. Liu has been elected as a member of the Chongqing Committee of the Chinese People's Political Consultative Conference on 19 March 2013. In addition, Mr. Liu is the sole director of and holds 51% of the entire issued share capital in Sapphire Star Investments Limited, a substantial shareholder of the Company.

Ms. Liu Lin (劉琳), age 42, has been an executive Director of the Company since 20 October 2015. She is currently the Chief Risk Officer and member of the investment committee of Jiangxi Copper (Beijing) International Investment Company in Peoples' Republic of China. Before joining Jiangxi Copper (Beijing) International Investment Company, she had worked for PricewaterhouseCoopers. She was a specialist in the design in the risk management system for private equity investment, debt investment and stock market investment. She has participated in a number of projects in advisory work for state-owned commercial banks and state-owned policy banks, including building up its risk management system from risk identification and risk evaluation to risk mitigation according to the Basel Compliance requirement from China Banking Regulatory Commission.

She obtained a Master of Business Administration from the University of Illinois at Chicago and Bachelor at the China Foreign Affairs University in PRC, major in Diplomacy. She is the niece of Mr. Liu Tianni, the Chairman and Chief Executive Officer of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Li Ling Xiu (李靈修), aged 54, has been an independent non-executive Director of the Company since 7 March 2012. She was the group deputy general manager of China Strategic Holdings Limited, a company whose shares are listed on the Main Board of the HKEx (stock code: 235). She has been the Chief Executive Officer and a director of Chip Lian Investments (HK) Limited since January 2001. Ms. Li obtained a Bachelor's degree of Arts (文學學士學位) in English Language from Hunan Normal University (湖南師範學院) in July 1984 and successfully completed the Advanced Management Program at Harvard Business School from September 2000 to November 2000. Ms. Li was a non-executive Director of IPC Corporation Limited from May 2009 to April 2017 and was a non-executive Director of Metech International Limited (formerly known as Centillion Environment & Recycling Limited) from September 2006 to March 2013, the shares of both companies are listed on the Singapore Stock Exchange.

Ms. Lam Yim Kei, Sally (林冉琪) (formerly Lam Ling (林玲)), aged 44, has been an independent non-executive Director of the Company since 7 March 2012. She has more than 15 years of experience in the corporate finance industry. She worked for G.T. Investment Limited as an executive assistant from February 1999 to January 2000. During the period from January 2000 to May 2001, Ms. Lam worked for Core Pacific Yamaichi International (H.K.) Limited and was an assistant manager of its corporate and private banking department when she left. She then worked for CSC Securities (HK) Limited as an associate director in its sales/dealing department from May 2001 to March 2003. She worked as an associate director in the equity capital markets department of China Merchants Securities (HK) Company Limited from May 2003 to January 2007. She has been working as an associate director in Wag Worldsec Corporate Finance Limited since January 2007. Ms. Lam obtained a Master's degree in Economics from The University of Hong Kong in November 2008 and a Bachelor's degree of Arts in Languages with Business from The Hong Kong Polytechnic University in November 1996.

Ms. Lee Wing Sze, Rosa (李詠思), aged 42, has been an independent non-executive Director of the Company since 15 January 2016. She has 20 years of experience in accounting, financing and auditing. She is the vice president and company secretary of China Yurun Food Group Limited (Stock Code: 01068), a company whose shares are listed on the Main Board of the HKEx. Ms. Lee was the Chief Financial Officer of ZZNode Holdings Company Limited (now known as China Chuanglian Education Group Limited) (Stock Code: 2371) and Superdata Software Holdings Limited (Stock Code: 8263 (delisted in May 2006)). She graduated from the Chinese University of Hong Kong with a Bachelor's degree in business administration, majoring in professional accounting and is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants of the UK.

REPORT OF THE DIRECTORS

The Directors hereby present their report and the audited consolidated financial statements for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company are investment holding and securities investments. The principal activities of its principal subsidiaries are set out in note 33 to the consolidated financial statements. There have been no significant changes in the nature of the Group's principal activities during the year.

A review of the business of the Group for the year, discussion on the key financial performance indicators of the Group and prospect of the Group are set out in the "CHAIRMAN'S STATEMENT" section of this annual report. Particulars of important events affecting the Company that have occurred since the end of the financial year under review, if any, can be found in the abovementioned section and the notes to the consolidated financial statements.

An analysis of the Group's performance for the year by segments is set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The Group's financial performance for the year ended 31 March 2017 and the financial position of the Group and of the Company as at that date are set out in the financial statements on pages 40, 41 and 106, respectively.

The Directors recommend the payment of a final dividend of HK4.9 cents per share and special dividend of HK2.5 cents per share, totaling HK7.4 cents in respect of the year ended 31 March 2017 to all shareholders whose names appear on the register of members of the Company at the close of business on 16 August 2017. The final and special dividend are expected to be paid on or about 28 August 2017.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group values the importance of protecting the environment in the process of operation. As our Group is principally engaged in the provision of services, we do not have significant air emissions and discharges into water, besides the non-hazardous solid wastes generated in our office premises. In recent years, we have strengthened our green office concept by promoting paperless office, using LED lights and selecting energy-saving electric appliances so as to reduce energy consumption.

To comply with the requirements set forth in Appendix 27 Environmental Social and Governance Reporting Guide ("**ESG Guide**") of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**Listing Rules**"), we present in another section of this annual report our Environmental, Social and Governance report ("**ESG Report**") for the year ended 31 March 2017.

COMPLIANCE WITH LAWS AND REGULATION

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements. Accordingly, the Group has been allocating staff resources to ensure ongoing compliance with rules and regulations as well as to maintain cordial working relationships with regulators through effective communications. During the year under review, the Group has complied, to the best of our knowledge, with the Securities and Futures Ordinance ("**SFO**"), the Listing Rules and other relevant rules and regulations.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's principal business activities comprise provision of financial public relations services and organization and coordination of roadshows, which are exposed to a variety of risks including operational risk and market risk. Details of the aforesaid key risks and risk mitigation measures are set out in note 30 to the financial statements of this annual report.

The Group's long term profitability and business growth are affected by the volatility and uncertainty of macro-economic conditions (including but not limited to performance of the stock indexes and fund demand), financial volatility (exacerbated by recent Brexit impact and divergent financial policies of the US and other global nations), and uncertain economic outlook and political conditions of Hong Kong, Mainland China, the US, Eurozone and other global nations.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprise employees, customers, service vendors, regulators and shareholders.

Employees

Employees are regarded as the most important and precious assets of the Group. The objective of the Group's human resources management is to reward and recognise performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression by appropriate training and providing opportunities within the Group for career advancement.

Customers

The Group's principal customers are from companies listed on the HKEx or companies currently in the Initial Public Offering ("**IPO**") process. The Group has the mission to provide excellent customer service whilst maintaining long term profitability, business and asset growth. Various means have been established to strengthen the communications between the customers and the Group in the provision of excellent customer service towards market penetration and expansion.

Service vendors

Sound relationships with key service vendors in supply chain and premises management are important in meeting business challenges and regulatory requirements. Such relationships can help the Group to derive cost effectiveness and foster long term business benefits. The key service vendors comprise system and equipment vendors, external consultants, suppliers of office goods/merchandise and other business partners which provide value-added services to the Group.

Regulators

The Group is a company listed on the HKEx. We make it a top priority to stay up to date and ensure compliance with its rules and regulations.

Shareholders

One of the corporate goals of the Group is to enhance corporate value to shareholders. The Group is dedicated to foster business developments for achieving the sustainability of earnings growth and rewarding shareholders by stable dividend payouts taking into account liquidity positions and future business expansion needs of the Group.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

On 30 March 2012, the Company received net proceeds in the sum of approximately HK$314.8 million on the listing of new shares on the Main Board of the HKEx. Up to 31 March 2017, the Group has used net proceeds of approximately HK$83.4 million, of which HK$63.0 million was used in previous years and HK$20.4 million was used in the current financial year on strategic acquisitions and to set up offices in strategic cities in the People's Republic of China ("**PRC**") and Singapore. The net proceeds not yet used have been placed on short-term deposits and money market instruments with authorized financial institutions and licensed banks in Hong Kong and the PRC. The Directors will endeavour to apply the remaining net initial public offering proceeds to their intended use as set out in the Company's prospectus dated 19 March 2012.

USE OF PROCEEDS FROM THE COMPANY'S SHARE PLACEMENT

The Company received net proceeds in the sum of approximately HK$423.0 million from the issue of new shares in its top-up placement in 2015. The top-up subscription was completed on 4 May 2015.

The net placement proceeds is intended to be used for a mobile internet professional service platform, the "Wonderful Cloud", which provides online to offline ("**O2O**") financial services to our customers and the public investment community. Wonderful Cloud is now in the process of being developed and is expected to go online in phases. Our intention is to develop Wonderful Cloud into a premier financial service platform and we, based on the current plan, endeavor to have phase 1 of Wonderful Cloud to go online as soon as practicable. Currently, the net proceeds are placed on short-term deposits and money market instruments with authorized financial institutions and licensed banks in Hong Kong and the PRC. The Directors are of the opinion that the net proceeds will be applied in the coming years to their intended uses as set out in the Company's announcement dated 4 May 2015 on the website of the HKEx.

SUMMARY FINANCIAL INFORMATION

The summary of the results and of the assets and liabilities of the Group for the last five financial years are set out on pages 2 and 3 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 25 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

Save for the share option scheme disclosed in this annual report, there were no equity-linked agreement was entered into during the year or subsisted at the end of the year.

PRE-EMPTIVE RIGHTS

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

DISTRIBUTABLE RESERVES

As at 31 March 2017, the Company's reserves available for distribution amounted to approximately HK$156.3 million, calculated in accordance with the provisions of Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate amount of revenue attributable to the Group's five largest customers represented approximately 21.5% of the Group's total revenue for the year ended 31 March 2017. The amount of revenue received from the Group's largest customer represented approximately 8.1% of the Group's total revenue for the year ended 31 March 2017.

The aggregate amount of purchases attributable to the Group's five largest suppliers represented approximately 21.1% of the Group's total purchases for the year ended 31 March 2017. The amount of purchases from the Group's largest supplier represented approximately 7.8% of the Group's total purchases for the year ended 31 March 2017.

None of the Directors nor any of their associates nor any shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year.

DIRECTORS

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

Executive Directors:

Mr. Liu Tianni
Ms. Liu Lin

Non-executive Director:

Ms. Sun Bin (resigned on 30 April 2016)

Independent non-executive Directors:

Ms. Li Ling Xiu
Ms. Lam Yim Kei, Sally (formerly Lam Ling)
Ms. Lee Wing Sze, Rosa

Mr. Liu Tianni and Ms. Lam Yim Kei, Sally and Ms. Li Ling Xiu will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting in accordance with Article 84 of the Company's articles of association. The Company has received annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from all independent non-executive Directors and still considers them to be independent.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No Director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

PERMITTED INDEMNITY PROVISION

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) when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

MANAGEMENT CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2017, the interests and short positions of the Directors and chief executive 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 Securities and Futures Ordinance (the "**SFO**")) which were required to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers and which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO were as follows:

Long positions in the ordinary shares of the Company

(i) The Company

		Number of shares held				
Name of Director	Long/Short position	Interest in controlled corporation	Personal interest	Family interest	Total interests	Total interests as % of the issued share capital of the Company
Mr. Liu Tianni	Long	750,000,000 *(note 1)*	3,138,000	10,200,000 *(note 2)*	763,338,000	64.03%

Note:

1. The shares are owned by Sapphire Star Investments Limited ("**Sapphire Star**"), a company incorporated in the British Virgin Islands. Mr. Liu Tianni ("**Mr. Liu**") holds 51% of the issued share capital in Sapphire Star and under the SFO is deemed to be interested in the remaining 49% of the issued share capital in Sapphire Star which is held by his spouse, Ms. Luk Ching, Sanna ("**Mrs. Liu**"). Accordingly, Mr. Liu is deemed or taken to be interested in all the shares in the Company held by Sapphire Star under the SFO.

2. The shares are owned by Mrs. Liu. Mr. Liu is deemed or taken to be interested in these shares for the purpose of the SFO.

(ii) Associate Corporation

Name of Director	Long/Short position	Name of associated corporation	Number of shares held	Approximately percentage of interest in Sapphire Star
Mr. Liu Tianni *(Note)*	Long	Sapphire Star	100	100%

Note:

Mr. Liu Tianni holds 51% of the issued share capital in Sapphire Star. Under the SFO, Mr. Liu is deemed to be interested in the remaining 49% of the issued share capital in Sapphire Star, which is held by his spouse, Mrs. Liu. Accordingly Mr. Liu Tianni is deemed or taken to be interested in 100% of the issued share capital of Sapphire Star.

Save as disclosed above, as at 31 March 2017, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Issuers and which were required to be entered into the register required to be kept under Section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2017, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Long/Short position	Beneficial Owner	Interest in controlling corporation	Total interests	Percentage of issued share capital of the Company
Sapphire Star	Long	750,000,000 *(Note 1)*	–	750,000,000	62.91%
Mrs. Liu	Long	13,338,000 *(Note 2)*	750,000,000 *(Note 1)*	763,338,000	64.03%
Value Partner Group Limited	Long	11,836,000	59,808,000 *(Note 3)*	71,644,000	6.01%

Note:

1. The shares are owned by Sapphire Star. Mrs. Liu holds 49% of the issued share capital in Sapphire Star. Therefore, for the purposes of the SFO, Mrs. Liu is deemed or taken to be interested in all the shares in the Company held by Sapphire Star.

2. 10,200,000 shares in the Company are beneficially owned by Mrs. Liu and 3,138,000 shares are beneficially owned by Mr. Liu, her spouse.

3. 59,808,000 shares are beneficially owned by Value Partners High-Dividend Stock Fund, which is an investment fund under management of Value Partners Group Limited and its subsidiaries.

Save as disclosed above, as at 31 March 2017, the Directors are not aware that there is any party (not being a Director) who had any interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such shares.

As disclosed in the Company's prospectus dated 19 March 2012, the Company entered into a Deed of Non-competition dated on 12 March 2012 with Mr. and Mrs. Liu, and Sapphire Star (together collectively referred to as the "**Substantial Shareholders**"). The Substantial Shareholders have signed, and the independent non-executive directors have reviewed the annual confirmations on an annual basis, in order to ensure that the Substantial Shareholders have complied with the terms of the aforesaid Deed of Non-competition.

During the year ended 31 March 2017 and up to the date of this report, none of the substantial shareholders or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

PARTICULARS OF DIRECTORS OF THE COMPANY WHO WERE DIRECTORS/ EMPLOYEES OF SUBSTANTIAL SHAREHOLDERS

Mr. Liu Tianni is the sole director of Sapphire Star which is a substantial shareholder of the Company.

SHARE OPTION SCHEME

On 7 March 2012, the Company's share option scheme (the "**Scheme**") was adopted. Details of the Company's Scheme are stated in note 26 to the consolidated financial statements. The following table sets out the movements in the Company's share options during the year:

	Date of grant	Exercisable period	Exercise price *HK$*	Outstanding at 1.4.2016	Exercised during the year	Lapsed during the year	Outstanding at 31.3.2017
Employees	28.1.2014	28.7.2015 – 27.7.2020	1.174	1,473,000	(513,000)	–	960,000
	28.1.2014	28.7.2016 – 27.7.2020	1.174	4,442,000	(2,192,000)	(280,000)	1,970,000
	28.1.2014	28.7.2017 – 27.7.2020	1.174	1,320,000	–	–	1,320,000
	28.1.2014	28.7.2018 – 27.7.2020	1.174	2,640,000	–	–	2,640,000
Total				9,875,000	(2,705,000)	(280,000)	6,890,000

All share options granted to directors have either been exercised or lapsed prior to the beginning of the current financial year. No share options have been granted to the Directors during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 March 2017 and up to the date of this report, none of the Directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive Directors, namely Ms. Li Ling Xiu, Ms. Lam Yim Kei, Sally (formerly Lam Ling) and Ms. Lee Wing Sze, Rosa. The principal duties of the audit committee include the review and supervision of the Group's financial reporting matters and internal controls.

The audit committee has met with management to review the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters in connection with the preparation of the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2017.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 25 to 31 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 March 2017.

AUDITOR

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

On behalf of the Board

Liu Tianni
Chairman

Hong Kong, 28 June 2017

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. During the year, it had met all the code provisions in the Corporate Governance Code (the "**Code**") set out in Appendix 14 to the Listing Rules, save and except for the following deviation:

Code provision A.2.1

Under code provision A.2.1, the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The roles of both Chairman and Chief Executive Officer are performed by Mr. Liu Tianni currently. Mr. Liu is a founder of the Group and has over 20 years of experience in the financial investment sector as well as the financial public relation sector. The Board believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies currently and in the foreseeable future. The Group will nevertheless review the structure from time to time in light of the prevailing circumstances.

Code provision A.6.7

Under code provision A.6.7 of the Code, independent non-executive directors and other non-executive directors, should attend general meetings and develop a balanced understanding of the views of shareholders. Three directors, namely Ms. Liu Lin, Ms. Li Ling Xiu and Ms. Lam Yim Kei, Sally (formerly Lam Ling) were unable to attend the Company's annual general meeting held on 12 August 2016 due to other business commitments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on the same terms as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they have confirmed compliance with the required standard set out in the Model Code during the year ended 31 March 2017.

BOARD OF DIRECTORS

The Company is governed by the Board which has the responsibilities of leading and supervising the management of the Company. The Directors are collectively responsible for promoting the success of the Group. As of the date of this report, the Board has five Directors, comprising two executive Directors and three are independent non-executive Directors. The biographies of all the directors as of the date of this report are set out on pages 13 and 14 of this annual report.

The Board is responsible for the management of the Company. Its key responsibilities include formulation of the overall strategies of the Group, setting targets for management and supervision of management's performance, While the Board confines itself to making broad policy decisions, it is responsible for performing corporate governance functions including reviewing of the Group's internal controls and developing programme for training and continuous professional development of directors and senior management and developing of procedures for ensuring compliance with legal and regulatory requirements. The Board held meetings from time to time when necessary. The Board has established procedures to enable directors of the Company to seek independent professional advice at the Company's expense. The Board met 4 times during the year ended 31 March 2017.

All directors actively participated in the Company's business. The attendance records of all directors for the Board meetings and annual general meeting during the year are as follows:

	Number of meetings held/attended	
	Board Meeting	Annual General Meeting
Executive Directors		
Liu Tianni *(Chairman and Chief Executive Officer)*	4/4	1/1
Liu Lin	4/4	0/1
Non-executive Director		
Sun Bin (Resigned on 30 April 2016)	N/A	N/A
Independent non-executive Directors		
Li Ling Xiu	4/4	0/1
Lam Yim Kei, Sally (formerly Lam Ling)	4/4	0/1
Lee Wing Sze, Rosa	4/4	1/1

The Board members have no financial, business, family or other material/relevant relationship with each other except Ms. Liu Lin was the niece of Mr. Liu Tianni, the Chairman and Chief Executive Officer of the Company.

All Directors of the Company, including Mr. Liu Tianni, Ms. Liu Lin, Ms. Li Ling Xiu, Ms. Lam Yim Kei, Sally (formerly Lam Ling) and Ms Lee Wing Sze, Rosa, have confirmed that they have participated in training and/or continuous professional development activities. The Board has a balance of skills and experience appropriate for the requirements of the business of the Group.

The Company has arranged for insurance cover for its Directors. The insurance coverage is reviewed on an annual basis.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors have sound academic and professional qualifications. They advise the Company on strategic developments whilst at the same time ensuring the Company is maintaining a high standard of compliance with financial and other statutory requirements. Each independent non-executive Director has given an annual confirmation of her independence to the Company. The Company considers them to be independent under Rule 3.13 of the Listing Rules. All the independent non-executive Directors are appointed for a term of three years but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the articles of association of the Company. The articles of association also stipulates that one-third of the directors, including executive and independent non-executive directors, shall retire from office by rotation and they shall be subject to retirement at least once every three years.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 7 March 2012 and currently has 4 members, namely Ms. Li Ling Xiu, Ms. Lam Yim Kei, Sally (formerly Lam Ling), Ms. Lee Wing Sze, Rosa and Mr. Liu Tianni. This committee is chaired by Ms. Li Ling Xiu.

The terms of reference of the Remuneration Committee have been determined with reference to the Listing Rules and the Code. The Remuneration Committee met at least once during the year to discuss remuneration package of Directors of the Company. All members of the committee attended the meeting.

The responsibilities of the Remuneration Committee include (a) to make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (c) to make recommendations to the Board on the remuneration of non-executive Directors; and to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.

The primary goal of the remuneration on executive remuneration packages is to enable the Group to motivate executive Directors and senior management by linking their remuneration with reference to the Group's operation results, with reference to individual performances and comparable market statistics.

The principal elements of the Group's executive remuneration package include:

- basic salary;
- discretionary bonus without capping; and
- share options granted under a shareholders' approved option scheme.

NOMINATION COMMITTEE

The Nomination Committee was established on 7 March 2012 and currently has 4 members, namely Ms. Li Ling Xiu, Ms. Lam Yim Kei, Sally (formerly Lam Ling), Ms Lee Wing Sze, Rosa and Mr. Liu Tianni. This committee is chaired by Ms. Li Ling Xiu.

The terms of reference of the Nomination Committee have been determined with reference to the Listing Rules and the Code. The Nomination Committee met at least once during the year to discuss the composition of the Board. All members of the committee attended the meeting.

The responsibilities of the Nomination Committee are (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; (c) to assess the independence of independent non-executive Directors; and (d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors in particular the chairman and the chief executive.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibilities for preparing the accounts of the Company. 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 Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going-concern basis.

The responsibilities of the external auditors on the financial statements for the year ended 31 March 2017 are set out in their report set out on pages 35 to 39.

RISK MANAGEMENT AND INTERNAL CONTROLS

Risk management and internal controls are important parts among the operation and management of the Group. The Board and the management of the Company take high priority on the organization and have created an internal control mechanism consisting of three levels, the audit committee, the Compliance Department and the management of each business department:

1. the Board is responsible for setting up the risk management and internal control mechanism for the Group to ensure the core values, strategic planning and working guidelines of the Company, and convey the above to each department of the Group through various channels, including platforms such as the enterprise information system, meetings, training and intranet. This would incorporate risk control into the operation flow and the audit committee would identify the operation risk of the internal control system on a regular basis so as to review the effectiveness of risk management and control;

2. the Compliance Department is responsible for the regular review on Company's policies and guidelines, and assists the Board to set up effective Company's policies and guidelines for risk management and internal controls in response to the internal and external changes as well as changes in regulations in order to realize a progressive, institutionalized and systematic risk management and internal controls system. Meanwhile, assessment would be independently conducted by the Compliance Department on an ongoing basis, and such assessment covers all material aspects, including legal risks, compliance controls, operation monitoring as well as the workflow and risk assessment of each department of the Group. The Compliance Department is directly responsible to the audit committee and reports the effectiveness of the risk management and internal controls;

3. management of each of the business departments would effectively monitor and approve the workflow of each department at the business level based on different functions and divisions through various business systems, so as to enhance the efficiency of risk management, realize the closed loop management model for risk management led by self-supervision at the business level.

As at the date of the report, the Compliance Department has conducted an assessment in respect of the risk management and internal controls of the Company. The result reflects that no significant weaknesses were found in the internal control of the Company.

AUDITORS' REMUNERATION

For the year ended 31 March 2017, fees paid/payable to the Company's external auditors for audit services and non-audit services are set out as follows:

Service	**Fee paid/payable** *(HK$'000)*
Audit services	930
Review on preliminary results announcement for the year ended 31 March 2017	10
Tax compliance	53
	993

AUDIT COMMITTEE

The Audit Committee was established on 7 March 2012 and currently has 3 members, comprising all three independent non-executive directors namely, Ms. Lee Wing Sze, Rosa, Ms. Li Ling Xiu and Ms. Lam Yim Kei, Sally (formerly Lam Ling). This committee is chaired by Ms. Lee Wing Sze, Rosa.

The terms of reference of the Audit Committee follow the Listing Rules and the Code. The Audit Committee met twice during the year to review the interim and annual results of the Group as well as the accounting principles and practices being adopted, internal control and financial reporting matters. All members of the committee attended the meetings.

The responsibilities of the Audit Committee include (a) to assist the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Company and its subsidiaries, overseeing the audit process and performing other duties and responsibilities as assigned by the Board; (b) to assure that appropriate accounting principles and reporting practices are followed; (c) to be primarily responsible for making recommendation to the Board on the appointment, re-appointment and removal of the authorized independent auditors (the "**External Auditors**"), and to approve the remuneration and terms of engagement of the External Auditors, and any questions of its resignation or dismissal; (d) to review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standard; (e) to monitor integrity of the Company's financial statements and reports and to review significant financial reporting judgments contained in them; (f) to review the financial controls, internal control and risk management system; and (g) to review the Group's financial and accounting policies and practices.

COMPANY SECRETARY

The Company engages an external service provider to handle the Company secretarial affairs of the Group. The service provider assigned Mr. Wong Yat Tung as the company secretary of the Company. Mr. Wong has taken not less than 15 hours of relevant professional training during the year. Mr. Liu Tianni, the Chief Executive Officer and Chairman of the Company, is the primary contact person of Mr. Wong in the Company.

SHAREHOLDERS' RIGHTS

Shareholders convening an extraordinary general meeting and proposing resolutions

Pursuant to article 58 of the Company's Articles of Association, 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 Secretary of the Company, 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.

Shareholders' enquiries and proposals

The Company maintains a website at www.wsfg.hk as a communication platform with shareholders and investors, where extensive information and updates on the Company's business developments and operations, financial and other information are available for public access. Shareholders and investors may send written enquires or requests to the Company at 6/F, Nexxus Building, 41 Connaught Road Central, Central, Hong Kong. The company secretary and relevant personnels shall report the shareholders' enquires and concerns to the Board and/or relevant Board committees of the Company and where appropriate, respond to such enquires.

SHAREHOLDERS COMMUNICATION AND INVESTOR RELATIONS

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner. The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, various notices, announcements and circulars. Procedure for voting by poll has been read out by the chairman at the general meeting. Annual general meeting provides a forum for shareholders of the Company to raise comments and exchange views with the Board. The Chairman and the Directors are available to at the annual general meetings to address shareholders' queries. Separate resolution was proposed on each substantially separate issue and procedures for demanding a poll in general meetings are included in circular to the shareholders to facilitate the enforcement of shareholders' rights. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the 2017 annual general meeting of the Company will be voted by poll.

During the year, there were no changes in the Company's Memorandum and Articles of Association. An up-to-date consolidated version of the Company's Memorandum and Articles of Association are available on the Company's website.

The Group believes that sound environmental, social and governance ("**ESG**") performance is critically important to the sustainable development of its business and community. The Group is committed, not only to achieving strong financial results, but also to promoting environmental protection, social responsibility and effective corporate governance.

The board of directors of the Company (the "**Board**") is responsible for our ESG strategy and reporting including evaluating and determining our ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Group has engaged all functions to identify relevant ESG issues and to assess their materiality to our business as well as our stakeholders, through reviewing our Group's operations and holding internal discussions. The Group has launched a number of waste management programs, including recycling of glass, cardboard, paper materials, metal, printing cartridges and batteries with collection facilities placed across the office premise; and to encourage staff to reduce paper consumption by double-sided printing and reusing papers printed on one side.

I. Environmental

a Emissions

Our Group is principally engaged in provision of financial public relations services and organization of international roadshows, and, therefore, we do not have significant air emissions and discharges into water, besides the non-hazardous solid wastes generated in our office during our operations. Waste generates from the Group's business activities mainly consists of office paper during the reporting period.

b Use of Resources

Our Group conserves resources to achieve higher energy efficiency. To pursue our environmental commitment, we implement various initiatives throughout our offices such as deploying energy-efficient devices (including electrical appliances and LED lights) which carry Energy Label issued by the Electrical and Mechanical Services Department, the Group requires its staff to switch off lights and air-conditioning in the meeting rooms and computers at work stations where not in use. Through actively monitoring and managing the use of resources, we aim to reduce our operating costs as well as our carbon footprints.

c The Environment and Natural Resources

The core business of our Group has remote impact on the environment and natural resources, but as an ongoing commitment to good corporate citizenship, we strive to reduce water consumption in our office by actively promoting water efficient partices so as to recognize the responsibility in minimizing the negative environmental impact of our business operations, as well as generating long-term values to our stakeholders and community as a whole.

We regularly assess the environmental risks of our business, and adopt preventive measures as necessary to reduce the risks and ensure the compliance of relevant laws and regulations.

II. Social

a *Employment*

Employees are our valuable assets. We strive to attract and retain talent. We have developed a written human resources policy aiming at reinforcing satisfaction, loyalty and commitment of human capital and staff manual to govern the recruitment, promotion, discipline, working hours, leaves and other benefits of our employees, in accordance with the relevant laws and regulations.

The level of compensation of our employees is reviewed annually on a performance basis with reference to the market standard. A wide range of benefits including comprehensive medical and life insurance, and retirement schemes are also provided to employees. Social, recreational activities are arranged for the employees in achieving work-life balance.

The Company respects cultural and individual diversity. We aim to promote the diversity of workforce including in terms of age, gender and nationality as well as a culture of equal opportunities. Opportunities for employment, training and career development are equally opened to all qualified employees.

There were no non-compliance cases noted in relation to employment laws and regulations for the year ended 31 March 2017.

b *Health and Occupational Safety*

We are committed to providing and maintaining a safe, healthy, and hygienic workplace for all employees, and all other persons likely to be affected by our operations and activities.

The Group has established a mechanism for monitoring occupational health and safety, as well as procedures for dealing with related risks. The Group engages employees in the determination of appropriate occupational health and safety precautionary measures. Accident reporting and investigation procedures have also been adopted for the follow-up of any health and safety incidents.

There were no non-compliance cases noted in relation to health and safety laws and regulations during the year ended 31 March 2017.

c ***Development and Training***

We acknowledge the importance of training for the development of our employees as well as our Group. We encourage and support our employees in personal and professional training, through sponsoring training programmes, seminars, workshops and conferences, regular sharing sessions, peer learning and on-the-job coaching, as well as reimbursement for external training courses to enhance their competencies in performing their jobs effectively and efficiently. We believe this is a mutually beneficial practice for achieving both personal and corporate goals as a whole.

d ***Labour Standards***

We prohibit any child and forced labour in any of our operations and services. Labour who is forced to work by means of physical punishment, abuse, involuntary servitude, peonage or trafficking is strictly forbidden. Child who is below the age as set by the local Labour Law should not be employed. We also avoid engaging vendors of administrative supplies and services and contractors that are known to employ child or forced labour in their operations.

There were no non-compliance cases noted in relation to labour standards laws and regulations during the year ended 31 March 2017.

e ***Supply Chain Management***

We encourage asset managers and suppliers (mainly professional service providers) to maintain a high standard on business ethics and conducts, with satisfactory environmental and social performance. During the selection and evaluation processes of vendors of administrative supplies and services, we adopt a fair basis with defined assessment criteria to ensure that only qualified vendors are engaged with no conflict of interest.

f ***Product Responsibility***

The office-based operation of the Group is not considered to have environmental and social risks of product responsibility due to its nature of business. Therefore, disclosure relating to this respect, as set forth in the ESG Guide, is not applicable to the Group.

g ***Anti-corruption***

We aim to maintain the highest standards of openness, uprightness and accountability and all our staff are expected to observe the highest standards of ethical, personal and professional conduct. We do not tolerate corruption, bribery, extortion, money-laundering and other fraudulent activities in connection with any of our business operations.

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

To the Shareholders of
Wonderful Sky Financial Group Holdings Limited
皓天財經集團控股有限公司
(incorporated in the Cayman Island with limited liability)

OPINION

We have audited the consolidated financial statements of Wonderful Sky Financial Group Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as "**the Group**") set out on pages 40 to 108, which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and 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 the 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**"), and we have fulfilled our other ethical responsibilities in accordance with 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 judgment, 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.

Key audit matter	How our audit addressed the key audit matter
Estimated impairment loss recognised on trade receivables	
We identified the estimated impairment loss recognised on trade receivables as a key audit matter due to the use of significant judgements and estimates by management on assessing the recoverability of trade receivables. In determining the allowance for doubtful debts, a team which is employed by the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables. As disclosed in note 18 to the consolidated financial statements, the Group's trade receivables as at 31 March 2017 amounted to HK$276,614,000 (net of allowance for doubtful debts of HK$12,905,000).	Our procedures in relation to assessing the appropriateness of the estimated impairment loss recognised on trade receivables included: • Understanding the Group's provision policy and the management's processes in assessing recoverability of each individual trade debt as well as determining the amount of impairment; • Understanding the management's process on determination of credit limits, credit approval for customers and other monitoring procedures for recovering overdue debts; • Testing the accuracy of the aging analysis of the trade receivables, on a sample basis, to the sales invoices; and • Assessing the reasonableness of allowance for doubtful debts with reference to the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs 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.

Those charged with governance are responsible 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.

As part of an audit in accordance with HKSAs, we exercise professional judgment 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.

- 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 those charged with governance 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 those charged with governance 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.

From the matters communicated with those charged with governance, 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.

The engagement partner on the audit resulting in the independent auditor's report is Leung Chui Shan.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
28 June 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	**2017** **HK$'000**	2016 HK$'000
Revenue	5	**616,945**	619,122
Direct costs		**(278,126)**	(292,762)
Gross profit		**338,819**	326,360
Other income		**68,589**	37,957
Selling expenses		**(18,004)**	(13,562)
Administrative expenses		**(85,589)**	(75,803)
Other gains and losses	6	**26,434**	18,704
Finance costs	7	**(6,225)**	(1,999)
Profit before taxation	8	**324,024**	291,657
Taxation	10	**(52,862)**	(51,765)
Profit for the year		**271,162**	239,892
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translating foreign operation		**(5,919)**	(11,580)
Fair value gain on available-for-sale investments		**33,848**	14,591
Reclassification adjustment relating to available-for-sale investments disposed of during the year		**(33,214)**	(19,509)
Other comprehensive expense for the year		**(5,285)**	(16,498)
Total comprehensive income for the year		**265,877**	223,394
Profit for the year attributable to owners of the Company		**271,162**	239,892
Total comprehensive income attributable to owners of the Company		**265,877**	223,394
Earnings per share	12		
– Basic		**HK22.7 cents**	HK20.4 cents
– Diluted		**HK22.7 cents**	HK20.3 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2017

	NOTES	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment	13	**34,716**	33,613
Interests in associates	14	**12,686**	–
Available-for-sale investments	15	**42,277**	–
Club debenture	16	**12,200**	12,200
Rental deposits		**5,104**	5,126
Deposits for acquisition of property, plant and equipment		**7,691**	2,894
		114,674	53,833
Current assets			
Work in progress	17	**8,928**	17,613
Accrued revenue	18	**3,006**	–
Trade and other receivables	18	**284,463**	187,222
Amounts due from related parties	19	**3,352**	2,797
Available-for-sale investments	15	**1,282,235**	864,479
Other financial assets	20	**79,520**	394,410
Bank balances and cash	21	**178,171**	151,496
		1,839,675	1,618,017
Current liabilities			
Trade and other payables	22	**101,384**	117,899
Taxation payable		**15,378**	20,146
Bank borrowings – due within one year	23	**506,669**	314,310
		623,431	452,355
Net current assets		**1,216,244**	1,165,662
Total assets less current liabilities		**1,330,918**	1,219,495
Non-current liability			
Deferred tax liability	24	**402**	441
Net assets		**1,330,516**	1,219,054
Capital and reserves			
Share capital	25	**11,922**	11,915
Reserves		**1,318,594**	1,207,139
Total equity		**1,330,516**	1,219,054

The consolidated financial statements on pages 40 to 108 were approved and authorised for issue by the Board of Directors on 28 June 2017 and are signed on its behalf by:

LIU TIANNI
DIRECTOR

LIU LIN
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000 (Note i)	Capital reserve HK$'000 (Note ii)	Capital redemption reserve HK$'000	Share options reserve HK$'000	Investment revaluation reserve HK$'000	Translation reserve HK$'000	Accumulated profits HK$'000	Total HK$'000
At 1 April 2015	10,000	314,232	10	(1)	–	2,053	7,891	–	389,725	723,910
Profit for the year	–	–	–	–	–	–	–	–	239,892	239,892
Exchange difference on translating foreign operation	–	–	–	–	–	–	–	(11,580)	–	(11,580)
Fair value gain on available-for-sale investments	–	–	–	–	–	–	14,591	–	–	14,591
Reclassification adjustment relating to available-for-sale investments disposed of during the year	–	–	–	–	–	–	(19,509)	–	–	(19,509)
Other comprehensive (expense) income for the year	–	–	–	–	–	–	(4,918)	(11,580)	–	(16,498)
Total comprehensive (expense) income for the year	–	–	–	–	–	–	(4,918)	(11,580)	239,892	223,394
Issue of shares by way of placing *(note 25(c))*	2,000	428,000	–	–	–	–	–	–	–	430,000
Expenses incurred for issue of shares by way of placing	–	(6,006)	–	–	–	–	–	–	–	(6,006)
Exercise of share options *(note 25(a))*	16	2,387	–	–	–	(484)	–	–	–	1,919
Share repurchased and cancelled *(note 25(b))*	(101)	(13,968)	–	–	(3,559)	–	–	–	–	(17,628)
Recognition of equity-settled share-based payments	–	–	–	–	–	995	–	–	–	995
Lapse of share options	–	–	–	–	–	(415)	–	–	415	–
Dividend recognised as distribution *(note 11)*	–	–	–	–	–	–	–	–	(137,530)	(137,530)
At 31 March 2016	11,915	724,645	10	(1)	(3,559)	2,149	2,973	(11,580)	492,502	1,219,054
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**271,162**	**271,162**
Exchange difference on translating foreign operation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,919)**	**–**	**(5,919)**
Fair value gain on available-for-sale investments	**–**	**–**	**–**	**–**	**–**	**–**	**33,848**	**–**	**–**	**33,848**
Reclassification adjustment relating to available-for-sale investments disposed of during the year	**–**	**–**	**–**	**–**	**–**	**–**	**(33,214)**	**–**	**–**	**(33,214)**
Other comprehensive income (expense) for the year	**–**	**–**	**–**	**–**	**–**	**–**	**634**	**(5,919)**	**–**	**(5,285)**
Total comprehensive income (expense) for the year	**–**	**–**	**–**	**–**	**–**	**–**	**634**	**(5,919)**	**271,162**	**265,877**
Exercise of share options *(note 25(a))*	**27**	**3,942**	**–**	**–**	**–**	**(793)**	**–**	**–**	**–**	**3,176**
Share repurchased and cancelled *(note 25(b))*	**(20)**	**(2,779)**	**–**	**–**	**(1,214)**	**–**	**–**	**–**	**–**	**(4,013)**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**–**	**–**	**400**	**–**	**–**	**–**	**400**
Lapse of share options	**–**	**–**	**–**	**–**	**–**	**(38)**	**–**	**–**	**38**	**–**
Dividend recognised as distribution *(note 11)*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(153,978)**	**(153,978)**
At 31 March 2017	**11,922**	**725,808**	**10**	**(1)**	**(4,773)**	**1,718**	**3,607**	**(17,499)**	**609,724**	**1,330,516**

Notes:

(i) The merger reserve of Wonderful Sky Financial Group Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") represented the difference of the nominal value of the shares of Shine Talent Holdings Limited ("**Shine Talent Holdings**") issued in exchange for the entire share capital of Wonderful Sky Financial Group Limited ("**Wonderful Sky Financial Group**").

(ii) The capital reserve of the Group represented capital contribution arising from transfer of interest in a subsidiary to its shareholder.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	2017 HK$'000	2016 HK$'000
Operating activities		
Profit before taxation	**324,024**	291,657
Adjustments for:		
Interest income from bank deposits	**(513)**	(3,254)
Interest expenses	**6,225**	1,999
Depreciation of property, plant and equipment	**7,286**	3,554
Impairment loss recognised on trade receivables, net	**6,971**	3,191
Impairment loss reversed on amount due from a related party	**(3,076)**	(2,493)
Investment income from available-for-sale investments	**(50,270)**	(29,589)
Investment income from other financial assets	**(9,566)**	(1,480)
Gain on disposal of available-for-sale investments	**(33,214)**	(19,509)
Share-based payments	**400**	995
Foreign exchange difference on inter-company balances	**(5,103)**	(7,984)
Operating cash flows before movements in working capital	**243,164**	237,087
Decrease in rental deposits	**22**	18
Decrease in work in progress	**8,685**	5,270
(Increase)/decrease in accrued revenue	**(3,006)**	2,814
(Increase)/decrease in trade and other receivables	**(104,212)**	24,562
Decrease in trade and other payables	**(16,515)**	(32,479)
Decrease in amounts due from related parties	**2,521**	4,066
Cash generated from operations	**130,659**	241,338
Hong Kong Profits Tax paid	**(57,669)**	(42,342)
Net cash from operating activities	**72,990**	198,996
Investing activities		
Proceeds from disposal of available-for-sale investments	**1,363,171**	374,400
Proceeds from redemption of other financial assets	**704,770**	147,120
Interest received from available-for-sale investments	**36,853**	29,040
Interest received from other financial assets	**9,566**	1,480
Interest received from bank deposits	**513**	3,254
Purchase of available-for-sale investments	**(1,733,662)**	(772,370)
Purchase of other financial assets	**(389,880)**	(503,430)
Investments in unlisted entities	**(42,277)**	–
Investments in associates	**(12,686)**	–
Deposits for acquisition of property, plant and equipment	**(7,691)**	(2,894)
Purchase of property, plant and equipment	**(5,495)**	(30,240)
Net cash used in investing activities	**(76,818)**	(753,640)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	2017 **HK$'000**	2016 HK$'000
Financing activities		
Net bank borrowings raised	**192,359**	154,979
Exercise of share options	**3,176**	1,919
Dividends paid	**(153,978)**	(137,530)
Interest paid	**(6,225)**	(1,823)
Repurchase of shares	**(4,013)**	(17,628)
Proceeds from issue of shares by way of placing	**–**	430,000
Expenses incurred for issue of shares by way of placing	**–**	(6,006)
Net cash from financing activities	**31,319**	423,911
Net increase (decrease) in cash and cash equivalents	**27,491**	(130,733)
Cash and cash equivalents at beginning of the year	**151,496**	285,833
Effect of exchange rate changes	**(816)**	(3,604)
Cash and cash equivalents at end of the year, represented by bank balances and cash	**178,171**	151,496

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 January 2011 under the Companies Law of the Cayman Islands Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its ultimate holding company is Sapphire Star Investments Limited, a company with limited liability incorporated in the British Virgin Islands ("**BVI**") and the ultimate controlling party is Mr. Liu Tianni. The address of the registered office and principal place of business of the Company is disclosed in the "Corporate Information" section of the annual report.

The principal activities of the Company are investment holding and securities investment. The principal activities of its principal subsidiaries and principal associate are set out in the notes 33 and 14, respectively.

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

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 HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the consolidation exception
Amendments to HKFRS 11	Accounting for acquisitions of interest in joint operations

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

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

New and amendments to HKFRSs and an interpretation issued but not yet effective

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

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers and the related amendments[1]
HKFRS 16	Leases[2]
HK(IFRIC)-Int 22	Foreign currency transactions and advance consideration[1]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 "Financial instruments" with HKFRS 4 "Insurance contracts"[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2014–2016 cycle[4]
Amendments to HKAS 7	Disclosure initiative[5]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[5]
Amendments to HKAS 40	Transfers of investment property[1]

1 Effective for annual periods beginning on or after 1 January 2018.

2 Effective for annual periods beginning on or after 1 January 2019.

3 Effective for annual periods beginning on or after a date to be determined.

4 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

5 Effective for annual periods beginning on or after 1 January 2017.

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

HKFRS 9 "Financial instruments"

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

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

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

Based on the Company's financial instruments and risk management policies as at 31 March 2017, the application of HKFRS 9 in the future may have an impact on the classification and measurement of the Company's financial assets. The Group's available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss ("**FVTPL**") or be designated as FVTOCI (subject to fulfillment of the designated criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Company's financial assets measured at amortised cost.

As facts and circumstances may change during the period leading up to the initial date of application of HKFRS 9, which is expected to be 1 April 2018 as the Group does not intend to early apply the standard, the assessment of the potential impact is subject to change.

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

HKFRS 15 "Revenue from contracts with customers"

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

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

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

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

In 2016, the HKICPA issued clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The Group has performed a review of the existing contractual arrangement with its customers and the directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures but will not have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

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

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Company currently presents other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Furthermore, extensive disclosures are required by HKFRS 16.

At 31 March 2017, the Group as lessee has non-cancellable operating lease commitments of HK$20,423,000 as disclosed in note 28(i). A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

The directors of the Company anticipate that the application of other new and amendments to HKFRSs and an interpretation will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Basis of consolidation

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

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

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

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

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

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

Investments in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investments in associates *(Continued)*

Appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Revenue recognition

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

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Service income from clients seeking initial public offering ("**IPO Clients**") is recognised when the relevant services are rendered to the relevant IPO Clients, which approximates the time when the IPO Clients are listed.

Service income from other non-routine project-based non-IPO Clients ("**non-IPO Clients**") and international roadshow clients are recognised when the relevant services are rendered to the relevant non-IPO Clients and international roadshow clients, which approximates the completion of the relevant non-routine projects or international roadshow event.

When related services have been rendered but not yet billed to the customers at the end of the reporting period, revenue is recognised in accordance with the relevant policy as set out above, with the corresponding amounts recorded as accrued revenue at the end of the reporting period. It will be transferred to invoiced amount under trade receivables once the customer is billed and invoice is issued.

Usually the Group requires sales deposits from IPO Clients and makes progress billings for services rendered. Occasionally, IPO Clients may decide to delay the listing timetable. Under such circumstances, sales deposits received by the Group of which services have yet to be rendered pending the completion of the IPO will be accounted for as deposits received and included in current liabilities in the consolidated statement of financial position. In rare cases, IPO Clients may decide to terminate the IPO process. Under these circumstances, sales deposits received by the Group and project-based fees for services rendered will be recognised as revenue immediately when the Group receives termination notice from the relevant IPO Clients.

For projects costs incurred at initial stage of the project of which outcome of the transaction can be estimated reliably and costs incurred expected to be recoverable, the costs incurred are deferred and recorded as work in progress. Such costs are recognised in the consolidated statement of profit or loss and other comprehensive income when the corresponding revenue is recognised upon services being rendered in the manner as discussed above.

Service income from retainer services is recognised on a straight-line basis over the term of the service period when the relevant services are rendered.

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.

Commission income is recognised when services are rendered.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Property, plant and equipment

Property, plant and equipment 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. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

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

Work in progress

Work in progress represents cost incurred on incomplete wide range of financial public relations and international roadshow projects that comprise costs directly incurred in providing the services and attributable overheads. Work in progress is stated at lower of cost and net realisable value.

Financial instruments

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

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

Financial assets

Financial assets are classified into following categories, including financial assets at FVTPL, loans and receivables and available-for-sale ("**AFS**") financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL, of which interest income is included in net gains or losses.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is designated as FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if:

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

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

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

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the "other income" line item. Fair value is determined in the manner described in note 30.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and changes in foreign exchange rates, if applicable are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

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

Loans and receivables

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

Interest income is recognised by applying the effective interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets

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

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

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

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 general credit period of 30 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.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

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

For financial assets measured at amortised cost, if, in a subsequent period, the amount of 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.

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

Financial liabilities and equity instruments

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of 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.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchases, sale, issue or cancellation of the Company's own equity instruments.

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.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

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 is recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

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

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

Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital and then share premium. When the share equity instruments are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Taxation *(Continued)*

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

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

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

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

Current and deferred tax 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.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its assets 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.

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 in profit or loss.

Retirement benefit costs

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

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are set out in note 3, the directors of the Company 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 and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Key sources of estimation uncertainty

The followings 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 within the next financial year.

Estimated impairment loss recognised on trade receivables

The Group makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are made on trade receivables whenever there is any objective evidence that the balances may not be collectible. In determining whether an allowance for doubtful debts is required, a team which is employed by the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables. Where the actual recoverability of trade receivables is different from the original estimate, such difference will impact the carrying value of trade receivables and allowance for doubtful debts in the period in which such estimate has changed.

As at 31 March 2017, the carrying amount of trade receivables is HK$276,614,000 (2016: HK$168,009,000) (net of allowance for doubtful debts of HK$12,905,000 (2016: HK$5,934,000)).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Key sources of estimation uncertainty *(Continued)*

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The directors of the Company have a designated team to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of listed bond securities which are classified as available-for-sale investments of the Group, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group will assess the valuation of financial instruments based on quoted bid prices of the previous trading day in the markets at the end of the reporting period. As mentioned above, in estimating the fair value of the Group's bond securities listed on the Stock Exchange and the Singapore Exchange Securities Trading Limited ("**SGX**"), the team will assess the fair value taking into account primarily the fair value quoted by the brokers which is adjusted for the lack of marketability of the bond securities at the end of the reporting period. The team will exercise their judgements based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company. Any changes in the marketability of the listed bonds will affect the fair value of the investments.

In estimating the fair value of the Group's other financial assets, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, management of the Group will assess the valuation of other financial assets based on discounted cash flow method at the end of the reporting period. The team will exercise their judgements based on their experience to establish and determine the appropriate valuation techniques and inputs to the valuation model. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company.

Notes 15, 20 and 30 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the available-for-sale investments and other financial assets of the Group.

5. REVENUE AND SEGMENT INFORMATION

The Group's operating activities consists of the provision of financial public relations services and the organisation and coordination of international roadshows. These operating segments have been identified on the basis of internal management reports that are regularly reviewed by the directors of the Company, who are the Chief Operating Decision Maker, for the purposes of resource allocation and assessment of segment performance.

Segment revenue and results

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

For the year ended 31 March 2017

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Revenue	**513,871**	**103,074**	**616,945**
Segment profit	**291,008**	**18,627**	**309,635**
Unallocated corporate income			**101,803**
Staff costs (including retirement benefit scheme contributions and share-based payments)			**(39,369)**
Operating lease rentals			**(18,064)**
Other unallocated corporate expenses			**(23,756)**
Finance costs			**(6,225)**
Profit before taxation			**324,024**

5. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Segment revenue and results *(Continued)*

For the year ended 31 March 2016

	Provision of financial public relations services	Organisation and coordination of international roadshows	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Revenue	455,169	163,953	619,122
Segment profit	260,304	48,241	308,545
Unallocated corporate income			57,466
Staff costs (including retirement benefit scheme contributions and share-based payments)			(34,037)
Operating lease rentals			(15,726)
Other unallocated corporate expenses			(22,592)
Finance costs			(1,999)
Profit before taxation			291,657

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of other income, central administration costs, directors' salaries, operating lease rentals, foreign exchange losses, gain on disposal of available-for-sale investments and finance costs.

5. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Segment assets and liabilities

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

At 31 March 2017

	Provision of financial public relations services *HK$'000*	Organisation and coordination of international roadshows *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	**278,366**	**48,250**	**326,616**
Interests in associates			**12,686**
Available-for-sale investments			**1,324,512**
Other financial assets			**79,520**
Club debenture			**12,200**
Bank balances and cash			**178,171**
Other unallocated assets			**20,644**
Total assets			**1,954,349**
Liabilities			
Segment liabilities	**48,550**	**37,150**	**85,700**
Taxation payable			**15,378**
Bank borrowings			**506,669**
Other unallocated liabilities			**16,086**
Total liabilities			**623,833**

5. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Segment assets and liabilities *(Continued)*

At 31 March 2016

	Provision of financial public relations services	Organisation and coordination of international roadshows	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Assets			
Segment assets	185,894	36,138	222,032
Available-for-sale investments			864,479
Other financial assets			394,410
Club debenture			12,200
Bank balances and cash			151,496
Other unallocated assets			27,233
Total assets			1,671,850
Liabilities			
Segment liabilities	92,574	12,970	105,544
Taxation payable			20,146
Bank borrowings			314,310
Other unallocated liabilities			12,796
Total liabilities			452,796

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

– all assets are allocated to reportable segments except for interests in associates, available-for-sale investments, other financial assets, deposits, prepayments and other receivables, club debenture and bank balances and cash.

– all liabilities are allocated to reportable segments except for accrued administrative expenses, taxation payable, deferred tax liability and bank borrowings.

5. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Other segment information

For the year ended 31 March 2017

	Provision of financial public relations services HK$'000	Organisation and coordination of international roadshows HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or segment assets:				
Additions to non-current assets	8,389	–	–	8,389
Depreciation	7,286	–	–	7,286
Impairment loss recognised on trade receivables, net	5,884	1,087	–	6,971
Impairment loss reversed on amount due from a related party	(3,076)	–	–	(3,076)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:				
Gain on disposal of available-for-sale investments	–	–	(33,214)	(33,214)
Investment income from available-for-sale investments	–	–	(50,270)	(50,270)
Investment income from other financial assets	–	–	(9,566)	(9,566)
Interest expenses	–	–	6,225	6,225
Income tax expenses	37,346	2,876	12,640	52,862

5. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Other segment information *(Continued)*

For the year ended 31 March 2016

	Provision of financial public relations services HK$'000	Organisation and coordination of international roadshows HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or segment assets:				
Additions to non-current assets	30,240	–	–	30,240
Depreciation	3,554	–	–	3,554
Impairment loss recognised on trade receivables, net	3,191	–	–	3,191
Impairment loss reversed on amount due from a related party	(2,493)	–	–	(2,493)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:				
Gain on disposal of available-for-sale investments	–	–	(19,509)	(19,509)
Investment income from available-for-sale investments	–	–	(29,589)	(29,589)
Investment income from other financial assets	–	–	(1,480)	(1,480)
Interest expenses	–	–	1,999	1,999
Income tax expenses	37,456	7,331	6,978	51,765

5. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Geographical information

More than 90% of the Group's revenue are arisen in Hong Kong, the place of domicile of the relevant group entities for both years.

The Group's non-current assets (excluding financial instruments) by geographical location of the assets are detailed below:

	2017 ***HK$'000***	2016 *HK$'000*
The People's Republic of China ("**PRC**")	**35,641**	26,666
Hong Kong	**24,556**	14,967
	60,197	41,633

Information about major customers

No individual customer accounted for over 10% of the Group's total revenue during both years.

6. OTHER GAINS AND LOSSES

	2017 ***HK$'000***	2016 *HK$'000*
Impairment loss recognised on trade receivables, net	**(6,971)**	(3,191)
Impairment loss reversed on amount due from a related party	**3,076**	2,493
Foreign exchange losses	**(2,885)**	(107)
Gain on disposal of available-for-sale investments	**33,214**	19,509
	26,434	18,704

7. FINANCE COSTS

	2017 **HK$'000**	2016 HK$'000
Interest on bank borrowings	**6,225**	1,999

8. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging:

	2017 **HK$'000**	2016 HK$'000
Directors' and chief executive's remuneration *(note 9)*	**6,908**	4,628
Other staff costs	**82,107**	64,926
Retirement benefit scheme contributions for other staff	**3,919**	3,129
Share-based payments for other staff	**400**	971
	93,334	73,654
Auditor's remuneration	**930**	910
Depreciation of property, plant and equipment	**7,286**	3,554
Operating lease rentals in respect of office premises	**18,064**	15,726
and after crediting:		
Interest income from bank deposits	**513**	3,254
Commission income (included in other income)	**6,721**	3,222
Investment income from available-for-sale investments (included in other income)	**50,270**	29,589
Investment income from other financial assets (included in other income)	**9,566**	1,480

9. DIRECTORS' AND CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows:

		Other emoluments				
	Directors' fee *HK$'000*	Salaries, allowances and other benefits in kind *HK$'000*	Performance related incentive payments *HK$'000* *(Note 1)*	Retirement benefit scheme contributions *HK$'000*	Share-based payments *HK$'000*	Total remuneration *HK$'000*
For the year ended 31 March 2017						
Executive directors:						
Mr. Liu Tianni	**–**	**3,600**	**2,800**	**18**	**–**	**6,418**
Ms. Liu Lin	**120**	**–**	**–**	**–**	**–**	**120**
Non-executive director:						
Ms. Sun Bin (resigned on 30 April 2016)	**10**	**–**	**–**	**–**	**–**	**10**
Independent non-executive directors:						
Ms. Lam Yim Kei, Sally *(Note 2)*	**120**	**–**	**–**	**–**	**–**	**120**
Ms. Lee Wing Sze, Rosa	**120**	**–**	**–**	**–**	**–**	**120**
Ms. Li Ling Xiu	**120**	**–**	**–**	**–**	**–**	**120**
	490	**3,600**	**2,800**	**18**	**–**	**6,908**
For the year ended 31 March 2016						
Executive directors:						
Mr. Liu Tianni	–	3,600	–	18	–	3,618
Ms. Liu Lin (appointed on 20 October 2015)	–	–	–	–	–	–
Ms. Sun Liang (resigned on 6 October 2015)	–	480	–	14	24	518
Non-executive director:						
Ms. Sun Bin (resigned on 30 April 2016)	120	–	–	12	–	132
Independent non-executive directors:						
Ms. Lam Yim Kei, Sally *(Note 2)*	120	–	–	–	–	120
Ms. Lee Wing Sze, Rosa (appointed on 15 January 2016)	25	–	–	–	–	25
Ms. Li Ling Xiu	120	–	–	–	–	120
Mr. Lam Ting Lok (resigned on 15 January 2016)	95	–	–	–	–	95
	480	4,080	–	44	24	4,628

Notes:

1. The performance related incentive payment is determined with reference to the Group's operating results, individual performances and comparable market statistics.

2. Ms. Lam Yim Kei, Sally was formerly known as Lam Ling.

9. DIRECTORS' AND CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(CONTINUED)*

(a) Directors' and chief executive's emoluments *(Continued)*

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

The remuneration of directors and key executives is determined by the remuneration committee having regard to the Group's operating results, individual performance and moment statistics.

Mr. Liu Tianni is also the chief executive of the Company and his emoluments disclosed above included those for services rendered by him as chief executive.

(b) Employees' emoluments

The five highest paid employees of the Group during the year included one director (2016: one director), details of whose emoluments are set out above. The emoluments of the remaining four (2016: four) highest paid employees of the Group are as follows:

	2017	2016
	HK$'000	*HK$'000*
Salaries and allowances	**3,463**	3,094
Performance related incentive payments *(Note)*	**1,226**	1,000
Retirement benefit scheme contributions	**72**	72
Share-based payments	**185**	295
	4,946	4,461

The number of highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2017	2016
Nil to HK$1,000,000	**1**	2
HK$1,000,001 to HK$1,500,000	**2**	1
HK$1,500,001 to HK$2,000,000	**1**	1

Note: The performance related incentive payment is determined with reference to the Group's operating results, individual performances and comparable market statistics.

9. DIRECTORS' AND CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(CONTINUED)*

During the year ended 31 March 2017 and 2016, no remuneration was paid by the Group to the directors and the chief executive of the Company 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. None of the directors waived any emoluments in both years.

10. TAXATION

	2017 *HK$'000*	2016 *HK$'000*
Hong Kong Profits Tax		
– current tax	**52,941**	52,059
– overprovision in prior years	**(40)**	(473)
	52,901	51,586
Deferred taxation *(note 24)*	**(39)**	179
	52,862	51,765

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

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25%.

10. TAXATION *(CONTINUED)*

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

	2017 **HK$'000**	2016 *HK$'000*
Profit before taxation	**324,024**	291,657
Calculated at Hong Kong Profits Tax of 16.5%	**53,464**	48,123
Expenses not deductible for tax purposes	**1,070**	705
Income not taxable for tax purposes	**(442)**	(781)
Overprovision in prior years	**(40)**	(473)
Tax effect of unused tax losses not recognised	**1,876**	4,191
Utilisation of tax losses previously not recognised	**(3,066)**	–
Taxation charge	**52,862**	51,765

11. DIVIDENDS

Final dividend of HK4.9 cents per share and special dividend of HK2.5 cents per share, totalling approximately HK$88.2 million, in respect of the year ended 31 March 2017 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

During the year ended 31 March 2017, the Company declared and paid a final dividend of HK4.3 cents per share and a special dividend of HK2.3 cent per share, totalling approximately HK$78.6 million, in respect of the year ended 31 March 2016 and an interim dividend of HK4.2 cents per share and a special dividend of HK2.1 cents per share, totalling approximately HK$75.2 million, in respect of the year ended 31 March 2017.

During the year ended 31 March 2016, the Company declared and paid a final dividend of HK4.0 cents per share and a special dividend of HK2.0 cent per share, totalling approximately HK$72.0 million, in respect of the year ended 31 March 2015 and an interim dividend of HK3.7 cents per share and a special dividend of HK1.8 cents per share, totalling approximately HK$65.5 million, in respect of the year ended 31 March 2016.

12. EARNINGS PER SHARE

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

	2017	2016
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	**271,162**	239,892

	2017	2016
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,192,914,948**	1,176,859,989
Effect of dilutive potential ordinary shares on share options	**2,958,483**	4,084,342
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,195,873,431**	1,180,944,331

13. PROPERTY, PLANT AND EQUIPMENT

	Building	Leasehold improvements	Furniture and fixtures	Motor vehicles	Computer equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST						
At 1 April 2015	–	4,628	3,148	2,940	3,789	14,505
Additions	26,935	1,008	474	–	1,823	30,240
At 31 March 2016	26,935	5,636	3,622	2,940	5,612	44,745
Additions	–	276	1,735	3,393	2,985	8,389
At 31 March 2017	26,935	5,912	5,357	6,333	8,597	53,134
DEPRECIATION						
At 1 April 2015	–	1,625	1,299	2,497	2,157	7,578
Provided for the year	269	1,323	809	212	941	3,554
At 31 March 2016	269	2,948	2,108	2,709	3,098	11,132
Provided for the year	539	1,283	1,530	2,008	1,926	7,286
At 31 March 2017	808	4,231	3,638	4,717	5,024	18,418
CARRYING VALUES						
At 31 March 2017	26,127	1,681	1,719	1,616	3,573	34,716
At 31 March 2016	26,666	2,688	1,514	231	2,514	33,613

The cost of the building, which is located in the PRC, is depreciated over the shorter of the unexpired lease terms or 50 years on a straight-line basis.

13. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

The other items of property, plant and equipment are depreciated over their estimated useful lives after taking into account their estimated residual values, on a straight-line basis, at the following rates per annum.

Leasehold improvements	Over shorter of the term of leases or 30%
Furniture and fixtures	30%
Motor vehicles	30%
Computer equipment	30%

14. INTERESTS IN ASSOCIATES

	2017 **HK$'000**	2016 *HK$'000*
Unlisted investments in associates, at cost	**12,686**	–

Included in the cost of unlisted investments is goodwill with a total amount of HK$7,072,000 (2016: nil) arising on acquisitions of associates.

No share of profit was recognised in the consolidated financial statements in the current year as the amount is immaterial.

Details of the Group's principal associate at the end of the reporting period are as follows:

Name of associate	Place of establishment	Registered capital	Proportion of nominal value of registered capital held by the Group 2017	2016	Principal activities
柘西(上海)文化傳媒有限公司 (“**柘西傳媒**”)	PRC	RMB6,250,000	20%	N/A	Provision of financial public relations services in the PRC

14. INTERESTS IN ASSOCIATES *(CONTINUED)*

Summarised financial information of a material associate

Summarised financial information in respect of 柘西傳媒, the Group's material associate, is set out below.

This associate is accounted for using the equity method in these consolidated financial statements.

	2017 *HK$'000*
Current assets	**13,997**
Non-current assets	**26**
Current liabilities	**(2,451)**
Revenue	**5,041**
Profit and total comprehensive income for the year	**1,684**

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2017 *HK$'000*
Net assets of the associate attributable to owners	**11,572**
Proportion of the Group's ownership interest in 柘西傳媒	**20%**
Goodwill	**7,072**
Carrying amount of the Group's interest in 柘西傳媒	**9,386**

The material associate is strategic to the Group's activities of the provision of financial public relations services.

Aggregate information of associates that are not individually material is not disclosed as the directors of the Company consider the disclosure is insignificant to the consolidated financial statements.

15. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2017 HK$'000	2016 HK$'000
Listed bond securities at fair value:		
– listed on the Stock Exchange with fixed coupon interests ranging from 2.75% to 7.00% per annum (2016: 3.00% to 7.75% per annum) and maturity dates ranging from 7 August 2017 to perpetual (2016: 19 May 2017 to 23 April 2025)	**713,073**	627,739
– listed on SGX with fixed coupon interests ranging from 3.00% to 9.50% per annum (2016: 4.13% to 8.75% per annum) and maturity dates ranging from 17 August 2018 to perpetual (2016: 17 August 2018 to 2 May 2023)	**569,162**	236,740
Current assets	**1,282,235**	864,479
Unlisted equity investments, at cost:		
– in Hong Kong	**19,375**	–
– in the PRC	**22,902**	–
Non-current assets	**42,277**	–
	1,324,512	864,479

15. AVAILABLE-FOR-SALE INVESTMENTS *(CONTINUED)*

The fair values of the listed bond securities are based on market bid prices at the end of reporting period.

The unlisted equity investments represent investments in unlisted equity securities issued by private entities established in Hong Kong and the PRC, which are principally engaged in provision of financial public relations services. They are measured at cost less impairment losses at the end of the reporting period because the range of reasonable fair value estimates is so significant that the management is of the opinion that their fair values cannot be measured reliably.

At 31 March 2017, available-for-sale investments of HK$1,282,235,000 (2016: HK$864,479,000) were pledged to banks to secure the margin loans and short-term banking facilities granted to the Group.

Included in available-for-sale investments is the following amount denominated in a currency other than the functional currency of the respective group entity which it relates:

	2017 ***HK$'000***	2016 *HK$'000*
United States dollars ("**USD**")	**1,272,027**	864,479
Renminbi ("**RMB**")	**10.208**	–

16. CLUB DEBENTURE

At 31 March 2017, the unlisted club debenture of HK$12,200,000 (2016: HK$12,200,000) was classified as available-for-sale investment which is stated at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair value cannot be measured reliably.

17. WORK IN PROGRESS

	2017 ***HK$'000***	2016 *HK$'000*
Project costs incurred and not yet billed	**8,928**	17,613

18. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES

	2017 **HK$'000**	2016 HK$'000
Accrued revenue	**3,006**	–
Trade receivables, net of allowance	**276,614**	168,009
Other receivables		
– Deposits	**2,266**	14,741
– Prepayments	**1,470**	604
– Staff advances	**4,113**	3,868
	7,849	19,213
Total trade and other receivables	**284,463**	187,222

Service income arising from initial public offerings ("**IPO**") is recognised when services are rendered and is generally billed within one month from the date of listing. Service income arising from retainer services from non-IPO Clients is recognised when services are rendered and is billed monthly, quarterly or semi-annually in arrears. Service income arising from organisation and coordination of international roadshows from international roadshow clients is recognised when services are rendered and is generally billed within 30 days from the completion of the event. The Group generally grants a credit period of 30 days to its customers.

Accrued revenue represents service fees earned upon related services being rendered but not yet billed and due at the end of the reporting period.

Before accepting a new customer, the Group will internally assess the potential customer's credit quality and determine an appropriate credit limit. Management then closely monitors the outstanding balance and follow-up action is taken when debts are overdue.

18. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES *(CONTINUED)*

Included in the Group's trade receivable balance as at 31 March 2017 are debtors with aggregate carrying amount of HK$175,718,000 (2016: HK$99,629,000) which are past due at the end of the reporting period for which the Group has not made further provision for impairment loss on these receivable balances as they have either been subsequently settled or are due from certain major customers with no history of default and have strong financial background and good creditability. The Group does not hold any collateral over these balances.

The following is an aging analysis of trade receivables net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	2017 ***HK$'000***	2016 *HK$'000*
Trade receivables:		
Invoiced		
– Within 30 days	**100,896**	68,380
– 31 to 90 days	**40,918**	35,973
– 91 days to 1 year	**132,389**	53,040
– Over 1 year	**2,411**	10,616
	276,614	168,009

The following is an aging analysis of trade receivables which are past due but not impaired at the end of the reporting period:

	2017 ***HK$'000***	2016 *HK$'000*
31 to 90 days	**40,918**	35,973
91 days to 1 year	**132,389**	53,040
Over 1 year	**2,411**	10,616
	175,718	99,629

The Group's management closely monitors the credit quality of trade receivables and considers the trade receivables that are neither past due nor impaired to be of a good credit quality with satisfactory settlement history. Based on the payment history of the IPO Clients and non-IPO Clients of the Group, trade receivables which are past due but not impaired are generally collectible.

18. ACCRUED REVENUE AND TRADE AND OTHER RECEIVABLES *(CONTINUED)*

Movements in the allowance for doubtful debts

	2017 **HK$'000**	2016 HK$'000
At 1 April	**5,934**	2,743
Impairment loss recognised	**11,469**	3,911
Impairment loss reversed	**(4,498)**	(720)
At 31 March	**12,905**	5,934

Included in allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK$12,905,000 (2016: HK$5,934,000). In determining the allowance for doubtful debts, a team which is employed by the management considers the credit history including default or delay in payments, settlement records, subsequent settlements and aging analysis of the trade receivables. Full provision is made for individual trade receivables aged over one year with no subsequent settlements as historical evidence shows that such amounts are generally not recoverable.

Included in trade and other receivables are the following amounts denominated in currencies other than the functional currency of the respective group entity which it relates:

	2017 **HK$'000**	2016 HK$'000
RMB	**21,648**	6,582
USD	**–**	1,123

19. AMOUNTS DUE FROM RELATED PARTIES

Particulars of the amounts due from related parties, net of allowance for doubtful debts, are disclosed as follows:

	2017 **HK$'000**	2016 HK$'000
Qingling Motors Company Limited ("**Qingling Motors**")	**268**	69
Luoyang Glass Company Limited ("**Luoyang Glass**")	**2,413**	2,057
Draw Up Assets Limited ("**Draw Up Assets**")	**671**	671
	3,352	2,797

19. AMOUNTS DUE FROM RELATED PARTIES *(CONTINUED)*

Mr. Liu Tianni, the controlling shareholder and director of the Company, is a director and a member of key management of Qingling Motors, Luoyang Glass and Draw Up Assets for both years.

Included in amounts due from related parties is a balance of HK$2,681,000 (2016: HK$2,126,000), which is trade in nature and represents receivable from the provision of financial public relations services to non-IPO Clients. The Group allows a credit period of 30 days to the related parties. As at 31 March 2016, impairment loss amounted to HK$3,076,000 had been recognised in respect of the amount due from Luoyang Glass with reference to the past settlement pattern of this related party and such balance was recovered during the year ended 31 March 2017, accordingly the impairment loss was reversed. The remaining amounts due from related parties are unsecured, interest-free and repayable on demand.

The following is an aging analysis of amounts due from related parties of trade nature net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**709**	306
31 to 90 days	**164**	314
91 days to 1 year	**1,808**	1,503
Over 1 year	**–**	3
	2,681	2,126

The following is an aging analysis of the amounts due from related parties of trade nature and past due but not impaired at the end of the reporting period:

	2017	2016
	HK$'000	*HK$'000*
31 to 90 days	**164**	314
91 days to 1 year	**1,808**	1,503
Over 1 year	**–**	3
	1,972	1,820

19. AMOUNTS DUE FROM RELATED PARTIES *(CONTINUED)*

Movement in the allowance for doubtful debts on amounts due from related parties

	2017	2016
	HK$'000	*HK$'000*
At 1 April	**3,076**	5,569
Impairment loss reversed	**(3,076)**	(2,493)
At 31 March	**–**	3,076

20. OTHER FINANCIAL ASSETS

At 31 March 2017, the Group's other financial assets represent financial products issued by banks in the PRC, with maturity of 60 days to 91 days (2016: 91 days to 1 year) and expected but not guaranteed returns ranging from 3.1% to 4.2% per annum (2016: 1.4% to 5.0% per annum), depending on the performance of its underlying investments, including foreign currencies or interest rate linked products, investment funds, bonds and debentures. The investments in financial products are classified as financial assets at FVTPL at initial recognition and measured at fair value at the end of the reporting period. The directors of the Company consider the fair value of the financial products approximate to the carrying amount as at 31 March 2017 because of their short maturities.

Included in other financial assets is the following amount which is denominated in a currency other than the functional currency of the respective group entity which it relates:

	2017	2016
	HK$'000	*HK$'000*
RMB	**79,520**	114,240

21. BANK BALANCES AND CASH

Bank balances at 31 March 2017 included fixed deposits of HK$20,000,000 (2016: HK$54,860,000) with maturity of less than three months which carry interest at prevailing market rates ranging from 0.01% to 0.35% (2016: 0.01% to 2.75%) per annum.

Included in bank balances and cash at 31 March 2017 were pledged bank deposits of HK$189,000 (2016: HK$3,980,000) which are pledged to banks to secure the bank borrowings granted to the Group. The pledged bank deposits are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Included in bank balances and cash are the following amounts which are denominated in currencies other than the functional currency of the respective group entities which they relate:

	2017	2016
	HK$'000	*HK$'000*
RMB	**11,654**	43,968
USD	**2,747**	52,480
Great Britain Pound ("**GBP**")	**301**	438

22. TRADE AND OTHER PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**47,414**	28,809
Deposits received from customers	**29,077**	69,654
Salaries payable	**13,947**	6,645
Accrued expenses	**8,743**	10,320
Other payables	**2,203**	2,471
	53,970	89,090
Total trade and other payables	**101,384**	117,899

The average credit period is from 30 to 60 days.

22. TRADE AND OTHER PAYABLES *(CONTINUED)*

The following is an aging analysis of trade payables based on the invoice dates at the end of the reporting period:

	2017 **HK$'000**	2016 *HK$'000*
Trade payables:		
Invoiced		
– Within 30 days	**26,744**	12,570
– 31 to 60 days	**1,071**	1,559
– 61 to 90 days	**2,330**	1,018
– 91 days to 1 year	**7,002**	9,401
– Over 1 year	**10,267**	4,261
	47,414	28,809

Included in trade and other payables is the following amount which is denominated in a currency other than the functional currency of the respective group entity:

	2017 **HK$'000**	2016 *HK$'000*
RMB	**213**	456

23. BANK BORROWINGS

	2017 **HK$'000**	2016 *HK$'000*
Secured and repayable within one year	**506,669**	314,310

At 31 March 2017, the bank borrowings were secured by certain available-for-sale investments of HK$1,282,235,000 (2016: HK$864,479,000) and bank balances and cash of HK$189,000 (2016: HK$3,980,000).

The amounts due are based on scheduled repayment dates set out in the loan agreements and bear interests ranging from 0.50% to 0.60% (2016: 0.60% to 0.70%) per annum plus cost of funds of the lender.

The range of effective interest rates (which are also the contracted interest rates) charged on the Group's borrowings for the year is as follows:

	2017	2016
Effective interest rates:		
Variable-rate borrowings	**0.97% to 2.43%**	1.00% to 1.45%

Included in bank borrowings is the following amount denominated in a currency other than the functional currency of the respective group entity which it relates:

	2017 **HK$'000**	2016 *HK$'000*
USD	**288,233**	314,310

24. DEFERRED TAX LIABILITY

The following is the deferred tax liability recognised and its movements during both years:

	Accelerated tax depreciation *HK$'000*
At 1 April 2015	262
Charged to profit or loss *(note 10)*	179
At 31 March 2016	441
Credited to profit or loss *(note 10)*	(39)
At 31 March 2017	402

At the end of the reporting period, the Group has unused tax losses of HK$32,575,000 (2016: HK$39,785,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of the future profit streams. Included in the unrecognised tax losses are losses of HK$32,575,000 (2016: HK$21,208,000) which will expire 5 years from the year of origination. The remaining tax losses may be carried forward indefinitely.

25. SHARE CAPITAL

	Number of shares	**Amount** *HK$'000*
Authorised:		
At 1 April 2015, 31 March 2016 and 31 March 2017	10,000,000,000	100,000
Issued and fully paid:		
At 1 April 2015	1,000,000,000	10,000
Issue of shares by way of placing *(note c)*	200,000,000	2,000
Exercise of share options *(note a)*	1,635,000	16
Shares repurchased and cancelled *(note b)*	(10,122,000)	(101)
At 31 March 2016	1,191,513,000	11,915
Exercise of share options *(note a)*	2,705,000	27
Shares repurchased and cancelled *(note b)*	(2,014,000)	(20)
At 31 March 2017	1,192,204,000	11,922

25. SHARE CAPITAL *(CONTINUED)*

Notes:

(a) During the year ended 31 March 2017, 2,705,000 (2016: 1,635,000) shares of HK$0.01 each were issued at HK$1.174 per share upon exercise of the share options under the share option scheme of the Company (the "**Share Option Scheme**") by share option holders and all these shares rank pari passu with other shares of the Company in all respects.

(b) During the year ended 31 March 2017, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchase	No. of shares	Price per share Highest	Price per share Lowest	Aggregate consideration paid
		HK$	*HK$*	*HK$'000*
February 2017	2,014,000	2.03	1.96	4,013

The above shares were cancelled in March 2017.

During the year ended 31 March 2016, the Company repurchased its own shares on the Stock Exchange as follows:

Month of repurchase	No. of shares	Price per share Highest	Price per share Lowest	Aggregate consideration paid
		HK$	*HK$*	*HK$'000*
July 2015	9,148,000	1.90	1.58	16,139
September 2015	974,000	1.61	1.48	1,489
				17,628

The above shares were cancelled upon repurchase.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities for both years.

(c) On 22 April 2015, the Company entered into a conditional placing and subscription agreement with a placing agent in relation to, among others, the placing of a maximum of up to 200,000,000 new ordinary shares of the Company of HK$2.15 each to not less than six places who are not acting in concert with connected persons of the Company (the "**Placing**"). The net proceeds would be used for establishment of a mobile internet professional service platform and general working capital. These new shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on 12 August 2015 and rank pari passu with other shares in issue in all respects.

26. SHARE–BASED PAYMENT TRANSACTIONS

The Share Option Scheme of the Company was adopted pursuant to a resolution in writing of the sole shareholder passed on 7 March 2012. The purposes of the Share Option Scheme is to enable the Group to grant options to full-time or part-time employees, directors (whether executive or non-executive), supplier, customer, joint venture partner, business associates and advisor (professional or otherwise) of the Company as incentives or rewards for their contribution to the Group. The Share Option Scheme became effective on 7 March 2012 (the "**Effective Date**"), subject to earlier termination by the directors and approved in advance by the shareholders in a general meeting. The Share Option Scheme shall be valid and effecting for a period commencing from the Effective Date.

At 31 March 2017, the number of shares in respect of which options had been granted and remained outstanding under the Share Option Scheme was 6,890,000 (2016: 9,875,000), representing 0.58% (2016: 0.83%) of the shares of the Company in issue at that date. The total number of shares of the Company available for issue under the Share Option Scheme must not in aggregate exceeds 30% of the issued share capital of the Company from time to time.

The maximum number of shares issuable upon exercise of the options which may be granted under the Share Option Scheme (including exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. 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, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, (as defined under the Listing Rules) in excess of 0.1% of the shares of the Company in issue with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK$5,000,000, in the 12-month period up to and including the date of grant, are subject to shareholders' approval in a general meeting.

Options granted must be accepted in writing within 28 days from the date of grant upon payment of a nominal consideration of HK$1 by the grantee. The exercise period for the share options granted is determined by the directors of the Company, which period may commence from the date of acceptance of the offer for the grant of share options but shall end, in any event, not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme.

26. SHARE–BASED PAYMENT TRANSACTIONS *(CONTINUED)*

The following table sets out the movements in the Company's share options held by the directors of the Company and employees of the Group during both years:

Date of grant	Exercisable period	Exercise price	Outstanding at 1.4.2015	Exercised during the year	Lapsed during the year	Outstanding at 31.3.2016	Exercised during the year	Lapsed during the year	Outstanding at 31.3.2017
		HK$							
Executive directors:									
28.1.2014	28.7.2015 – 27.7.2020	1.174	360,000	(360,000)	–	–	–	–	–
28.1.2014	28.7.2016 – 27.7.2020	1.174	360,000	–	(360,000)	–	–	–	–
28.1.2014	28.7.2017 – 27.7.2020	1.174	360,000	–	(360,000)	–	–	–	–
28.1.2014	28.7.2018 – 27.7.2020	1.174	720,000	–	(720,000)	–	–	–	–
			1,800,000	(360,000)	(1,440,000)	–	–	–	–
Employees:									
28.1.2014	28.7.2015 – 27.7.2020	1.174	3,168,000	(1,275,000)	(420,000)	1,473,000	(513,000)	–	960,000
28.1.2014	28.7.2016 – 27.7.2020	1.174	5,152,000	–	(710,000)	4,442,000	(2,192,000)	(280,000)	1,970,000
28.1.2014	28.7.2017 – 27.7.2020	1.174	1,680,000	–	(360,000)	1,320,000	–	–	1,320,000
28.1.2014	28.7.2018 – 27.7.2020	1.174	3,360,000	–	(720,000)	2,640,000	–	–	2,640,000
			13,360,000	(1,275,000)	(2,210,000)	9,875,000	(2,705,000)	(280,000)	6,890,000

Note: The vesting period ends on the date when the exercisable period of the share options begins.

In respect of share options exercised during the year, the weighted average share price at the date of exercise is HK$2.00 (2016: HK$1.61).

The Group recognised the share-based payments of HK$400,000 (2016: HK$995,000) for the year ended 31 March 2017 in relation to share options granted by the Company.

27. RETIREMENT BENEFITS PLAN

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of 5% of the relevant payroll costs, with maximum of HK$1,500 per employee per month, to the MPF Scheme, which contribution is matched by employees.

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

The total contribution to the retirement benefits scheme charged to the consolidated statement of profit or loss and other comprehensive income during the year is HK$3,937,000 (2016: HK$3,173,000).

28. COMMITMENTS

(i) Operating lease commitment

The Group as lessee

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

	2017 ***HK$'000***	2016 *HK$'000*
Within one year	**15,083**	15,083
In the second to fifth years inclusive	**5,340**	13,513
	20,423	28,596

Operating lease payments represent rentals payable by the Group for the office premises. Leases are negotiated for an average term of three years (2016: three years) and rentals are fixed.

(ii) Capital commitment

	2017 ***HK$'000***	2016 *HK$'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	**27,670**	1,458

29. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of net debts, which includes the bank borrowings disclosed in note 23, net of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, other reserves and accumulated profits.

Management reviews the Group's capital structure regularly. The directors consider the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

30. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2017 ***HK$'000***	2016 *HK$'000*
Financial assets		
Loans and receivables (including cash and cash equivalents)	**461,143**	322,302
Available-for-sale investments	**1,324,512**	864,479
Other financial assets	**79,520**	394,410
Club debenture	**12,200**	12,200
Financial liabilities		
Amortised cost	**568,030**	349,764

Financial risk management objectives and policies

The Group's financial instruments include club debenture, accrued revenue, trade receivables, amounts due from related parties, available-for-sale investments, other financial assets, bank balances and cash, trade and other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management reviews and approves operation policies to ensure appropriate measures are implemented on a timely and effective manner to manage and monitor these risk exposures.

30. FINANCIAL INSTRUMENTS *(CONTINUED)*

Financial risk management objectives and policies *(Continued)*

Interest rate risk

The Group is exposed to cash flow interest rate risk on its floating-rate bank balances and bank borrowings (see notes 21 and 23 for details of these balances). The Group currently does not have a policy on cash flow hedges of interest rate risk. However, interest rate risk is daily managed by management and they will consider hedging significant interest rate risk should the need arise.

The Group also exposed to fair value interest rate risk on its fixed deposits and listed bond securities which have fixed coupon interests (see note 15 for details of these listed bond securities). However, management considers that the fair value interest rate risk on fixed deposits is insignificant as the fixed deposits have short maturity period. Interest rate risk is daily managed by management and they will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for floating-rate bank borrowings. The analysis is prepared assuming that the amount of assets and liabilities outstanding at the end of the reporting period were outstanding for the whole year. 50 basis points increase or decrease represents management's assessment of the reasonable and possible change in interest rates. No sensitivity analysis is presented for bank balances as the directors of the Company considered the Group's exposure to cash flow interest rate risk is not material.

If the interest rates on bank borrowings had increased or decreased by 50 basis points and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2017 would decrease/increase by HK$2,116,000 (2016:HK$1,312,000).

Foreign currency risk

The carrying amounts of the Group's monetary assets and liabilities denominated in currencies other than the respective group entities' functional currencies at the end of the reporting period are as follows:

	Assets		Liabilities	
	2017	2016	**2017**	2016
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*
RMB	**123,030**	164,790	**213**	456
USD	**1,274,774**	918,082	**288,233**	314,310
GBP	**301**	438	**–**	–

30. FINANCIAL INSTRUMENTS *(CONTINUED)*

Financial risk management objectives and policies *(Continued)*

Foreign currency risk *(Continued)*

The Group is exposed to the foreign currency risk of RMB, USD and GBP. Under the pegged exchange rate system, the financial impact on exchange difference between HK$ and USD will be immaterial as most of the USD denominated monetary assets and liabilities are held by group entities having HK$ as their functional currency, and therefore no sensitivity analysis has been prepared. For GBP exposure, no sensitivity analysis has been prepared as the amount involved is insignificant.

The sensitivity analysis below details the Group's sensitivity to a 5% increase and decrease in HK$ against RMB. 5% is the sensitivity rate used which represents management's assessment of the reasonable and possible change in the foreign currency rate. The sensitivity analysis includes the Group's monetary assets and monetary liabilities denominated in RMB. A negative number indicates a decrease in post-tax profit for the year when HK$ strengthens 5% against RMB. For a 5% weakening of HK$ against RMB, there would be an equal but opposite impact on the post-tax profit for the year.

	2017 ***HK$'000***	2016 *HK$'000*
RMB	**(5,128)**	(6,861)

In the opinion of management, the sensitivity analysis is not representative of the inherent foreign currency risk as the year end exposures do not reflect the exposures during the year.

Credit risk

As at 31 March 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group in the event of the counterparties failure to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has employed a team that is responsible for the determination of credit limits and credit approval and other monitoring procedures. In addition, management reviews the recoverable amount of each individual debt and accrued revenue regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, management considers that the Group's credit risk is adequately monitored.

30. FINANCIAL INSTRUMENTS *(CONTINUED)*

Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

The Group has concentration of credit risk on amounts due from related parties as at 31 March 2017 and 2016. Management of the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses have been made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Credit risk exposure on liquid funds is limited because the Group's bank balances are deposited with reputable banks in Hong Kong and the PRC.

Liquidity risk

The Group maintains a level of cash and cash equivalents that it considers adequate to finance the Group's operations.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayable on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

30. FINANCIAL INSTRUMENTS *(CONTINUED)*

Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

The table includes both interest and principal cash flows. To the extent that interest rates are floating rates, the interest payments (undiscounted) is calculated based on from interest rate prevailing at the end of the reporting period.

	Weighted average interest rate	Repayable on demand or within 1 year	Total undiscounted cash flows	Carrying amounts
	%	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 March 2017				
Trade and other payables	**N/A**	**61,361**	**61,361**	**61,361**
Bank borrowings	**1.18**	**506,669**	**506,669**	**506,669**
		568,030	**568,030**	**568,030**
As at 31 March 2016				
Trade and other payables	N/A	35,454	35,454	35,454
Bank borrowings	1.33	314,310	314,310	314,310
		349,764	349,764	349,764

Bank borrowings with a repayment on demand clause are included in the "repayable on demand or within 1 year" time band in the above maturity analysis. As at 31 March 2017, the aggregate undiscounted principal amounts of these bank loans amounted to HK$506,669,000 (2016: HK$314,310,000). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights demand immediate repayment. The directors of the Company believe that such bank loans will be repaid within one year (2016: one year) after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest payments amount to HK$507,119,000 (2016: HK$314,453,000).

30. FINANCIAL INSTRUMENTS *(CONTINUED)*

Fair value measurements of financial instruments

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

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table provides information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	Fair value as at 31 March		Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to the fair value
	2017	2016				
	HK$'000	*HK$'000*				
Listed bond securities classified as available-for-sale investments in the consolidated statement of financial position *(see note 15)*	**1,282,235**	864,479	Level 2	Quoted bid prices in over-the counter markets	N/A	N/A
Other financial assets *(see note 20)*	**79,520**	394,410	Level 3	Discounted cash flow	Discount rate	The higher the discount rate, the lower the fair value.
					Maturity period	The longer the maturity period, the higher the fair value.

The fair values of the financial assets included in the level 2 and level 3 categories have been determined in accordance with generally accepted pricing models based on their discounted cash flow.

30. FINANCIAL INSTRUMENTS *(CONTINUED)*

Fair value measurements of financial instruments *(Continued)*

Reconciliation of Level 3 fair value measurements

	Other financial assets *HK$'000*
At 1 April 2015	38,100
Purchases	503,430
Disposals	(147,120)
At 31 March 2016	394,410
Purchases	389,880
Disposals	(704,770)
At 31 March 2017	**79,520**

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

There was no transfer among different levels of the fair value hierarchy for both years.

31. PLEDGE OF ASSETS

	2017 *HK$'000*	2016 *HK$'000*
Available-for-sale investments	**1,282,235**	864,479
Bank balances and cash	**189**	3,980
	1,282,424	868,459

32. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had also entered into the following related party transactions:

	2017 *HK$'000*	2016 *HK$'000*
Financial public relations service income from Qingling Motors	**335**	132
Financial public relations service income from Luoyang Glass	**2,067**	3,891

Compensation of key management personnel

The remuneration of directors and other member of key management during the year is as follows:

	2017 *HK$'000*	2016 *HK$'000*
Salaries and allowances	**7,063**	6,690
Performance related incentive payments	**4,026**	1,012
Retirement benefit scheme contributions	**90**	90
Share-based payments	**185**	224
	11,364	8,016

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries held by the Company at 31 March 2017 and 2016 are as follows:

Name of subsidiary	Place and date of incorporation/ establishment	Place of operations	Issued and fully paid share capital/ registered capital	Equity interest attributable to the Group as at 31 March		Principal activities
				2017	2016	
				%	%	
Alpha Financial Press Limited	Hong Kong 17 December 2014	Hong Kong	US$1	**100**	100	Provision of financial printing services in Hong Kong
IR Global Roadshow Limited	BVI 15 September 2010	Hong Kong	US$50,000	**100**	100	Organisation and coordination of international roadshow
Fortunate Idea Holdings Limited	BVI 13 February 2015	Hong Kong	US$1	**100**	100	Investment holding and securities investments
Shine Talent Holdings Limited*	BVI 11 November 2010	Hong Kong	US$2	**100**	100	Investment holding
Wonderful Sky Financial Group Limited	Hong Kong 1 August 2006	Hong Kong	HK$10,000	**100**	100	Provision of financial public relations services in Hong Kong
皓天策略投資顧問（北京）有限公司#	PRC 13 September 2012	PRC	HK$5,000,000	**100**	100	Provision of financial public relations services in the PRC

* Directly held by the Company

The company was established in the PRC in form of wholly foreign-owned enterprise.

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

None of the subsidiaries had issued any debt securities during the year and at the end of the year.

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2017 **HK$'000**	2016 *HK$'000*
Non-current assets		
Interests in subsidiaries	**177,115**	–
Club debenture	**12,200**	12,200
	189,315	12,200
Current assets		
Other receivables	**1,000**	–
Available-for-sale investments	**1,050,149**	864,479
Amount due from a subsidiary	**580,000**	480,000
Bank balances and cash	**5,698**	5,283
	1,636,847	1,349,762
Current liabilities		
Other payable	**535**	674
Amount due to subsidiaries	**462,486**	145,127
Taxation payable	**4,920**	5,754
Bank borrowings	**464,306**	314,310
	932,247	465,865
Net current assets	**704,600**	883,897
Net assets	**893,915**	896,097
Capital and reserves		
Share capital	**11,922**	11,915
Reserves	**881,993**	884,182
Total equity	**893,915**	896,097

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(CONTINUED)*

Movements in share capital and reserves

	Share capital	Share premium	Capital redemption reserve	Share options reserve	Investment revaluation reserve	Accumulated profits	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2015	10,000	314,232	–	2,053	7,891	158,176	492,352
Profit for the year	–	–	–	–	–	136,913	136,913
Fair value gain on available-for-sale investments	–	–	–	–	14,591	–	14,591
Reclassification adjustment relating to available-for-sale investments disposed of during the year	–	–	–	–	(19,509)	–	(19,509)
Other comprehensive expense for the year	–	–	–	–	(4,918)	–	(4,918)
Total comprehensive (expense) income for the year	–	–	–	–	(4,918)	136,913	131,995
Issue of shares by way of placing	2,000	428,000	–	–	–	–	430,000
Expenses incurred for issue of shares by way of placing	–	(6,006)	–	–	–	–	(6,006)
Exercise of share options	16	2,387	–	(484)	–	–	1,919
Share repurchased and cancelled	(101)	(13,968)	(3,559)	–	–	–	(17,628)
Recognition of equity-settled share-based payments	–	–	–	995	–	–	995
Lapse of share options	–	–	–	(415)	–	415	–
Dividend recognised as distribution	–	–	–	–	–	(137,530)	(137,530)
At 31 March 2016	11,915	724,645	(3,559)	2,149	2,973	157,974	896,097

34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(CONTINUED)*

Movements in share capital and reserves *(Continued)*

	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Share options reserve HK$'000	Investment revaluation reserve HK$'000	Accumulated profits HK$'000	Total HK$'000
Profit for the year	–	–	–	–	–	152,237	152,237
Fair value gain on available-for-sale investments	–	–	–	–	27,004	–	27,004
Reclassification adjustment relating to available for sale investments disposed of during the year	–	–	–	–	(27,008)	–	(27,008)
Other comprehensive expense for the year	–	–	–	–	(4)	–	(4)
Total comprehensive (expense) income for the year	–	–	–	–	(4)	152,237	152,233
Exercise of share options	27	3,942	–	(793)	–	–	3,176
Share repurchased and cancelled	(20)	(2,779)	(1,214)	–	–	–	(4,013)
Recognition of equity-settled share-based payments	–	–	–	400	–	–	400
Lapse of share options	–	–	–	(38)	–	38	–
Dividend recognised as distribution	–	–	–	–	–	(153,978)	(153,978)
At 31 March 2017	11,922	725,808	(4,773)	1,718	2,969	156,271	893,915