China Environmental Energy Investment Limited

中國環保能源投資有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 986)

Annual Report 2017

*For identification purposes only

Contents

This Annual Report, in both English and Chinese versions, is available on the Company's website at www.986.com.hk. Shareholders may at any time change their choice of language(s) (either English only or Chinese only or both languages) of the corporate communications of the Company (the "Corporate Communications").

Shareholders may send their request to change their choice of language(s) of Corporate Communications by notice in writing to the Company's Hong Kong Branch Share Registrar and Transfer Office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Shareholders who have chosen to receive the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this Annual Report since both languages are bound together into one booklet.

Corporate Information

Executive Directors

Ms. Chen Tong *(Chairman and Chief Executive Officer)*
Mr. Xiang Liang
Ms. Hong Jingjuan

Independent Non-executive Directors

Ms. Zhang Ruisi
Mr. Tse Kwong Chan
Ms. Zhou Jue

Company Secretary

Ms. Cheng Suk Kuen

Audit Committee

Ms. Zhang Ruisi *(Chairman)*
Mr. Tse Kwong Chan
Ms. Zhou Jue

Remuneration Committee

Mr. Tse Kwong Chan *(Chairman)*
Ms. Zhou Jue
Mr. Xiang Liang

Nomination Committee

Ms. Zhang Ruisi *(Chairman)*
Mr. Tse Kwong Chan
Mr. Xiang Liang

Auditor

Cheng & Cheng Limited
10/F, Allied Kajima Building
138 Gloucester Road
Wanchai, Hong Kong

Legal Advisor

Li, Wong, Lam & W.I. Cheung
22/F, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

Room 910, 9/F, Harbour Centre
25 Harbour Road, Wanchai
Hong Kong

Principal Bankers

China Construction Bank (Asia) Corporation Limited
DBS Bank (Hong Kong) Limited
Industrial and Commercial Bank of China Limited
Wing Lung Bank Limited

Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

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

Website

http://www.986.com.hk

Stock Code

986

Chairman's Statement and Management Discussion & Analysis

I would like to report to the shareholders the annual results of China Environmental Energy Investment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2017.

FINANCIAL REVIEW

For the year ended 31 March 2017, the Group's revenue from continuing operations was approximately HK$67.67 million (2016: approximately HK$19.09 million), representing an increase of approximately HK$48.58 million or 254.48% as compared with last year. The revenue included approximately HK$5.49 million from online products sales, provision of marketing, web design and maintenance services (the "Internet Services") business (2016: approximately HK$10.49 million), approximately HK$40.07 million from trading of gold and diamond business (2016: approximately HK$8.17 million), approximately HK$20.81 million from provision of loans as money lending (the "Money Lending") business (2016: approximately HK$0.43 million) and approximately HK$1.31 million from provision of financial advisory and intermediary services (the "Financial Services") business that the Group had acquired in August 2016 (2016: Nil).

Gross profit from continuing operations was approximately HK$29.99 million (2016: approximately HK$7.71 million), representing an increase of approximately HK$22.28 million or 288.98% as compared with last year. Gross profit margin was approximately 44.32% (2016: approximately 40.39%). The increase in gross profit was mainly attributable to the contribution from Money Lending business of the Group.

Operating profit from continuing operations and discontinued operations after tax of the Group was approximately HK$27.42 million (2016: operating loss of approximately HK$103.39 million). The turn from loss to profit was mainly attributable to (a) the gain on disposal of wastes recycling and trading of petrochemical products businesses of approximately HK$59.78 million (2016: Nil); and (b) goodwill impairment losses of approximately HK$33.13 million and HK$7.52 million arising from the Internet Services business and trading of gold and diamond business respectively (2016: approximately HK$3.70 million and HK$74.70 million arising from the Internet Services business and available-for-sale investment in respect of the investment in Pure Power Holdings Limited ("Pure Power") respectively).

Selling, distribution and administrative expenses incurred in continuing operations were approximately HK$37.87 million (2016: approximately HK$36.66 million), representing an increase of approximately 3.30% as compared with last year. The finance costs of continuing operations of the Group amounted to approximately HK$11.70 million (2016: approximately HK$8.94 million) which were mainly incurred on the unconvertible bonds and the promissory notes issued by the Company.

BUSINESS REVIEW

For the year ended 31 March 2017, the Group was principally engaged in the businesses of Internet Services, trading of gold and diamond, Money Lending and Financial Services.

Internet services business

During the year under review, the revenue generated from the Internet Services business was approximately HK$5.49 million (2016: approximately HK$10.49 million). Operating profit before tax and impairment loss of goodwill of approximately HK$2.67 million was made for the year ended 31 March 2017 (2016: approximately HK$2.88 million). The decrease in revenue was mainly due to the Company's disposal of the entire share capital of Asian Champion Limited, which in turn held 90% equity interest in HKOMall Limited. HKOMall Limited was principally engaged in the Internet Services business in Hong Kong, and was the main contributor of revenue from the Internet Services business of the Group.

Although the Group's remaining Internet Services business recorded revenue of approximately HK$5.49 million, which mainly attributed from the market of Mainland China and represented an increase of 50% over the year ended 31 March 2016, such growth may not be sustainable and this business segment will likely continue to face challenges, competition and uncertainties in the coming years. Any events that result in a reduction in online retail and e-commerce customers could materially and adversely affect the Group's ability to maintain or increase current level of revenue, profitability and positive cash flow from operating activities in the future. In view of the abovementioned possible impact on the future earnings and business prospects of the Internet Services business, the Group recognised an impairment loss of approximately HK$33.13 million for its goodwill for the year under review (2016: approximately HK$3.70 million).

Trading of gold and diamond business

During the year under review, Elite Honest Inc. ("Elite Honest", a subsidiary of the Company), which through its wholly-owned subsidiary, H & S Creation Limited ("H&S"), was principally engaged in the business of trading of gold and diamond. The vendor of Elite Honest has irrevocably and unconditionally warranted and guaranteed to the Company that the audited net profit after tax of H&S for the financial years ended 31 December 2015 and 2016 shall be at least HK$1.40 million and HK$2.80 million respectively. The audited net profit after tax of H&S for the financial years ended 31 December 2015 and 2016 amounted to approximately HK$1.56 million and HK$2.97 million respectively, and therefore the profits guarantee has been met and fulfilled. During the year, the revenue and the operating profit before tax generated from H&S were approximately HK$40.07 million and HK$3.76 million respectively. Further, an impairment charge of approximately HK$7.52 million has been recorded against the goodwill. The carrying value of this segment was significantly higher than the recoverable amount of the underlying business, when projected forward result no longer supporting to profitability due to low profit margin. As there is an intense competition in the market, it is difficult for H&S to pass on the increase in costs of raw material to customers and therefore this segment suffers pressure on its margin. The Group expects this business segment will continue to face more challenges in the coming years.

Money lending business

The Group has commenced its Money Lending business in Hong Kong through a wholly-owned subsidiary, Great Luck Finance Limited ("Great Luck") since March 2016. Great Luck is a company holding a money lender's license under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). During the year, Great Luck had successfully made loans to certain borrowers at the average interest rates of 20% per annum. The interest income from Money Lending for the year ended 31 March 2017 was approximately HK$20.81 million (2016: approximately HK$0.43 million). In view of the increasing demand in money lending in Hong Kong, the Group will proactively expand such business as the directors of the Company believe that it will provide steady interest income for the Group and has been one of the focal businesses of the Group.

Financial services business

In August 2016, the Group completed the acquisition of the entire issued share capital of C.E. Securities and Asset Management Limited ("C.E. Securities"). The details of the acquisition is disclosed below in the section headed "Material Acquisition and Disposal". C.E. Securities contributed approximately HK$1.31 million to the Group's revenue from provision of Financial Services from August 2016 to March 2017. The board of directors of the Company (the "Board") believes that the outlook of the financial services sector is positive. It is expected that C.E. Securities will also participate in providing other financial services, including but not limited to providing securities brokerage, margin financing and asset management businesses, and will generate more income for the Group and enhance the shareholders' value.

Investment in exploration and exploitation of natural resources

After the change in the composition of investment in exploration and exploitation of natural resources, Pure Power became an associate of the Group in January 2016. The Group shared the loss of an associate of approximately HK$3.24 million (2016: Nil) during the year under review. No impairment was made for the investment in an associate, the crude oil price has risen steadily from a dramatic decline during the year under review, anticipating the trend of oil industry to gradually recover in the coming years. The Group will capture the opportunities from market and the recovery of the oil industry and bring long-term investment value to all shareholders of the Company.

SIGNIFICANT INVESTMENTS

During the year, the Group had the following significant investments in equity securities listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") which were classified as available-for-sale investments:

Name (Stock code)	Principal business	Unrealized gain/(loss) on fair value change For the year ended 31 Mar 2017 HK$ million	For the year ended 31 Mar 2016	Market value As at 31 Mar 2017 HK$ million	As at 31 Mar 2016	% of shareholding held As at 31 Mar 2017	As at 31 Mar 2016	% of net assets of the Company As at 31 Mar 2017	As at 31 Mar 2016
SEEC Media Group Limited (205)	Provision of advertising agency services, distributions of books and magazines in The People's Republic of China (the "PRC") and securities brokerage business in Hong Kong	**(1.29)**	–	**6.01**	–	**0.75%**	–	**0.59%**	–
QPL International Holdings Limited (243)	Manufacture and sale of integrated circuit leadframes, heatsinks, and stiffeners, securities trading and investment holding	**(1.05)**	–	**9.97**	–	**0.78%**	–	**0.98%**	–
AMCO United Holding Limited (630)	Manufacture and sale of medical devices products and plastic moulding products; provision of construction services; money lending business and securities investment	**0.89**	–	**11.52**	–	**0.97%**	–	**1.14%**	–
China Properties Investment Holdings Limited (736)	Property investment, financial services and money lending	**(2.99)**	–	**7.55**	–	**1.33%**	–	**0.75%**	–
China National Culture Group Limited (745)	Provision of advertising media services, e-commerce, firm production and distribution	**–**	(10.89)	**–**	19.56	**–**	3.32%	**–**	1.78%
China e-Wallet Payment Group Limited (802)	Provision of biometric and RFID products and solutions services, internet and mobile application and related services	**23.80**	12.60	**46.90**	35.70	**2.91%**	4.59%	**4.63%**	3.25%
Unity Investments Holdings Limited (913)	Investment in listed investments in Hong Kong and in unlisted companies	**(2.14)**	–	**1.31**	–	**0.57%**	–	**0.13%**	–
China Jicheng Holdings Limited ("CJH") (1027)	Manufacture and sale of POE umbrellas, nylon umbrellas and umbrellas parts	**108.29**	300.37	**113.38**	332.13	**0.77%**	1.86%	**11.20%**	30.25%
China Southern Airlines Company Limited (1055)	Provision of services of domestic, international and regional scheduled and unscheduled air transportation of passenger, cargo, mail and baggage, general aviation and aircraft maintenance	**–**	(0.51)	**–**	2.20	**–**	0.02%	**–**	0.20%
Suncorp Technologies Limited (1063)	Sale and marketing of residential telephone products under its license arrangement with Motorola brand; securities brokerage and underwriting business, money lending business and B2B cross-border e-commerce and payment business	**–**	(4.74)	**–**	24.22	**–**	1.11%	**–**	2.21%
Milan Station Holdings Limited (1150)	Retailing of handbags, fashion accessories and embellishments and spa and wellness products	**(1.22)**	–	**7.15**	–	**2.44%**	–	**0.71%**	–

Name (Stock code)	Principal business	Unrealized gain/(loss) on fair value change For the year ended 31 Mar 2017 HK$ million	For the year ended 31 Mar 2016	Market value As at 31 Mar 2017 HK$ million	As at 31 Mar 2016	% of shareholding held As at 31 Mar 2017	As at 31 Mar 2016	% of net assets of the Company As at 31 Mar 2017	As at 31 Mar 2016
Lerado Financial Group Company Limited (1225)	Provision of financial services, manufacturing and distributing children plastic toys and medical care products	**(7.13)**	(0.42)	**1.37**	8.07	**0.31%**	1.53%	**0.13%**	0.74%
China Investment and Finance Group Limited (1226)	Securities trading and investment holding businesses	**(0.19)**	–	**3.92**	–	**0.70%**	–	**0.39%**	–
Time2U International Holding Limited (1327)	Manufacture and sales of own-branded watches, OEM watches and third-party watches	**(2.96)**	–	**2.42**	–	**1.08%**	–	**0.24%**	–
Major Holdings Limited (1389)	Sale and distribution of premium wine and spirits products and wine accessory products in Hong Kong and provision of money lending	**(4.28)**	–	**5.80**	–	**0.19%**	–	**0.57%**	–
SHIS Limited (1647)	Provision of integrated building services and building construction works in Singapore	**0.04**	–	**1.79**	–	**0.20%**	–	**0.18%**	–
Capital VC Limited (2324)	Investment in listed and unlisted companies in Hong Kong and the PRC	**(8.17)**	(5.12)	**2.84**	5.89	**0.52%**	2.27%	**0.28%**	0.54%
Hao Wen Holdings Limited (8019)	Sale of biodegradable product in Hong Kong; trading and manufacturing of biomass fuel; trading of electronic parts in the PRC and provision of money lending business;	**0.05**	–	**4.54**	–	**1.11%**	–	**0.45%**	–
WLS Holdings Limited (8021)	Provision of scaffolding and fitting out services, management contracting services, other services for construction and buildings work and money lending business and securities investment business	**50.11**	42.09	**114.76**	116.68	**4.10%**	2.81%	**11.33%**	10.63%
KPM Holding Limited (8027)	Design, fabrication, installation and maintenance of signage and related products	**3.73**	–	**9.50**	–	**0.33%**	–	**0.94%**	–
GreaterChina Professional Services Limited (8193)	Provision of asset advisory services and asset appraisal, corporate services and consultancy, media advertising and financing services	**(0.63)**	0.67	**36.51**	38.43	**1.19%**	1.24%	**3.60%**	3.50%
L & A International Holdings Limited ("L&A") (8195)	Manufacture, sale and retailing of garment products	**–**	109.31	**–**	222.03	**–**	1.73%	**–**	20.22%
Luen Wong Group Holdings Limited ("Luen Wong") (8217)	Provision of civil engineering works and investment holding	**214.49**	–	**338.96**	–	**1.43%**	–	**33.47%**	–
Tai Kam Holdings Limited (8321)	Provision of slope works and construction works	**33.53**	–	**44.46**	–	**0.43%**	–	**4.39%**	–
Total		**402.88**	443.36	**770.66**	804.91				

During the year under review, the Group's securities investment business recorded a net disposal gain of approximately HK$33.82 million (2016: approximately HK$33.72 million), which was mainly attributed from the disposal gain of approximately HK$169 million from disposed shares of CJH and the disposal losses of approximately of HK$104 million and HK$31 million from disposed shares of L&A and other disposed listed securities respectively. As at 31 March 2017, the market value of the listed securities being held by the Group was approximately HK$770.66 million in value (2016: approximately HK$804.91 million) and an unrealized gain on fair value change was approximately HK$402.88 million (2016: approximately HK$443.36 million).

The future value of listed equities may be affected by the degree of volatility in Hong Kong stock market and susceptible to other external factors that may affect their values. Accordingly, in order to mitigate possible financial risks related to the listed equities, the Group will invest in an unlisted fund to diversify the Group's securities investment risk, in order to further enhance the rate of return of the Group's securities investment and broaden the investment horizon and investment level of the Group. The Group will continue to maintain a diversified investment portfolio by investing in both the unlisted fund and listed equities to generate long-term returns for the shareholders of the Company.

MATERIAL ACQUISITION AND DISPOSAL

During the year ended 31 March 2017, the Company made the following material acquisition and disposal:

Acquisition

In August 2016, the Company had completed the acquisition of the entire issued share capital of C.E. Securities. C.E. Securities is incorporated in Hong Kong with limited liability and is a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong). Such acquisition enables the Group to enter into the financial services industry. The Group through C.E. Securities has become a one-stop integrated financial services provider, offering an extensive range of financial services to its customers (including but not limited to, securities brokerage, investment advisory, margin financing and asset management), being a new business segment to the Group. The Group will be benefited from diversifying its revenue stream which is expected to increase its shareholders' value and benefit the Company and its shareholders as a whole.

Disposal

On 19 May 2016, the Company, as vendor, entered into a sale and purchase agreement with an independent third party, as purchaser, pursuant to which the purchaser had agreed to acquire and the Company had agreed to sell the approximately 93.33% of the entire issued share capital of Ideal Market Holdings Limited ("Ideal Market") at a consideration of HK$150 million (the "Disposal"). Prior to the Disposal, Ideal Market together with its wholly-owned subsidiaries were principally engaged in wastes recycling business and trading of petrochemical products business. Subsequently, these disposed business segments had been re-classified as discontinued operations for the years ended 31 March 2017 and 31 March 2016. Upon completion of the Disposal on 30 August 2016, the Company ceased to hold any equity interest in Ideal Market and its result was no longer consolidated into the consolidated financial statements of the Group.

OUTLOOK

The directors of the Company will continue to enhance the Group's businesses through review of its existing business portfolio from time to time and also seek suitable investment opportunities in the long run so as to broaden the source of income of the Group and diversify the Group's business portfolio on an on-going basis.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2017, the Group's net current liabilities were approximately HK$21.42 million (31 March 2016: net current assets of approximately HK$7.08 million), including cash and cash equivalents of approximately HK$66.97 million (31 March 2016: approximately HK$22.77 million). Total unconvertible bonds and promissory notes payable amounted to approximately HK$173.81 million as at 31 March 2017 (31 March 2016: approximately HK$153.10 million). The Group's gearing ratio, which was net debt divided by total shareholders' equity plus net debt, as at 31 March 2017 was 0.11 (31 March 2016: 0.14).

SHARE CAPITAL AND CAPITAL STRUCTURE

On 12 September 2016, the Company proposed the consolidation of every ten issued and unissued ordinary shares of par value of HK$0.01 each in the share capital of the Company into one ordinary share of par value of HK$0.10 each in the share capital of the Company. The said share consolidation became effective on 21 October 2016.

During the year ended 31 March 2017, the Company issued an unconvertible bond in the principal amount of HK$10 million to an independent third party at the interest rate of 5% per annum due in seven years from the date of issue.

Save as disclosed above, there was no other change in the share capital and capital structure of the Company during the year ended 31 March 2017.

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Hong Kong and Mainland China, with revenues and expenditures denominated in Renminbi. During the year, the Group did not enter into any derivative contracts aimed at minimising exchange rate risks, but the Group will continue to review its foreign exchange exposure regularly and might consider using financial instruments to hedge against foreign exchange exposure at appropriate times.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2017 and 31 March 2016.

CAPITAL COMMITMENTS

The Group had no material capital commitments authorised but not provided for as at 31 March 2017 (2016: Nil, except for the acquisition of the issued share capital of C.E. Securities in the section headed "Material Acquisition and Disposal" above and contracted).

PLEDGE OF ASSETS

As at 31 March 2017, the Group did not have any pledge on its assets.

As at 31 March 2016, the Group's deposits amounted to HK$2.40 million were placed with a bank in the PRC to secure bills issued and payable by the Group which were disclosed in assets classified as held for sale when an operation was classified as discontinued.

DIVIDEND

No dividend for the year ended 31 March 2017 (2016: Nil) is recommended by the Board.

EMPLOYMENT AND REMUNERATION POLICY

During the year under review, the Group continued to strengthen its staff quality through staff development and training programmes. The Group had approximately 35 employees as at 31 March 2017 (2016: approximately 40). Remunerations are commensurate with the nature of job, staff experience and market conditions.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to all management and staff for their diligence and continuing support.

ON BEHALF OF THE BOARD

Ms. Chen Tong
Chairman

Hong Kong, 27 June 2017

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of corporate governance in maintaining its corporate transparency and accountability. The Board sets appropriate policies and implements corporate governance practices in accordance with the needs of the Group's business.

The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

In the opinion of the Board, during the year ended 31 March 2017, the Company has complied with the code provisions set out in the CG Code, except for the code provisions A.2.1 and A.4.1. Key corporate governance principles and practices of the Company as well as the details of the foregoing deviations are summarized below.

A. THE BOARD

A1. Responsibilities and Delegation

The Board is responsible for the leadership, control and management of the Company and oversees the Group's business, strategic decisions and performances in the attainment of the objectives of ensuring effective functioning and growth of the Group and enhancing value to investors. All the directors carry out their duties in good faith and act in the interests of the Group.

All directors have timely access to all relevant information as well as the advices and services of the Company Secretary and management, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any director may request for independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

The Board reserves for its decision on all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

The Executive Committee and the management are delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Group. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers. The Board has the full support of the management to discharge its responsibilities.

A. THE BOARD (continued)

A2. Board Composition

The Board comprised the following directors as at 31 March 2017:

Executive directors:

Ms. Chen Tong *(Chairman of the Board, Chief Executive Officer and Chairman of the Executive Committee)*
Mr. Xiang Liang *(Member of the Executive Committee, Remuneration Committee and Nomination Committee)*
Ms. Hong Jingjuan *(Member of the Executive Committee)*

Independent non-executive directors:

Ms. Zhang Ruisi *(Chairman of both the Audit Committee and the Nomination Committee)*
Mr. Tse Kwong Chan *(Chairman of the Remuneration Committee, Member of both the Audit Committee and the Nomination Committee)*
Ms. Zhou Jue *(Member of both the Audit Committee and the Remuneration Committee)*

Throughout the year ended 31 March 2017, the Board has met the requirements of Listing Rules 3.10 and 3.10A of having at least three independent non-executive directors (representing at least one third of the Board) with one of them possessing appropriate professional qualifications and accounting and related financial management expertise.

The members of the Board have skills and experience appropriate for the business requirements and objectives of the Group. The independent non-executive directors bring different business and financial expertise, experience and independent judgement to the Board and they are invited to serve on the Board committees of the Company. Through participating in Board meetings and taking the lead in managing issues involving potential conflict of interests, the independent non-executive directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the shareholders.

The Company also recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board will take into account a number of measurable objectives to achieve its diversity, including but not limited to gender, age, cultural and educational background, or professional experience. Such objectives, if any, will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board.

The biographical details of the directors of the Company are set out under the section headed "Brief Biographical Details in respect of Directors" in this annual report. None of the members of the Board is related to one another.

The Company has received written annual confirmation from each independent non-executive director of his/her independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in light of the independence guidelines set out in the Listing Rules.

A. THE BOARD (continued)

A3. Chairman and Chief Executive

Code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual.

Ms. Chen Tong currently holds the positions of Chairman and Chief Executive Officer of the Company. Ms. Chen has extensive experience in management and over 31 years' business experience. The Board believes that it is in the interests of the Group to have an executive Chairman with in-depth management experiences to guide discussion among Board members on the Group's development and planning, as well as to execute business strategies of the Group.

The Board considers that the current structure of vesting the roles of Chairman and Chief Executive in the same person will not impair the balance of power and authority between the Board and the management of the Company. All directors are experienced businessmen or professionals and they meet regularly to review the Group's performance. For decisions which may have significant effect on the Group's business, attendance of all directors at a Board meeting is secured as far as possible. The Board shall review this structure from time to time to ensure appropriate and timely action is taken to meet changing circumstances.

A4. Appointment and Re-election of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Bye-laws (the "Bye-laws"). According to the Bye-laws, one-third of the directors for the time being (if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting provided that every director shall be subject to retirement at an annual general meeting at least once every three years. In addition, any new director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first general meeting after appointment. The retiring directors are eligible for re-election by the shareholders at the respective general meetings.

Code provision A.4.1 of the CG Code stipulates that non-executive directors of a listed issuer should be appointed for a specific term, subject to re-election. Ms. Zhang Ruisi, an independent non-executive director of the Company, is engaged for a term of 1 year, which is automatically renewable for successive term of one year upon the expiry of the then current term; whereas the other independent non-executive directors of the Company, namely Mr. Tse Kwong Chan and Ms. Zhou Jue, are not appointed for a specific term. However, all of the Company's independent non-executive directors are subject to retirement by rotation and re-election by shareholders at the annual general meeting pursuant to the Bye-laws provisions as mentioned above. Accordingly, the Board considers that the Company meets the objective of the code provision A.4.1.

A. THE BOARD (continued)

A5. Induction and Continuing Development for Directors

Each newly appointed director receives induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and relevant legal and regulatory requirements.

All the directors understood the importance of continuous professional development and were committed to participate any suitable training or read relevant materials in order to maintain and enhance their knowledge and skills. They are continually updated with legal and regulatory developments, and the business and market changes to refresh their knowledge and to facilitate the discharge of their responsibilities. Continuing briefings and professional development to directors are arranged whenever necessary. In addition, reading materials on new or changes to salient laws and regulations applicable to the Group are provided to directors from time to time for their studying and reference.

During the year ended 31 March 2017, pursuant to code provision A.6.5 of the CG Code, all directors (being Ms. Chen Tong, Mr. Xiang Liang, Ms. Hong Jingjuan, Ms. Zhang Ruisi, Mr. Tse Kwong Chan and Ms. Zhou Jue) received regular briefings and updates from the Company Secretary on the Group's business, operations and corporate governance and compliance matters; and read publications, journals, books and other reading materials in relation to regulatory updates, financial reporting and corporate management.

A6. Directors' Attendance Records

The attendance records of each director at the Board and Board committee meetings and the general meetings of the Company held during the year ended 31 March 2017 are set out below:

	Attendance/Number of Meetings					
Name of Director	**Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Annual General Meeting**	**Special General Meeting**
Executive directors:						
Ms. Chen Tong	14/14	N/A	N/A	N/A	1/1	3/3
Mr. Xiang Liang	14/14	N/A	2/2	2/2	0/1	0/3
Ms. Hong Jingjuan (Note)	1/1	N/A	N/A	N/A	–	–
Independent non-executive directors:						
Ms. Zhang Ruisi	14/14	2/2	N/A	2/2	1/1	2/3
Mr. Tse Kwong Chan	14/14	2/2	2/2	2/2	0/1	2/3
Ms. Zhou Jue	14/14	2/2	2/2	N/A	0/1	0/3

Note:

Ms. Hong Jingjuan was appointed as an executive director of the Company on 6 March 2017. After her appointment, 1 Board meeting and no general meeting were held during the year ended 31 March 2017.

A. THE BOARD (continued)

A6. Directors' Attendance Records (continued)

In addition, the Chairman of the Board held a meeting with the non-executive directors without the presence of executive directors during the year under review.

A7. Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' dealings in the Company's securities (the "Own Code"). Having made specific enquiry of all the Company's directors, they confirmed that they have complied with the required standard set out in the Own Code throughout the year ended 31 March 2017.

The Company has also established written guidelines on terms no less exacting than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

Where the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its directors and relevant employees in advance.

A8. Corporate Governance Functions

The Board is responsible for performing the corporate governance functions set out in the code provision D.3.1 of the CG Code.

During the year under review, the Board has performed corporate governance functions as follows: (i) reviewed and developed the Company's corporate governance policies and practices, (ii) reviewed and monitored the training and continuous professional development of the directors and management, (iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements, (iv) reviewed and monitored the compliance of the Own Code and the Employees Written Guidelines, and (v) reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

A9. Directors' Insurance

The Company has arranged appropriate insurance cover in respect of the legal action against the directors.

B. BOARD COMMITTEES

The Board has four Board committees, namely, the Executive Committee, the Remuneration Committee, the Audit Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference which are available on the Stock Exchange's website (www.hkexnews.hk) and on the Company's website (except for the written terms of reference of the Executive Committee which is available to shareholders upon request). All the Board committees should report to the Board on their decisions or recommendations made.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

B1. Executive Committee

The Executive Committee comprises all the executive directors of the Company with the Chairman of the Board, Ms. Chen Tong, acting as the chairman of such Committee. The Executive Committee operates as a general management committee under the direct authority of the Board to increase the efficiency for the business decisions. It monitors the execution of the Company's strategic plans and operations of all business units of the Group and discusses and makes decisions on matters relating to the management and day-to-day operations of the Company.

B2. Remuneration Committee

The Remuneration Committee comprised a total of three members, being Mr. Xiang Liang, the Company's executive director, Mr. Tse Kwong Chan and Ms. Zhou Jue, the Company's independent non-executive directors. The majority of the Remuneration Committee members are independent non-executive directors. The chairman of the Remuneration Committee is Mr. Tse Kwong Chan.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's remuneration policy and structure, the remuneration packages of executive directors and members of senior management (i.e. the model described in the code provision B.1.2(c)(ii) of the CG Code is adopted) and the remuneration of non-executive directors. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

During the year under review, the Remuneration Committee has performed the following major works: reviewed the remuneration policy and structure of the Group and made recommendation to the Board; reviewed the remuneration packages of the directors and management; considered and recommended to the Board on the remuneration package for Ms. Hong Jingjuan upon her appointment as an executive director of the Company.

B. BOARD COMMITTEES (continued)

B2. Remuneration Committee (continued)

The attendance records of each Committee member at the two Remuneration Committee meetings held during the year ended 31 March 2017 are set out in section A6 above.

The senior management of the Company are the directors of the Company. Details of the remuneration of each director of the Company for the year ended 31 March 2017 are set out in Note 10 to the consolidated financial statements contained in this annual report.

B3. Audit Committee

The Audit Committee comprises a total of three members, being the three existing independent non-executive directors, namely Ms. Zhang Ruisi, Mr. Tse Kwong Chan and Ms. Zhou Jue. The chairman of the Audit Committee is Ms. Zhang Ruisi. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The main duties of the Audit Committee are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or external auditor before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditor and making relevant recommendation to the Board; and reviewing the Company's financial reporting system, internal control system and risk management system.

During the year under review, the Audit Committee has performed the following major works:

– Reviewed and discussed the annual financial statements, results announcement and report for the year ended 31 March 2016, the related accounting principles and practices adopted by the Group and the relevant audit findings, and the major audit issues reported by the auditor before submission to the Board.

– Reviewed and discussed the interim financial statements, results announcement and report for the six months ended 30 September 2016, and the related accounting principles and practices adopted by the Group.

– Reviewed the relationship with the external auditor by reference to the work performed by the auditor, audit fees and terms of engagement, and make recommendation to the Board on the re-appointment of external auditor.

– Reviewed the internal control and risk management matters and internal audit function of the Group, and made recommendation to the Board.

The attendance records of each Committee member at the two Audit Committee meetings held during the year ended 31 March 2017 are set out in section A6 above.

B. BOARD COMMITTEES (continued)

B3. Audit Committee (continued)

The Audit Committee met regularly with the Company's external auditor to discuss issues arising from the audit and financial reporting matters.

There is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

B4. Nomination Committee

The Nomination Committee comprised a total of three members, being Mr. Xiang Liang, the Company's executive director, Ms. Zhang Ruisi and Mr. Tse Kwong Chan, the Company's independent non-executive directors. The majority of the Nomination Committee members are independent non-executive directors. The chairman of the Nomination Committee is Ms. Zhang Ruisi.

The principal responsibilities of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and recommending any changes to the Board; identifying qualified and suitable individuals to become Board members and selecting and making recommendations to the Board on the selection of individuals nominated for directorships; assessing the independence of independent non-executive directors; and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular, the Chairman and the Chief Executive of the Company.

In selecting candidates for directorship of the Company, the Nomination Committee may make reference to certain criteria such as the Company's needs, the integrity, experience, skills, professional knowledge of the candidate and the amount of time and effort that the candidate will devote to carry out his/her duties and responsibilities. External recruitment professionals might be engaged to carry out selection process when necessary.

During the year under review, the Nomination Committee has performed the following major works: (i) reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group; (ii) made recommendation to the Board on the re-election of the retiring directors at the 2016 annual general meeting; (iii) assessed the independence of all the Company's independent non-executive directors; and (iv) considered and made recommendation to the Board on the appointment of Ms. Hong Jingjuan as an executive director of the Company.

The attendance records of each Committee member at the two Nomination Committee meetings held during the year ended 31 March 2017 are set out in section A6 above.

C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2017.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

D. RISK MANAGEMENT AND INTERNAL CONTROLS

Risk management forms part of management's core responsibility and is an integral part of the internal control of the Group.

The Board acknowledges its responsibility for risk management and internal control systems to safeguard the Group's assets and stakeholders' interests, as well as to provide reliable financial information for internal and external use together with compliance of applicable laws, rules and regulations. The Board also acknowledges its responsibility for reviewing the effectiveness of such systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk management framework

The Group's risk management and internal control systems are designed to manage and mitigate risks, rather than eliminate risks. Risk assessment and internal control management is a critical focus for all levels, including but not limit to financial, operational and compliance controls.

The Group's risk management framework and principles are applied through a hybrid of top-down and bottom-up processes. The top-down risk assessment process captures management's perspective of risks across strategic horizons, while the bottom-up process involves the identification of risks at all operating and supporting functions areas. Results from the two risk assessments are consolidated to give a broader understanding of the Group's consolidated risk profile.

Risk management process

The risk management and internal control process involves identification, assessment, internal control, mitigation and monitoring as follows:

1. Identification

It identifies the potential risks or opportunities that may arise.

D. RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

Risk management process (continued)

2. Assessment

It follows events identification and precedes risk response. Its purpose is to assess how the risks are, both individually and collectively, in order to draw management's attention to the most important threats and opportunities, and to lay the groundwork for risk response.

3. Internal Control

It is decided on a course of action to address the risks identified, to ensure that an issue may not be developed, where the potential threat is realized. The Group's internal control system includes policies and procedures covering compliance controls, project development, business control, financial reporting, budgeting and human resources system to enhance the risk awareness culture as well as the effectiveness in handling risks that have been identified and assessed.

4. Mitigation and monitoring

Mitigation and monitoring processes ensure appropriate risk responses and controls are in place, and are reviewed yearly by the Board and Audit Committee.

All levels of management work together to maintain and improve risk management and internal control framework that lowers risks to an acceptance level and assist the Group in achieving its goals and objectives.

Review of risk management & internal control systems

The Group also engaged external consultants to carry out an annual independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational and compliance controls together with recommendations submitted to the Audit Committee for their consideration in order to improve the effectiveness of the systems.

The Board, through its review and the review made by risk management and internal control function and Audit Committee of the Company, concluded that the risk management and internal control systems for the year ended 31 March 2017 were effective and adequate, covering the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions.

Regarding the handling and dissemination of inside information, the Group has practice policy in place.

E. COMPANY SECRETARY

Ms. Cheng Suk Kuen is the Company Secretary of the Company. The Company Secretary has complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training during the year under review.

F. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the Company's financial statements for the year ended 31 March 2017 is set out in the section headed "Independent Auditor's Report" in this annual report.

The fees paid/payable to CHENG & CHENG LIMITED, the Company's external auditor, in respect of audit services and non-audit services for the year ended 31 March 2017 are analyzed below:

Type of services provided by the external auditor	**Fees paid/payable** (HK$)
Audit services – Annual audit for the year ended 31 March 2017	840,000
Non-audit services – Transactions services fee for acquisition and disposal of businesses	530,000
TOTAL:	1,370,000

G. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of its corporate information, which enables shareholders and investors to make the best investment decision.

The Company maintains a website at www.986.com.hk, as a communication platform with shareholders and investors, where information and updates on the Company's financial information and other information are available for public access. Shareholders and investors may send written enquiries or requests to the Company as follows:

Address: Room 910, 9/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong
Fax no.: (852) 2536 0289

Inquiries are dealt with in an informative and timely manner.

Besides, shareholders' meetings provide an opportunity for communication between the Board and the shareholders. Board members and appropriate senior staff of the Group are available at the meetings to answer any questions raised by shareholders.

H. SHAREHOLDER RIGHTS

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. The Company's shareholders may convene a special general meeting or put forward proposals at shareholders' meetings pursuant to the Companies Act 1981 of Bermuda and the Bye-laws as follows:

(1) Shareholder(s) holding not less than one-tenth of the paid-up capital of the Company may request the Board to convene a special general meeting pursuant to Bye-law 58 of the Bye-laws by sending a written requisition to the Board or the Company Secretary at the Company's principal place of business in Hong Kong. The objects of the meeting must be stated in the written requisition.

(2) Shareholder(s) representing not less than one-twentieth of the total voting rights at the date of the requisition or not less than 100 shareholders may put forward a proposal at a shareholders' meeting, pursuant to the Companies Act 1981 of Bermuda, by sending a written requisition to the Board or the Company Secretary at the Company's registered office/principal place of business in Hong Kong. The proposal should be stated in the written requisition and such written requisition should be submitted as early as practicable to enable the Company to make necessary arrangement (in case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and in case of any other requisition, not less than one week before the meeting).

(3) If a shareholder wishes to propose a person other than a retiring director for election as a director of the Company at a general meeting, the shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting shall send a written notice, duly signed by the shareholder, of his/her intention to propose such person for election and also a notice signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's principal place of business in Hong Kong, or the office of the Company's branch share registrar at least 7 days prior to the date of the general meeting. Where the notices are submitted after the dispatch of the notice of the general meeting, the period for lodgement of such notices should commence on the day after the dispatch of the notice of such general meeting and end no later than 7 days prior to the date of such general meeting.

For the avoidance of doubt, shareholder(s) must provide their full name, contact details and identification, in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of shareholder(s) may be disclosed as required by law.

During the year under review, the Company has not made any changes to the Bye-laws. An up-to-date version of the Bye-laws is available on the websites of the Company and the Stock Exchange. Shareholders may refer to the Bye-laws for further details of their rights.

All resolutions put forward at shareholders' meetings of listed issuers shall be voted by poll pursuant to the Listing Rules. The poll voting results shall be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.986.com.hk) after a shareholders' meeting.

Environmental, Social and Governance Report

The Board is pleased to present this Environmental, Social and Governance Report (the "ESG Report") in the Company's Annual Report for the year ended 31 March 2017.

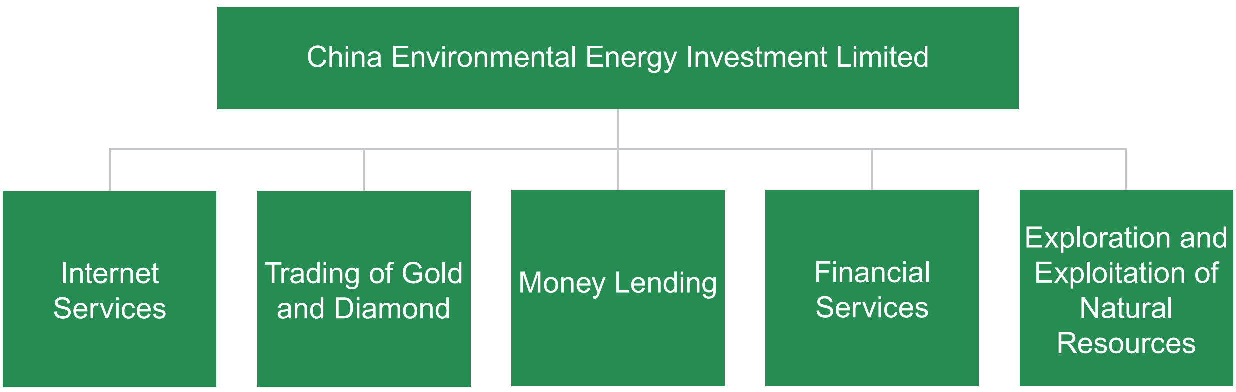
ABOUT US

The Group is involved in a range of services in various sectors. The Group is principally engaged in Internet Services, trading of gold and diamond, Money Lending, Financial Services and exploration and exploitation of natural resources.

The Group proactively identifies profitable investment opportunities. In March 2016, the Group commenced its Money Lending business in Hong Kong, which represented a new business segment. The Group will continue to expand its business in this sector. In August 2016, the Group completed another acquisition, enabling it to enter into the financial services industry. In the same month, the Group disposed subsidiaries engaged in wastes recycling and trading of petrochemical products, ceasing its business in these sectors.

Looking to the future, the Group will continue to seek suitable investment opportunities to broaden its revenue streams and diversify its business portfolio.

The Group's Business Structure



ABOUT THIS REPORT

This is the first ESG Report issued by the Group which discloses the Group's actions and performance on sustainability issues in a transparent and open manner to stakeholders. The Group is putting in place further enhancement to our data collection approach for full alignment with the Environmental, Social and Governance Reporting Guide ("ESG Guide") issued by the Stock Exchange.

Reporting Year

Information in the ESG Report reflects the performance of the Group in environmental stewardship and social responsibility from April 2016 to March 2017. In the future, the Group will publish the ESG Report on an annual basis and make it available to the public to enhance transparency and accountability.

ABOUT THIS REPORT (continued)

Reporting Boundary

The ESG Report focuses on the Group's Money Lending business in its head office[1] in Hong Kong. The Group will extend the scope of disclosures and will ultimately cover all its operations when the data collection system is better established and when environmental, social and governance work is strengthened. Although the ESG Report excludes the disclosure of Key Performance Indicators ("KPIs") at the moment, the Group plans to conduct a carbon assessment next year to further refine and standardise the indicators for reporting.

Reporting Guideline

The ESG Report is published in accordance with the ESG Guide issued by the Stock Exchange and outlines the environmental, social and governance performance of the Group in a concise manner. Information contained herein is sourced from the official documents and statistical data of the Group, and is aggregated from the monitoring, management and operational information provided by its subsidiaries in accordance with the relevant rules of the Group. A complete content index is inserted in the last section headed "ESG Reporting Guide Content Index" of the ESG Report for reference.

STAKEHOLDER ENGAGEMENT

The Stock Exchange has set four principles for reporting in the ESG Guide: materiality, quantitative, balance and consistency which should form the basis for preparing the ESG Report. As the Stock Exchange emphasizes, stakeholder engagement is the method by which materiality is assessed. Through stakeholder engagement, companies can understand wide ranging views and identify material environmental and social issues.

The Group's business activities involve a diverse range of stakeholders. Stakeholders refer to groups and individuals materially influencing or affected by the Group's business operations. The below table presents key stakeholders of the Group as well as how the Group communicate with them through a variety of engagement channels during the year.

Methods of Stakeholder Engagement in the Reporting Period

Internal Stakeholders	External Stakeholders
• The Board • Management • Administrative executives • General staff	• Shareholders • Investors • Customers • Governments • Media • Local community groups • Non-governmental organisations
Engagement methods: Meetings, interviews, direct mail, staff performance appraisal interviews, internal publications, annual general meeting, special general meetings and announcements	

[1] This report covers the operation of Great Luck Finance Limited.

STAKEHOLDER ENGAGEMENT (continued)

While preparing the ESG Report, the Group commissioned a professional consultancy firm to conduct the materiality analysis in the form of a management interview. With expert advice, the Group has identified the material aspects for this report, and these will in turn guide the formulation of the Group's sustainability roadmap.

The business operations of the Group affect different stakeholders, while these stakeholders may have different expectations on the Group. To enhance the materiality analysis, the Group will continue to expand stakeholder engagement to collect a diverse range of stakeholders' views through various channels. At the same time, the Group will consider advancing the reporting principles of quantitative, balance and consistency, in order to present the report in a way that continues to improve alignment with stakeholder expectations.

EMPLOYEE WELL-BEING

Employment

Employees are the Group's most valuable asset and the foundation of business growth. The Group believes that every employee should be respected. It is the Group's aim to provide employees with a healthy and respectful working environment through the implementation of human resource policies, which covering aspects of recruitment, training and development, compensation and benefits and disciplinary procedures. A staff handbook is in place to ensure that all employees are aware of the goals, policies and procedures of the Group as well as their responsibilities.

The Group offers competitive compensation and benefits to employees according to their job requirements and individual performance. A flexible remuneration policy has been adopted for different job categories in order to ensure the Group's competitiveness. In order to enhance employees' sense of belonging and team spirit, the Group organises activities regularly and encourages all employees to participate.

As an equal opportunity employer, the Group treats all employees on an equal footing in matters related to recruitment, remuneration and promotion. No employees will be treated unequally due to their gender, race, physical disability, marital status, religion, political opinion or sexual orientation. To maintain an equal opportunity workplace, the Group has established a grievance mechanism for employees, as well as suppliers and customers, to report any discrimination or harassment to department heads and/or to the human resources department. All cases are treated confidentially and in a timely manner.

During the reporting period, the Group has not identified any non-compliance issues or received any complaints with regard to employment and labour practices in the reporting scope.

EMPLOYEE WELL-BEING (continued)

Labour Standards

The Group is fully aware that child labour and forced labour violate fundamental human rights, transgress International Labour Conventions and also pose threat to sustainable social and economic development. With this in mind, the Group not only strictly complies with the Employment Ordinance in Hong Kong, the Labour Law in the PRC and other relevant laws and regulations, but also establishes standards, grievance and communication mechanisms with reference to The International Bill of Human Rights. The Group prohibits the use of child labour by reviewing the actual age of job applicants in the recruitment process, which includes the examination of identity documents. The Group is also committed to prohibiting forced labour so that the Group can provide an effective and appropriate grievance mechanism for issues related to the breach of labour rights.

During the reporting period, the Group did not identify any cases related to child labour or forced labour in the reporting scope.

Health and Safety

The Group believes that operational efficiency of an enterprise and a safe and healthy working environment for all employees are closely connected.

Regulatory authorities have established basic requirements for health and safety in the workplace. However, the effectiveness of supervision depends heavily on the establishment and implementation of internal systems within each organisation.

The Group is committed to providing a safe and healthy working environment. A health and safety policy is in place in internal control policy, providing employees with known best practices in health and safety.

During the reporting period, the Group has found no non-compliance cases regarding violation of relevant laws and regulations on occupational health and safety in the reporting scope.

Training and Development

Recognising that employees are the foundation of a company's success, the Group focuses on training and development. The Group endeavours to enhance employees' skills, competencies, professional knowledge and performance, and promotes mutual growth of employees and the Group.

Through the establishment of a comprehensive training management system, the Group provides different types of training according to the different needs of employees. On top of organising induction training for new recruits, the Group arranges training to be given by senior staff in corresponding departments in order to help new recruits to fit in, and facilitate communications within the team.

Apart from internal training programmes, employees are encouraged to enrol in external training relevant to their work. To support its employees to further develop their competencies, the Group provides sponsorships for such training programmes.

OPERATING WITH RESPONSIBILITY

Anti-Corruption

The Group regards integrity and fairness as the basic foundation of corporate social responsibility. The Group is committed to preventing corruption, fraud, bribery, extortion, money laundering and any other unethical activities.

The Group has a code of conduct in place which states clearly that the Group has a zero-tolerance policy towards any corrupt activities. It provides specific guidance on receiving gifts. Without consent of the management, all employees are not permitted to provide, solicit or accept any inducements that are likely to conflict with their duties. As part of the Group's efforts to prevent any corrupt activities, employees are encouraged to report any suspected breaches of the rules.

During the reporting period, there were no incidents in relation to corruption brought against the Company and its employees, nor reporting on corrupt practices received from employees in the reporting scope.

Product Responsibility

The Group strives to maintain high customer satisfaction and foster mutually beneficial relationships by providing quality and reliable products and services.

Securing customer information is essential in maintaining good corporate governance and building long-term trust with our customers. The Group's code of conduct provides guidelines to assist employees in protecting customers' information. Employees are prohibited from disclosing or using any information without the Group's written consent. The Group also conducts compliance assessment to protect customers' rights and interests if necessary.

The Group has also strictly complied with relevant products and services related regulations. The financial products and services provided will be explained to customers together with the underlying risks derived from that financial products and services in order to facilitate their financial decision-making process. The information the Group provides to customers does not contain any misleading content.

During the reporting period, the Group did not identify any non-compliance with laws and regulations related to health and safety, advertising, labelling and privacy matters relating to products and services provided in the reporting scope.

Supply Chain Management

It is the Group's objective to build lasting and constructive relationships with partners in its supply chain. As stated in the Group's internal control policy, procedures for supplier selection and engagement are formulated to ensure fairness and openness. Procurement and tender processes are based solely upon price, quality and needs.

Looking forward, the Group intends to evaluate supply chain performance in environmental and social aspects, and conducts appropriate compliance assessment in order to reduce operation risk and protect rights and interests of all parties.

PROTECTING THE ENVIRONMENT

Emissions

Climate change poses unprecedented challenges to global economic development. Extreme weather brought about by climate change directly or indirectly affects the ability of different institutions to access resources and sustain operations.

The Group is committed to minimising the impacts of its operations that may contribute to climate change. The Group has implemented various energy-saving measures such as keeping the office temperature at a reasonable level, and turning off electronic devices that are not in use. The Group assesses its use of transportation and encourages its employees to use public transport to reduce carbon emissions. Moving forward, the Group will measure its greenhouse gas emissions annually, and will develop carbon reduction targets.

The Group strives to become more environmentally friendly by placing emphasis on recycling and waste management. As the first step towards waste reduction, the Group collects and recycles its paper waste.

During the reporting period, the Group did not identify any non-compliance with laws and regulations related to emissions in the reporting scope.

Use of Resources

Based on the nature of the Group's business in Money Lending, one of the most relevant resource consumption concerns is the use of paper. To reduce consumption, the Group promotes the use of electronic communication, and encourages employees to print on both sides of paper when printing is necessary. The Group also encourages employees to conserve water. The Group will continue to put more efforts on resources saving and will strive for better protection of our environment.

The Environment and Natural Resources

The Group assesses and strives to minimise the negative impacts of its operations on the environment. Financial institutions have an impact on environmental, social and governance issues through their investment and financing decisions in addition to their internal office operations. In respect of the environmental and natural resources, the Group will consider to invest in the development of the environmental protection industry through acquisition.

INVESTING IN SOCIETY

In markets conscious of corporate conduct and the 'social license to operate', the sole pursuit of maximum financial return to shareholders in the short term is not the only goal of business management.

It is the Group's objective to create values for the communities in which it operates, and maintain communication and interaction. By cooperating with social partners, the Group aims to bring positive contribution to the community. The Group also encourages its employees to participate in volunteering or charitable fund-raising activities to serve the community.

ESG REPORTING GUIDE CONTENT INDEX

Material Aspects	Content	Page index
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	28
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	28
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	28
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	25
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	26
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	26
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	26
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	27
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	27
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	27
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	28

Report of the Directors

The directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in Note 45 to the consolidated financial statements.

BUSINESS REVIEW

The business review, including an analysis of the Group's performance during the year using financial key performance indicators and an indication of likely future development in the Group's business, is set out in "Chairman's Statement and Management Discussion and Analysis" of this annual report. Description of the principal risks and uncertainties facing by the Company can be found throughout this annual report, particularly in Notes 42 and 43 to the consolidated financial statements. These discussions form part of this "Report of the Directors".

RESULTS

The Group's profit for the year ended 31 March 2017 and the financial position of the Group at that date are set out in the consolidated financial statements on pages 44 to 130.

SUMMARY OF FINANCIAL INFORMATION

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

	Year ended 31 March				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue	**68,679**	44,626	52,710	61,658	143,086
Profit/(Loss) before tax	**28,182**	(103,655)	(151,560)	(1,423,229)	(394,598)
Taxation	**761**	265	392	316	3,367
Profit/(Loss) for the year	**27,421**	(103,390)	(151,168)	(1,422,913)	(391,231)

SUMMARY OF FINANCIAL INFORMATION (continued)

	At 31 March				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Property, plant and equipment	**8,686**	11,172	20,253	19,639	24,246
Goodwill	**52,214**	91,493	260,573	185,838	319,000
Intangible assets	**13,922**	–	27,979	32,178	36,479
Interest in an associate	**201,122**	204,358	–	–	–
Available-for-sale investments	**770,657**	835,517	274,248	64,954	82,081
Total non-current assets	**1,046,601**	1,142,540	583,053	302,609	461,806
Current assets	**164,526**	272,886	354,042	49,254	93,662
Current liabilities	**(185,942)**	(265,811)	(319,812)	(173,312)	(364,266)
Net current (liabilities)/assets	**(21,416)**	7,075	34,230	(124,058)	(270,604)
Total assets less current liabilities	**1,025,185**	1,149,615	617,283	178,551	191,202
Promissory notes payable	**–**	(31,289)	–	–	–
Unconvertible bonds	**(10,151)**	(20,434)	(20,297)	(20,168)	(20,000)
Deferred tax liabilities	**(2,297)**	–	(21,286)	(8,070)	(9,224)
Net assets	**1,012,737**	1,097,892	575,700	150,313	161,978

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's businesses are mainly carried out by the Company's subsidiaries established in Hong Kong, the PRC and the British Virgin Islands while the Company itself is incorporated in Bermuda with its shares listed on the Stock Exchange. Our establishment and operations shall comply with relevant laws and regulations in Bermuda, Hong Kong, the PRC and the British Virgin Islands accordingly.

During the year under review, the Company did not comply with the announcements, circular and prior shareholders' approval requirements under Chapter 14 of the Listing Rules in respect of the acquisition of shares of Luen Wong and the disposal of shares of CJH on 20 and 21 July 2016 (the "Acquisition and Disposal"). In order for the Company to comply with the Listing Rules and rectify the Acquisition and Disposal, the Company therefore sought ratification of the Acquisition and Disposal by the shareholders. On 11 October 2016, a special general meeting of the Company was held at which the Acquisition and Disposal were ratified, confirmed and approved by the shareholders. Save as disclosed above, during the year ended 31 March 2017, as far as the Board is aware, there was no material breach of the laws or regulations that have a significant impact on the Group's business and operation.

ENVIRONMENTAL PROTECTION POLICY

Details of the environmental protection policy and performance of the Group for the year ended 31 March 2017 are set out in the section headed "Environmental, Social and Governance Report" of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in Note 16 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Pursuant to an ordinary resolution passed at a special general meeting of the Company on 20 October 2016, every ten issued and unissued ordinary shares of par value of HK$0.01 each in the share capital of the Company were consolidated into one consolidated share of HK$0.10 each in the share capital of the Company. The aforesaid share consolidation became effective on 21 October 2016. Details of movements in the Company's share capital and share options during the year are set out in Notes 30 and 31 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as the Company's share option scheme disclosed in Note 31 to the consolidated financial statements, no equity-linked agreements were entered into by the Company during the year and subsisted at the end of the year.

PRE-EMPTIVE RIGHTS

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

DONATIONS

No donations were made by the Group during the year ended 31 March 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 March 2017, the Company does not have any reserves available for cash distribution and/or distribution in specie. In addition, the Company's share premium account in the amount of approximately HK$2,601,203,000 may be distributed in the form of fully paid bonus shares.

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.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, the sales attributable to the Group's five largest customers accounted for approximately 72.02% of the total sales for the year and sales to the largest customer included therein amounted to approximately 41.69%.

In the year under review, the purchases attributable to the Group's five largest suppliers accounted for approximately 92.60% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 83.71%.

None of the directors of the Company or any of their close associates or any shareholders (which, to the knowledge of the directors, own more than 5% of the number of the Company's issued shares) had any beneficial interest in the Group's five largest suppliers or customers.

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's businesses cannot be achieved without the support from stakeholders. The Group has always paid attention to and maintained a good relationship with its customers by providing customer-oriented services. To achieve our best products and services to our customers, the Group is striving to maintain good relationship and close communication with suppliers for continual improvement of both products and services provided. The Group also values the knowledge and skills of employees. Competitive remuneration package is offered to retain high-calibre employees and make sure that their performance goals are aligned with the Group's business objectives.

DIRECTORS

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

Executive directors:

Ms. Chen Tong
Mr. Xiang Liang
Ms. Hong Jingjuan (Appointed on 6 March 2017)

Independent non-executive directors:

Ms. Zhang Ruisi
Mr. Tse Kwong Chan
Ms. Zhou Jue

In accordance with the Bye-laws and the agreement among the Board members, Ms. Hong Jingjuan, Ms. Zhang Ruisi and Ms. Zhou Jue shall retire from office as directors of the Company at the forthcoming annual general meeting of the Company (the "AGM"). All of the above three directors are eligible for re-election at the AGM. Ms. Zhang Ruisi and Ms. Zhou Jue have indicated to the Board that they will not offer themselves for re-election and will therefore retire at the AGM; whereas Ms. Hong Jingjuan will offer herself for re-election at the AGM.

BRIEF BIOGRAPHICAL DETAILS IN RESPECT OF DIRECTORS

Executive directors:

Ms. Chen Tong (“Ms. Chen”), aged 53, is the Chairman of the Board, the Chief Executive Officer, the Chairman of the Executive Committee and an executive director of the Company. She joined the Group in December 2010. Ms. Chen graduated from Tongji University in 2002 with a bachelor’s degree in administrative management. She is currently the vice general manager of a logistic company in the PRC. She has over 21 years experience in the banking industry and is an economist.

Mr. Xiang Liang (“Mr. Xiang”), aged 48, is an executive director and a member of each of the Executive Committee, the Nomination Committee and the Remuneration Committee of the Company. He joined the Group in March 2010. Mr. Xiang holds a degree in accounting and finance from Shanghai TV University (now known as “Shanghai Open University”) and is a banker of Hongkou Qu, Shanghai Branch, China Construction Bank for more than 20 years.

Ms. Hong Jingjuan (“Ms. Hong”), aged 32, is an executive director and a member of the Executive Committee of the Company. She joined the Group in March 2017. She obtained her bachelor degree of human resources management from Jingqiao University in 2007. Prior to joining the Company, Ms. Hong was the marketing director of a real estate valuation company. Ms. Hong has over 9 years of experience in sales and marketing, administration and business operation.

Independent non-executive directors:

Ms. Zhang Ruisi (“Ms. Zhang”), aged 30, was appointed as an independent non-executive director of the Company and the Chairman of both the Audit Committee and the Nomination Committee of the Company with effect from 1 September 2014. Ms. Zhang obtained a bachelor degree in business administration from The Chinese University of Hong Kong in 2009 and obtained a master degree in finance from The University of Hong Kong in 2015. She has over 5 years of experience in auditing listed companies and is a member of Hong Kong Institute of Certified Public Accountants. Since June 2016, she has served as senior internal audit officer of Henderson Sunlight Asset Management Limited and acted as manager of Sunlight Real Estate Investment Trust (stock code: 435) whose shares are listed on the Main Board of the Stock Exchange.

Ms. Zhou Jue (“Ms. Zhou”), aged 31, is an independent non-executive director of the Company. She is also a member of both the Audit Committee and the Remuneration Committee of the Company. She joined the Company in December 2010. Ms. Zhou studied corporate management in Shanghai Maritime University. She is currently a deputy director of channel sales in a media advertising company. Ms. Zhou has experience in hotel management and investment sales and promotion.

Mr. Tse Kwong Chan (“Mr. Tse”), aged 47, is an independent non-executive director, the Chairman of the Remuneration Committee and a member of both the Audit Committee and the Nomination Committee of the Company. He joined the Company in March 2011. He graduated from Dawson College, Canada with a degree majoring in Mathematics in 1991. Mr. Tse has over 22 years of working experience in the area of sales and marketing and management.

Save as disclosed herein, there is no other relationship between each of the directors as required to be disclosed under the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the AGM 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' REMUNERATION

The remuneration of directors is transacted and voted by the shareholders at annual general meeting as ordinary business during which the Board is authorized to fix the remuneration of directors. The remuneration payable to directors is then determined by the Board with reference to directors' duties, responsibilities and performance and results of the Group and the recommendations of the Remuneration Committee subject to the Bye-laws.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in Note 41 to the consolidated financial statements, none of directors of the Company or their connected entities had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party subsisted at the end of the year or at any time during the year ended 31 March 2017.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the directors nor their respective close associates was interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's businesses pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2017, none of the directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in Note 31 to the consolidated financial statements, neither at the end of nor at any time during the year there subsisted any arrangement to which the Company or any of its subsidiaries was a party and the objects or one of the objects of such arrangement are/is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2017, the following parties had interests of 5% or more of the issued share capital of the Company according to the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions in the ordinary shares of the Company

Name of substantial shareholder	Nature of Interests	Number of ordinary shares interested	Percentage+ of the Company's issued share capital
上海海通證券資產管理有限公司	Trustee (Note 1)	22,000,000	5.88%
中歐盛世資產管理（上海）有限公司	Trustee (Note 2)	22,000,000	5.88%

Notes:

1. 上海海通證券資產管理有限公司 is interested in these 22,000,000 shares of the Company in a capacity of a trustee of 海通國貿1號定向資產管理計劃 pursuant to Part XV of the SFO.

2. 中歐盛世資產管理（上海）有限公司 is interested in these 22,000,000 shares of the Company in a capacity of a trustee of 中歐盛世鑫港復興1號特定多客戶資產管理計劃 pursuant to Part XV of the SFO.

\+ The percentage represents the number of ordinary shares involved divided by the number of the Company's issued shares as at 31 March 2017. As at 31 March 2017, the number of issued shares of the Company was 374,228,640 shares of HK$0.10 each.

Save as disclosed above, as at 31 March 2017, no person had registered an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CONTRACT OF SIGNIFICANCE

No contract of significance has been entered into between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries during the year.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-Laws, every director for the time being acting in relation to any of the affairs of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all losses, damages and expenses which he/she shall or may incur or sustain by or by reason of any act done about the execution of duties of his/her office or otherwise in relation thereto.

There is appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

CONNECTED TRANSACTIONS

The related party transactions as disclosed in Note 41 to the consolidated financial statements do not fall under the definitions of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors of the Company, as at the date of this report, at least 25% of the Company's total number of issued shares were held by the public.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events of the Group after the reporting period are set out in Note 46 to the consolidated financial statements.

AUDITOR

CCTH CPA Limited had acted as the auditor of the Company for the years ended 31 March 2013, 2014 and 2015. CCTH CPA Limited has tendered its resignation as auditor of the Company with effect from 30 December 2015. CHENG & CHENG LIMITED has been appointed as auditor of the Company for the year ended 31 March 2016 with effect from 24 February 2016 to fill the casual vacancy left by CCTH CPA Limited.

The consolidated financial statements of the Group for the year ended 31 March 2017 were audited by CHENG & CHENG LIMITED who will retire at the conclusion of the AGM and, being eligible, will offer itself for re-appointment. A resolution will be submitted to the AGM to re-appoint CHENG & CHENG LIMITED as the auditor of the Company.

ON BEHALF OF THE BOARD

Ms. Chen Tong
Chairman

Hong Kong
27 June 2017

Independent Auditor's Report

CHENG & CHENG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
鄭鄭會計師事務所有限公司
10/F., Allied Kajima Building,
138 Gloucester Road, Wanchai, Hong Kong

TO THE SHAREHOLDERS OF CHINA ENVIRONMENTAL ENERGY INVESTMENT LIMITED
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of China Environmental Energy Investment Limited (the "Company") and its subsidiaries ("the Group") set out on pages 44 to 130, which comprise the consolidated statement of financial position as at 31 March 2017, 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 the matter was addressed in our audit
Business combinations *Refer to note 36 in the consolidated financial statements* As detailed in note 36, approximately HK$1.4 million of goodwill and approximately HK$13.9 million of intangible assets has been recognised in connection with the business combinations result from the acquisition of C.E. Securities and Asset Management Limited during the year. Significant judgement has been exercised by management in establishing the initial estimates of the fair values of the identifiable assets and liabilities acquired together with the goodwill and intangible assets arising on acquisitions in preparing their purchase price allocation. The Group engaged an independent external valuer to assist in the valuation of the goodwill and intangible assets arising, in addition to considering the estimated useful lives of the identified intangible assets.	We have performed the following procedures to address this key audit risk: – Obtained and reviewed the sales and purchase agreements and understood the terms and conditions of the transaction to assess compliance with HKFRS 3 Business Combinations; – Tested the initial consideration to the signed purchase agreement and to bank statements and assessed the appropriateness of the fair value of the total consideration determined by the management; – Evaluated the independent external valuer's competence, capabilities and objectivity; – Assessed the methodologies used and the appropriateness of the key assumptions based on our knowledge of the acquired companies' industry and assessed the inputs within the valuation models; and – Checked, on a sample basis, the accuracy and relevance of the input data used. We also reviewed the disclosures presented in note 36 to the financial statements to confirm compliance with the provisions within HKFRS 3.

KEY AUDIT MATTERS (continued)

Key Audit Matter (continued)	How the matter was addressed in our audit (continued)
Goodwill and other asset impairment assessment – Internet Services business, Trading of Gold and Diamond business, Money Lending business and Financial Services business segment Refer to note 17 and 18 in the consolidated financial statements The Group has goodwill of approximately HK$52.2 million that attributable from the Internet Services business, Trading of Gold and Diamond business, Money Lending business and Financial Services business segment and intangible assets of approximately HK$13.9 million as at the end of the reporting period. The Group engaged an independent external valuer to assist in the valuation of the goodwill and intangible assets. Management concluded that approximately HK$33.1 million and approximately HK$7.5 million of goodwill was impaired in the Internet Services business and Trading of Gold and Diamond business segment's goodwill respectively. This conclusion was based on a value in use model that required significant management judgement with respect to the discount rate and the underlying cash flows, in particular future revenue growth.	Our procedures in relation to management's impairment assessment included: – Evaluating the valuation specialists' competence, capabilities and objectivity; – Assessed the appropriateness of the valuation methodologies, including the value-in-use calculations, used by the valuation specialists and management to estimate the recoverable amount of the cash generating units; – Challenging the reasonableness of key assumptions based on our knowledge and understanding of the businesses and markets; – Checked, on a sample basis, the accuracy ad relevance of the input data used; and – Reconciling input data to supporting evidence, such as approved budgets and evaluating the reasonableness of the budgets. We found the assumptions made by management and independent external valuer in relation to value in use calculations to be reasonable based on available evidence. The significant inputs have been appropriately disclosed in note 17 and note 18.

KEY AUDIT MATTERS (continued)

Key Audit Matter (continued)	How the matter was addressed in our audit (continued)
Impairment assessment on interest in an associate – Pure Power Holdings Limited ("Pure Power") Refer to note 19 in the consolidated financial statements As at 31 March 2017, the management conducted impairment assessments to ensure that the carrying amounts of the interests in Pure Power is lower than its respective estimated recoverable amount. The estimated recoverable amount of Pure Power has been determined with reference to their value-in-use which are inherently subjective being dependent on the inputs that require management judgment and assumptions about the discounted future cash flow of the respective associate and the related discount rate. As disclosed in note 19 to the consolidated financial statements, the carrying amount of Pure Power is approximately HK$201.1 million. The management has concluded that there is no impairment in respect of the Group's interest in Pure Power as its value-in-use is higher than its carrying amount.	Our procedures in relation to management's impairment assessment included: – Evaluated the independent external valuers' competence, capabilities and objectivity; – Evaluating the appropriateness of the valuation methodology and the models used, with the assistance of our internal valuation specialist, where appropriate; – Evaluating the reasonableness of the inputs and assumptions used to determine the cash flow forecasts with reference to historical performance, economic and industry indicators and publicly available information; – Checked, on a sample basis, the accuracy and relevance of the input data used; and – Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets. We found the assumptions made by management and independent external valuer in relation to value in use calculations to be reasonable based on available evidence. The significant inputs have been appropriately disclosed in note 19.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises all 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 THE AUDIT COMMITTEE 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 issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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

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

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

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

CHENG & CHENG LIMITED
Certified Public Accountants
Hong Kong, 27 June 2017

Chan Shek Chi
Practising Certificate number P05540

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Continuing Operations			
Revenue	4	**67,672**	19,086
Cost of sales		**(37,683)**	(11,380)
Gross profit		**29,989**	7,706
Investment and other income	6	**40**	1,028
Other gains and losses	7	**(6,499)**	(44,039)
Selling and distribution expenses		**(657)**	(380)
Administrative expenses		**(37,217)**	(36,275)
Finance costs	8	**(11,702)**	(8,937)
Share of loss of an associate	19	**(3,236)**	–
Loss before taxation	9	**(29,282)**	(80,897)
Taxation	12	**(1,181)**	(820)
Loss from continuing operations		**(30,463)**	(81,717)
Discontinued Operations			
Profit/(loss) from discontinued operations	13	**57,884**	(21,673)
Profit/(loss) for the year		**27,421**	(103,390)
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on:			
Translation of foreign operations		**1,616**	(2,262)
Reclassification adjustments relating to foreign operations disposed of		**–**	2,350
Transferred to profit or loss on disposal of subsidiaries		**4,509**	–
		6,125	88
Available-for-sale investments			
Increase in fair value		**159,452**	466,854
Transferred to profit or loss on disposal		**(280,518)**	(23,495)
		(121,066)	443,359
Other comprehensive (expense)/income for the year		**(114,941)**	443,447
Total comprehensive (expense)/income for the year		**(87,520)**	340,057

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Loss for the year from continuing operations attributable to:			
Owners of the Company		**(30,463)**	(81,808)
Non-controlling interests		**–**	91
		(30,463)	(81,717)
Profit/(loss) for the year from discontinued operations attributable to:			
Owners of the Company		**57,928**	(20,754)
Non-controlling interests		**(44)**	(919)
		57,884	(21,673)
Profit/(loss) for the year from continuing and discontinued operations attributable to:			
Owners of the Company		**27,465**	(102,562)
Non-controlling interests		**(44)**	(828)
		27,421	(103,390)
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(87,627)**	340,484
Non-controlling interests		**107**	(427)
		(87,520)	340,057

	Notes	2017 HK$	2016 HK$ (restated)
Earnings/(loss) per share	15		
From continuing and discontinued operations			
Basic		**0.07**	(0.30)
Diluted		**0.07**	(0.30)
From continuing operations			
Basic		**(0.08)**	(0.24)
Diluted		**(0.08)**	(0.24)
From discontinued operations			
Basic		**0.15**	(0.06)
Diluted		**0.15**	(0.06)

Consolidated Statement of Financial Position

As at 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment	16	**8,686**	11,172
Goodwill	17	**52,214**	91,493
Intangible assets	18	**13,922**	–
Interest in an associate	19	**201,122**	204,358
Available-for-sale investments	20	**770,657**	835,517
		1,046,601	1,142,540
Current assets			
Trade receivables	21	**6,054**	3,263
Loan and interest receivables	22	**85,427**	44,427
Other receivables, prepayments and deposits paid	23	**5,994**	24,342
Cash deposits held by securities brokers	24	**79**	7
Bank balances and cash	24	**66,972**	22,766
		164,526	94,805
Assets classified as held for sale	25	**–**	178,081
		164,526	272,886
Current liabilities			
Trade payables	26	**425**	335
Other payables and accruals	27	**20,794**	54,960
Promissory notes payable	28	**143,070**	101,381
Unconvertible bonds	32	**20,585**	–
Income tax payable		**1,068**	425
		185,942	157,101
Liabilities directly associated with assets classified as held for sale	25	**–**	108,710
		185,942	265,811
Net current (liabilities)/assets		**(21,416)**	7,075
		1,025,185	1,149,615

Consolidated Statement of Financial Position

As at 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Capital and reserves			
Share capital	30	**37,423**	37,423
Share premium and reserves		**975,314**	1,062,941
Equity attributable to owners of the Company		**1,012,737**	1,100,364
Non-controlling interests		**–**	(2,472)
Total equity		**1,012,737**	1,097,892
Non-current liabilities			
Promissory notes payable	28	**–**	31,289
Unconvertible bonds	32	**10,151**	20,434
Deferred tax liabilities	33	**2,297**	–
Total non-current liabilities		**12,448**	51,723
		1,025,185	1,149,615

The consolidated financial statements on pages 44 to 130 were approved and authorised for issue by the Board of Directors on 27 June 2017 and are signed on its behalf by:

Chen Tong
Director

Xiang Liang
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Contributed Surplus HK$'000	Investments Revaluation reserve HK$'000	Exchange reserve HK$'000	Capital redemption reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non–Controlling interests HK$'000	Total HK$'000
At 1 April 2015	26,023	2,404,726	2,031	80,588	2,960	464	(1,934,544)	582,248	(6,548)	575,700
Loss for the year	–	–	–	–	–	–	(102,562)	(102,562)	(828)	(103,390)
Other comprehensive (expense)/income										
Exchange difference arising from translation of foreign operations	–	–	–	–	(2,663)	–	–	(2,663)	401	(2,262)
Reclassification adjustments relating to foreign operations disposed of	–	–	–	–	2,350	–	–	2,350	–	2,350
Increase in fair value of available-for-sale investments	–	–	–	466,854	–	–	–	466,854	–	466,854
Reclassification adjustments for gains on disposal of available-for-sale investments included in profit or loss	–	–	–	(23,495)	–	–	–	(23,495)	–	(23,495)
Total comprehensive income/(expense) for the year	–	–	–	443,359	(313)	–	(102,562)	340,484	(427)	340,057
Non-controlling interests arising on further acquisition of subsidiaries	–	–	–	–	–	–	(30,245)	(30,245)	4,887	(25,358)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	(384)	(384)
Issue of shares upon placing of shares	11,400	199,080	–	–	–	–	–	210,480	–	210,480
Share issue expenses	–	(2,603)	–	–	–	–	–	(2,603)	–	(2,603)
At 31 March 2016 and 1 April 2016	37,423	2,601,203	2,031	523,947	2,647	464	(2,067,351)	1,100,364	(2,472)	1,097,892
At 31 March 2016 and 1 April 2016	37,423	2,601,203	2,031	523,947	2,647	464	(2,067,351)	1,100,364	(2,472)	1,097,892
Profit/(loss) for the year	–	–	–	–	–	–	27,465	27,465	(44)	27,421
Other comprehensive (expense)/income										
Exchange difference arising from translation of foreign operations	–	–	–	–	1,465	–	–	1,465	151	1,616
Transferred to profit or loss on disposal of subsidiaries	–	–	–	–	4,509	–	–	4,509	–	4,509
Increase in fair value of available-for-sale investments	–	–	–	159,452	–	–	–	159,452	–	159,452
Reclassification adjustment for gains on disposal of available-for-sale investments included in profit or loss	–	–	–	(280,518)	–	–	–	(280,518)	–	(280,518)
Total comprehensive (expense)/income for the year	–	–	–	(121,066)	5,974	–	27,465	(87,627)	107	(87,520)
Disposal of subsidiaries	–	–	–	–	–	–	–	–	2,365	2,365
At 31 March 2017	**37,423**	**2,601,203**	**2,031**	**402,881**	**8,621**	**464**	**(2,039,886)**	**1,012,737**	**–**	**1,012,737**

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	Note	2017 HK$'000	2016 HK$'000
Cash flows from operating activities			
Profit/(loss) for the year		**27,421**	(103,390)
Adjustments for:			
Income tax expense/(credit) recognised in profit or loss	12	**761**	(265)
Gain on disposal of non-listed securities		**(390)**	(3,257)
Finance costs		**12,282**	10,504
Depreciation of property, plant and equipment		**3,828**	4,338
Amortisation of intangible assets		**–**	4,172
Loss on disposal of property, plant and equipment		**1**	–
(Gain)/loss on disposal of subsidiaries		**(59,784)**	2,753
Impairment loss recognised on:			
– goodwill		**40,654**	19,199
– available-for-sale investments		**–**	74,695
Bank interest income		**(10)**	(185)
Other interest income		**–**	(829)
Realised gain on disposal of listed equity securities held for investment		**(33,818)**	(33,724)
Share of loss of an associate		**3,236**	–
Gain on redemption of convertible bonds		**–**	(122)
Operating cash flows before movements in working capital		**(5,819)**	(26,111)
Decrease in inventories		**–**	435
Increase in loan and interest receivables		**(41,000)**	(44,427)
(Increase)/decrease in trade receivables		**(2,792)**	6,414
Decrease/(increase) in other receivables, prepayments and deposits paid		**21,066**	(13,685)
Increase/(decrease) in trade payables		**89**	(4,017)
Increase in other payables and accruals		**1,466**	1,205
Cash used in operations		**(26,990)**	(80,186)
Income tax paid		**(538)**	(485)
Net cash used in operating activities		**(27,528)**	(80,671)

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	Note	2017 HK$'000	2016 HK$'000
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(1,380)**	(1,187)
Proceeds from disposal of property, plant and equipment		**261**	–
Proceeds from disposal of non-listed securities		**31,000**	45,400
Investment in an associate		**–**	(63,000)
Acquisition of a subsidiary	36	**(12,341)**	(540)
Disposal of subsidiaries	37	**97,441**	36,636
Acquisition of available-for-sale investments		**(276,100)**	(380,309)
Proceeds from disposal of listed available-for-sale investments		**223,102**	165,911
Deposits received on disposal of assets classified as held for sale		**–**	50,000
Bank interest received		**10**	1,014
Decrease in restricted bank deposits		**–**	3,313
Net cash generated from/(used in) investing activities		**61,993**	(142,762)
Cash flows from financing activities			
Proceeds from issue of new shares		**–**	210,480
Share issue expenses		**–**	(2,603)
Repayments of bank and other borrowings		**–**	(614)
Repayments of promissory notes payable		**–**	(191,950)
Repayments of convertible bonds		**–**	(1,944)
Proceeds from unconvertible bonds		**10,000**	–
Interest paid		**(1,580)**	(17,649)
Net cash generated from/(used in) financing activities		**8,420**	(4,280)
Net increase/(decrease) in cash and cash equivalents		**42,885**	(227,713)
Cash and cash equivalents at beginning of the year		**23,121**	250,904
Effects of exchange rate changes		**1,045**	(70)
Cash and cash equivalents at end of the year		**67,051**	23,121
Cash and cash equivalents at end of the year represented by:			
Cash deposits held by securities brokers		**79**	7
Bank balances and cash		**66,972**	23,114
		67,051	23,121

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda and its principal place of business is Room 910, 9th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding and the activities of its principal subsidiaries are set out in Note 45. The Company together with its subsidiaries are referred to as the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been prepared under the historical cost convention except that investment in listed equity securities classified as available-for-sale investments are stated at their fair value as explained in the accounting policies set out in Note 20.

The preparation of the financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(i) New standards, revisions and amendments to existing standards effective for annual periods beginning 1 April 2016, relevant to the Group's operations and adopted by the Group:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements

The adoption of the above new standards, revisions and amendments to existing standards did not have any material impact on the preparation of the Group's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

(ii) New and amended standards issued but not yet effective

The Group and the Company have not early applied the following new and amended standards that have been issued but yet effective:

HKFRS 9	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
Amendments to HKAS 7	Statement of Cash Flows – Disclosure Initative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle[5]
Amendments to HKAS 40	Transfers of Investment Property[2]
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[2]

1 Effective for accounting periods beginning on or after 1 January 2017
2 Effective for accounting periods beginning on or after 1 January 2018
3 Effective for accounting periods beginning on or after 1 January 2019
4 Effective date to be determined
5 Effective for accounting periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the results and the financial position of the Group.

(b) Subsidiaries

(i) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiaries (continued)

(i) Consolidation (continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any assets or liabilities resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated statement of profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiaries (continued)

(ii) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified or permitted by applicable HKFRSs.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in an associate includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Associates (continued)

The Group's share of post-acquisition profit or loss is recognised in the consolidated profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of (loss)/profit of an associate" in the consolidated profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated profit or loss during the year in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

Depreciation is provided to write off the cost, other than construction in progress, over their estimated useful lives from the date on which they are available for use and after taking into account of their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold improvements	Over the shorter of the lease terms or 20%
Plant and machinery	9% to 10%
Furniture and office equipment	10% to 20%
Motor vehicles	18% to 20%
Motor vessel	20%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Residual values and useful lives are reviewed at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains and losses" in the consolidated profit or loss.

(e) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Intangible assets (continued)

(ii) Customer relationship

Customer relationship acquired in a business combination are recognised at fair value at the acquisition date. Customer relationship has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from ten years over the expected life of customer relationship.

(iii) Licenses

Type 1, Type 4 and Type 9 regulated activities licenses (the "Licenses") under Securities and Futures Commission ("SFC") are classified as intangible assets. The Licenses acquired in a business combination are recognised at fair value at the acquisition date. The Licenses have an indefinite useful life and are carried at cost less accumulated impairment losses. The Licenses have no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the Licenses are considered by the management of the Group as having an indefinite useful life because they are expected to contribute to net cash inflows indefinitely. The Licenses will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and whenever there is an indication that they may be impaired. The useful life of the Licenses is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

(f) Impairment of non-financial assets

Assets that have an indefinite useful life – for example, intangible assets not ready to use and the Licenses – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the reporting date.

(g) Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for certain assets as explained below), (or disposal groups), are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held-for-sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Non-current assets (or disposal groups) held-for-sale and discontinued operations (continued)

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the consolidated profit or loss, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

(h) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: Available-for-sale financial assets and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

– *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of reporting date. These are classified as non-current assets. The Group's loans and receivables comprise trade receivables, loan and interest receivables, other receivables, deposits paid, cash deposits held by securities brokers and bank balance and cash in the consolidated statement of financial position.

– *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designed in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair values or cost less impairment. Loans and receivables are carried at amortised cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial assets (continued)

(ii) Recognition and measurement (continued)

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated profit or loss as "realised gain or loss on disposal of equity securities held for investment".

Dividends on available-for-sale equity instruments are recognised in profit or loss as part of investment and other income when the group's right to receive payment is established.

(i) Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated profit or loss. If a loan and receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of financial assets (continued)

(ii) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For equity investments, a significant or prolonged decline in the fair value of the securities below its costs in also evidence that the assets are impaired. If any such evidence exists the cumulated loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial assets previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated profit or loss on equity instruments are not reversed through the consolidated profit or loss.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liabilities simultaneously, the legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(k) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments with original maturities of three months or less, in the consolidated statement of financial position.

(m) Trade payables

Trade payables are obligation to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

(o) Borrowings

Borrowings, including promissory notes payable and unconvertible bonds are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

(p) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated profit or loss, except to the extent it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Current and deferred income tax (continued)

(ii) Deferred income tax (continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and an associate, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(q) Revenue recognition

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

(i) Revenue from the sale of goods is recognised when the goods are delivered and title has passed.

(ii) Income from provision of internet online services is recognised when such services are rendered.

(iii) Interest income from a financial asset 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 estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Insurance brokerage commission income and investment advisory services income are recognised when services are rendered.

(v) Dividend income is recognised when the right to receive payment is established.

(r) Retirement benefits scheme

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Retirement benefits scheme (continued)

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administered funds managed by the PRC government.

The Group also participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme"), which is a defined contribution retirement scheme for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income subject to a cap of HK$1,500 per month. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

(s) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of those assets, when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the assets for its intended use or sale are in progress. Capitalisation of such borrowing costs ceases when 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 the consolidated profit or loss in the period in which they are incurred.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar ("HK$"), which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

All foreign exchange gains and losses are presented in the consolidated profit or loss within "Other gains and losses".

Translation differences on non-monetary financial assets and liabilities such as equities classified as available-for-sale investments are included in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that reporting;

(b) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Foreign currency translation (continued)

(iii) Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in other comprehensive income are recognised in the consolidated profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(v) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated profit or loss on a straight-line basis over the period of the lease.

(w) Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity received services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (for example, an entity’s share price);
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specific time period); and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated profit or loss, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purpose of recongnising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the directors of the Company are required to make judgments, 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(a) Impairment of goodwill

Determining whether goodwill is impaired requires the Group to assess the recoverable amount of the CGUs to which goodwill has been allocated. The recoverable amount is the higher of fair value less costs of disposal and the value in use. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected or when there is a revision to the estimated future cash flows due to changes in fact or circumstances, a material impairment loss on goodwill may arise.

The carrying amount of goodwill as at 31 March 2017 was approximately HK$52,214,000 (2016: approximately HK$91,493,000). Impairment loss of goodwill amounting to approximately HK$40,654,000 has been recognised in profit or loss in respect of the year ended 31 March 2017 (2016: approximately HK$19,199,000), details of which are disclosed in Note 17.

(b) Useful lives of intangible assets

The management determines the estimated useful lives and related amortisation for the Group's intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Intangible assets are not amortised when their useful lives are assessed to be indefinite. The conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. The Group may need to amortise intangible assets in future periods or recognize impairment losses on intangible assets if events and circumstances indicate that the useful life is not indefinite. Intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(c) Impairment of non-financial assets (other than goodwill)

The Group assess whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available information from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

(d) Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment according to the industrial experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. When the actual useful lives of property, plant and equipment due to the change of commercial environment are different from their estimated useful lives, such difference will impact the depreciation charges and the amounts of assets written down in future periods.

(e) Impairment loss recognised in respect of trade and other receivables

The Group maintains an allowance for estimated loss arising from the inability of its debtors to make the required payments. The Group makes its estimates based on the ageing of debtors' balances, debtors' creditworthiness, and historical write-off experience. If the financial condition of its debtors was to deteriorate so that the actual impairment loss might be higher than expected, the Group would be required to revise the basis of making the allowance and its future results would be affected. As at 31 March 2017, the carrying amount of trade receivables amounted to an aggregate of approximately HK$6,054,000 (net of accumulated impairment losses of approximately HK$ Nil) (2016: carrying amount amounted to an aggregate of approximately HK$3,263,000 (net of accumulated impairment losses of HK$ Nil)).

3. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(f) Impairment of intangible assets with indefinite useful lives

Determining whether intangible assets with indefinite useful lives of the Group are impaired requires an estimation of recoverable amount of the CGUs to which intangible assets with indefinite useful lives have been allocated, which is the higher of the related fair value less costs of disposal and value-in-use. The calculations require the management to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the recoverable amounts.

(g) Fair value measurements and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company determine the appropriate valuation techniques and inputs for fair value measurements.

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. The following disclosures of fair value measurements use a fair value hierarchy that categories into three levels the inputs to valuation techniques used to measure fair value:–

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 inputs are observable inputs which fail to meet level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data is not available;
- Level 3 inputs are significant unobservable inputs.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The board of directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

4. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances and trade discounts, income from online products sales, provision of marketing, web design and maintenance services ("Internet Services"), interest income from provision of loans as money lending ("Money Lending") and services income from provision of financial advisory and intermediary services ("Financial Services") is analysed as below:

	Continuing Operations		Discontinued Operations		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Sale of goods	**40,065**	8,171	**1,007**	25,540	**41,072**	33,711
Income from Internet Services	**5,493**	10,488	**–**	–	**5,493**	10,488
Interest income from Money Lending	**20,808**	427	**–**	–	**20,808**	427
Services income from Financial Services	**1,306**	–	**–**	–	**1,306**	–
	67,672	19,086	**1,007**	25,540	**68,679**	44,626

5. SEGMENT INFORMATION

(a) Business segments

The Group's operating and reportable segments which are based on the types of products manufactured and services rendered are as follows:

Continuing Operations

Internet Services: online products sales, provision of marketing, web design and maintenance services

Trading of Gold and Diamond: purchase and sale of gold and diamond

Money Lending: provision of loans as money lending

Financial Services: provision of financial advisory and intermediary services

Discontinued Operations

Wastes Recycling: waste paper, scrap metal and consumable wastes recycling

Trading of Petrochemical Products: purchase and sale of petrochemical products

5. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

Segment revenue and result

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

For the year ended 31 March 2017

	Continuing operations					Discontinued operations			
	Internet Services HK$'000	Trading of Gold and Diamond HK$'000	Money Lending HK$'000	Financial Services HK$'000	Sub-total HK$'000	Waste Recycling HK$'000	Trading of Petrochemical Products HK$'000	Sub-total HK$'000	Total HK$'000
Segment revenue:									
Sales to external customers	5,493	40,065	36,445	1,306	83,309	1,007	–	1,007	84,316
Intersegment sales	–	–	(15,637)	–	(15,637)	–	–	–	(15,637)
Revenue from external customers	5,493	40,065	20,808	1,306	67,672	1,007	–	1,007	68,679
Net Segment Result:									
Segment result	2,668	3,760	20,372	(4,380)	22,420	(1,749)	–	(1,749)	20,671
Impairment loss on goodwill	(33,129)	(7,525)	–	–	(40,654)	–	–	–	(40,654)
Net segment result	(30,461)	(3,765)	20,372	(4,380)	(18,234)	(1,749)	–	(1,749)	(19,983)
Interest income									10
Other unallocated income									39
Gain on disposal of non-listed securities									390
Realised gain on disposal of listed equity securities held for investment									33,818
Gain on disposal of subsidiaries									59,784
Share of loss of an associate									(3,236)
Other unallocated expenses									(30,358)
Finance costs									(12,282)
Profit before taxation									28,182
Taxation									(761)
Profit for the year									27,421

5. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

***Segment revenue and result** (continued)*

For the year ended 31 March 2016

	Continuing operations				Discontinued operations			
	Internet Services HK$'000	Trading of Gold and Diamond HK$'000	Money Lending HK$'000	Sub-total HK$'000	Wastes Recycling HK$'000	Trading of Petrochemical Products HK$'000	Sub-total HK$'000	Total HK$'000
Segment revenue:								
Sales to external customers	10,488	8,171	427	19,086	16,972	8,568	25,540	44,626
Intersegment sales	–	–	–	–	–	–	–	–
Revenue from external customers	10,488	8,171	427	19,086	16,972	8,568	25,540	44,626
Net Segment Result:								
Segment result	2,884	1,143	192	4,219	(5,136)	(663)	(5,799)	(1,580)
Impairment loss on goodwill	(3,699)	–	–	(3,699)	(15,500)	–	(15,500)	(19,199)
Net Segment result	(815)	1,143	192	520	(20,636)	(663)	(21,299)	(20,779)
Interest income								1,014
Other unallocated income								122
Gain on disposal of non-listed securities								3,257
Realised gain on disposal of listed equity securities held for investment								33,724
Impairment loss on available-for-sale investment								(74,695)
Other unallocated expenses								(35,794)
Finance costs								(10,504)
Loss before taxation								(103,655)
Taxation								265
Loss for the year								(103,390)

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2(t). Segment profit or loss represents the profit or loss from by each segment without allocation of certain other income, other gains and losses, central administrative costs, directors' emoluments and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

No operating segments have been aggregated to the Group's reportable segments.

5. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

Segment assets and liabilities

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

For the year ended 31 March 2017

	Continuing operations					Discontinued operations			
	Internet Services HK$'000	Trading of Gold and Diamond HK$'000	Money Lending HK$'000	Financial Services HK$'000	Sub-total HK$'000	Wastes Recycling HK$'000	Trading of Petrochemical Products HK$'000	Sub-total HK$'000	Total HK$'000
Assets and liabilities:									
Segment assets									
– Hong Kong	1,874	28,799	86,427	16,499	133,599	–	–	–	133,599
– The People's Republic of China ("PRC")	30,270	–	–	–	30,270	–	–	–	30,270
	32,144	28,799	86,427	16,499	163,869	–	–	–	163,869
Available-for-sale investments									770,657
Interest in an associate									201,122
Unallocated corporate assets									75,479
Consolidated total assets									1,211,127
Segment liabilities:									
– Hong Kong	1,068	2,236	81,739	124	85,167	–	–	–	85,167
– Elimination of loan payables	–	–	(81,700)	–	(81,700)	–	–	–	(81,700)
– PRC	424	–	–	–	424	–	–	–	424
	1,492	2,236	39	124	3,891	–	–	–	3,891
Promissory notes payable									143,070
Unconvertible bonds									30,736
Unallocated corporate liabilities									20,693
Consolidated total liabilities									198,390

5. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

***Segment assets and liabilities** (continued)*

For the year ended 31 March 2016

	Continuing operations				Discontinued operations			
	Internet Services HK$'000	Trading of Gold and Diamond HK$'000	Money Lending HK$'000	Sub-total HK$'000	Wastes Recycling HK$'000	Trading of Petrochemical Products HK$'000	Sub-total HK$'000	Total HK$'000
Assets and liabilities								
Segment assets								
– Hong Kong	605	31,409	45,466	77,480	–	–	–	77,480
– PRC	64,367	–	–	64,367	178,081	–	178,081	242,448
	64,972	31,409	45,466	141,847	178,081	–	178,081	319,928
Available-for-sale investments								835,517
Interest in an associate								204,358
Unallocated corporate assets								55,623
Consolidated total assets								1,415,426
Segment liabilities								
– Hong Kong	1,148	449	145	1,742	–	–	–	1,742
– PRC	446	–	–	446	35,610	–	35,610	36,056
	1,594	449	145	2,188	35,610	–	35,610	37,798
Promissory notes payable								132,670
Liabilities directly associated with assets classified as held for sale								67,357
Unconvertible bonds								20,434
Unallocated corporate liabilities								59,275
Consolidated total liabilities								317,534

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

- all assets are allocated to reportable segments other than certain property, plant and equipment, cash deposits held by securities brokers and bank balances and cash, available-for-sale investments, interest in an associate, certain other receivables, prepayments and deposits paid, certain assets classified as held for sale, and assets used jointly by reportable segments. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and

- all liabilities are allocated to reportable segments other than certain other payables and accruals, promissory notes payable, income tax payable, unconvertible bonds, deferred tax liabilities and liabilities for which reportable segments are jointly liable. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

5. SEGMENT INFORMATION (continued)

(a) Business segments (continued)

Other segment information

In respect of the year ended 31 March 2017

	Continuing operations					Discontinued operations			
	Internet Services HK$'000	Trading of Gold and Diamond HK$'000	Money Lending HK$'000	Financial Services HK$'000	Sub-total HK$'000	Waste Recycling HK$'000	Trading of Petrochemical Products HK$'000	Sub-total HK$'000	Total HK$'000
Depreciation of property, plant and equipment	**205**	**8**	**–**	**180**	**393**	**259**	**–**	**259**	**652**
Loss on disposal of property, plant and equipment	**–**	**1**	**–**	**–**	**1**	**–**	**–**	**–**	**1**
Gain on disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**	**59,784**	**–**	**59,784**	**59,784**

In respect of the year ended 31 March 2016

	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Depreciation of property, plant and equipment	216	6	3	–	225	776	–	776	1,001
Amortisation of intangible assets	–	–	–	–	–	4,172	–	4,172	4,172
Additions to non-current assets (Note)	69	–	–	–	69	–	–	–	69

Note: The additions to non-current assets exclude assets acquired through acquisition of subsidiaries and financial assets. Further, these non-current assets do not include the assets acquired during the year of HK$ Nil (2016: HK$1,118,000) which have not been allocated to the business segments.

(b) Revenue from major products and services

The following is an analysis of the Group's revenue from its major products:

	Continuing operations		Discontinued operations		Total	
	2017 HK$'000	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000
Sales of recycled material	**–**	–	**1,007**	16,972	**1,007**	16,972
Sales of petrochemical products	**–**	–	**–**	8,568	**–**	8,568
Provision of internet services	**5,493**	10,488	**–**	–	**5,493**	10,488
Sales of gold and diamond	**40,065**	8,171	**–**	–	**40,065**	8,171
Money lending	**20,808**	427	**–**	–	**20,808**	427
Financial services income	**1,306**	–	**–**	–	**1,306**	–
	67,672	19,086	**1,007**	25,540	**68,679**	44,626

5. SEGMENT INFORMATION (continued)

(c) Geographical information

The Group's operations are mainly located in Hong Kong and the PRC. The operations of the Group's associate is located in the United States of America.

The following table provides an analysis of the Group's revenue by geographic market, irrespective of the origin of customers:

	Hong Kong		PRC		Others		Total	
	2017 HK$'000	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000
Segment revenue								
Sales to external customers	**4,854**	15,020	**23,760**	29,203	**40,065**	403	**68,679**	44,626

An analysis of the non-current assets of the Group (other than financial assets) by geographical areas in which the assets are located:

	Hong Kong		PRC		Others		Total	
	2017 HK$'000	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000	**2017 HK$'000**	2016 HK$'000
Non-current assets other than financial assets	**45,546**	40,016	**29,276**	213,223	**201,122**	204,358	**275,944**	457,597

(d) Information about major customers

Revenues from customers contributing over 10% of the total revenue of the Group are as follows:

	Revenue generated from	**2017 HK$'000**	2016 HK$'000
Customer A	Sale of gold and diamond	**28,635**	N/A
Customer B	Sale of recycled material	**N/A**	12,879
Customer C	Sale of gold and diamond	**9,275**	N/A

6. INVESTMENT AND OTHER INCOME

	Continuing operations		Discontinued operations		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Bank interest income	**1**	77	**9**	108	**10**	185
Other interest income	**–**	829	**–**	–	**–**	829
Others	**39**	122	**95**	15	**134**	137
	40	1,028	**104**	123	**144**	1,151

7. OTHER GAINS AND LOSSES

	Continuing operations		Discontinued operations		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Other gains						
Foreign exchange gain, net	**–**	5	**–**	–	**–**	5
Fair value gain on disposal of listed equity securities held for investment	**–**	23,495	**–**	–	**–**	23,495
Realised gain on disposal of listed equity securities held for investment	**33,818**	10,229	**–**	–	**33,818**	10,229
Gain on disposal of non-listed securities	**390**	3,257	**–**	–	**390**	3,257
Gain on redemption of convertible bonds	**–**	122	**–**	–	**–**	122
	34,208	37,108	**–**	–	**34,208**	37,108
Other losses						
Foreign exchange loss, net	**(52)**	–	**–**	–	**(52)**	–
Amortisation of intangible assets (Note 18)	**–**	–	**–**	(4,172)	**–**	(4,172)
Loss on disposal of property, plant and equipment	**(1)**	–	**–**	–	**(1)**	–
Impairment loss recognised on:						
– goodwill (Note 17)	**(40,654)**	(3,699)	**–**	(15,500)	**(40,654)**	(19,199)
– available-for-sale investments (Note 20)	**–**	(74,695)	**–**	–	**–**	(74,695)
Loss on disposal of subsidiaries	**–**	(2,753)	**–**	–	**–**	(2,753)
	(40,707)	(81,147)	**–**	(19,672)	**(40,707)**	(100,819)
Other losses, net	**(6,499)**	(44,039)	**–**	(19,672)	**(6,499)**	(63,711)

8. FINANCE COSTS

	Continuing operations		Discontinued operations		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Interest expenses on:						
Bank borrowings	**–**	–	**580**	1,567	**580**	1,567
Promissory notes payables (Note 28)	**10,400**	7,765	**–**	–	**10,400**	7,765
Other	**–**	34	**–**	–	**–**	34
Imputed interest on unconvertible bonds (Note 32)	**1,302**	1,138	**–**	–	**1,302**	1,138
	11,702	8,937	**580**	1,567	**12,282**	10,504

9. LOSS BEFORE TAXATION

	Continuing operations		Discontinued operations		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Staff costs (including directors' emoluments)						
– Directors' fees, staff salaries and allowances	**14,227**	11,855	**96**	673	**14,323**	12,528
– Retirement benefits contributions	**339**	279	**68**	106	**407**	385
Total staff costs	**14,566**	12,134	**164**	779	**14,730**	12,913
Auditors' remuneration	**840**	540	**–**	210	**840**	750
Cost of inventories recognised as an expense	**35,692**	6,774	**348**	25,209	**36,040**	31,983
Other service costs	**1,991**	4,606	**–**	–	**1,991**	4,606
Depreciation of property, plant and equipment	**3,828**	3,562	**–**	776	**3,828**	4,338
Operating lease rentals in respect of rental premises	**2,512**	1,275	**–**	–	**2,512**	1,275
Share of loss of an associate	**3,236**	–	**–**	–	**3,236**	–

10. BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' emoluments

Aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the company or its subsidiary undertaking.

The remuneration of every director is set out below:

For the year ended 31 March 2017

	Fees HK$'000	Salary HK$'000	Discretionary bonus HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Ms. Chen Tong	–	1,429	–	18	1,447
Mr. Xiang Liang	462	–	–	–	462
Ms. Hong Jingjuan[1]	–	21	–	–	21
Ms. Zhang Ruisi	120	–	–	–	120
Mr. Tse Kwong Chan	120	–	–	–	120
Ms. Zhou Jue	120	–	–	–	120
	822	1,450	–	18	2,290

For the year ended 31 March 2016

	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Ms. Chen Tong	–	1,448	277	18	1,743
Mr. Xiang Liang	–	404	98	–	502
Mr. Li Lin[2]	–	162	–	–	162
Ms. Yao Zhengwei[3]	140	–	–	–	140
Mr. Wang Zhenghua[3]	140	–	–	–	140
Ms. Zhang Ruisi	120	–	–	–	120
Mr. Tse Kwong Chan	120	–	–	–	120
Ms. Zhou Jue	120	–	–	–	120
	640	2,014	375	18	3,047

Notes:

1 Ms. Hong Jingjuan was appointed as executive director on 6 March 2017

2 Mr. Li Lin has retired as executive director on 31 August 2015

3 Ms. Yao Zhengwei and Mr. Wang Zhenghua has retired as non-executive director on 31 August 2015

None of the directors of the Company waived or agreed to waive any emoluments paid by the Group. No emoluments have been paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2017 and 2016.

10. BENEFITS AND INTEREST OF DIRECTORS (continued)

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the financial year (2016: HK$ Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 March 2017, the Company does not pay consideration to any third parties for making available directors' services (2016: HK$ Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 March 2017, there are no loans, quasi-loans and other dealing arrangements entered into by the Company or subsidiaries undertaking of the Company in favour of directors, controlled bodies corporate by and controlled entities with such directors (2016: HK$ Nil).

(e) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, one (2016: one) was director of the Company whose emoluments are included in Note 10 above. The emoluments of the remaining four individuals (2016: four) were as follows:

	2017 **HK$'000**	2016 HK$'000
Salaries, allowances and benefits in kind	**4,068**	3,703
Contributions to retirement benefits schemes	**68**	67
	4,136	3,770

The emoluments of the remaining four (2016: four) individuals fell within the following bands:

	2017	2016
HK$ Nil to HK$1,000,000	**2**	3
HK$1,000,001 to HK$1,500,000	**2**	1
	4	4

12. TAXATION

Income tax recognised in profit or loss

	Continuing operations		Discontinued operations		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Hong Kong Profits Tax	**1,152**	421	**–**	–	**1,152**	421
PRC Enterprise Income Tax	**29**	399	**–**	–	**29**	399
	1,181	820	**–**	–	**1,181**	820
Deferred tax credit (Note 33)	**–**	–	**(420)**	(1,085)	**(420)**	(1,085)
Income tax expense/(credit) for the year	**1,181**	820	**(420)**	(1,085)	**761**	(265)

Hong Kong Profits Tax

Hong Kong Profits Tax has been provided for at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year.

PRC Enterprise Income tax

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% (2016: 25%).

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

	2017	2016
	HK$'000	HK$'000
Loss for the year from continuing operations	**(30,463)**	(81,717)
Taxation	**1,181**	820
Loss before taxation from continuing operations	**(29,282)**	(80,897)
Tax at the applicable rate of 16.5% (2016: 16.5%)	**(4,832)**	(13,348)
Tax effect of income not taxable for tax purpose	**(36,575)**	(9,308)
Tax effect of expenses not deductible for tax purpose	**42,210**	23,285
Tax effect of tax losses not recognised	**877**	137
Tax effect of prior year's tax losses utilized in this year	**(755)**	–
Tax effect of origination and reversal of temporary difference	**(8)**	–
Tax relief	**(60)**	–
Others	**314**	(48)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**10**	102
Income tax expense for the year	**1,181**	820

12. TAXATION (continued)

Income tax recognised in other comprehensive income

	2017 HK$'000	2016 HK$'000
Deferred tax charge/(credit) recognised in other comprehensive income arising from (Note 33):		
– Reversal for increase in fair value of available-for-sale investments	**–**	(15,633)
– Reversal for tax losses	**–**	1,473
	–	(14,160)

13. DISCONTINUED OPERATIONS

On 19 May 2016, the Company, as vendor, entered into a sale and purchase agreement with an independent third party, as purchaser (the "Purchaser"), pursuant to which the Purchaser had agreed to acquire and the Company had agreed to sell the approximately 93.33% of the entire issued share capital of Ideal Market Holdings Limited ("Ideal Market"). Ideal Market and its subsidiaries (collectively, the "Disposal Group") represented the whole principal business segments of the Group in the businesses of Wastes Recycling and Trading of Petrochemical Products in the PRC. These business segments of the Disposal Group were classified as discontinued operations. The completion of the disposal took place on 30 August 2016.

Wastes Recycling and Trading of Petrochemical Products businesses were classified as discontinued operations.

	2017 HK$'000	2016 HK$'000
Loss for the year from discontinued operations	**(1,900)**	(21,673)
Gain on disposal of subsidiaries	**59,784**	–
	57,884	(21,673)

13. DISCONTINUED OPERATIONS (continued)

The result of the discontinued operations for the current and prior year are as follows:

	Waste recycling		Trading of petrochemical products		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue	**1,007**	16,972	**–**	8,568	**1,007**	25,540
Cost of sales	**(348)**	(16,282)	**–**	(8,927)	**(348)**	(25,209)
Gross profit/(loss)	**659**	690	**–**	(359)	**659**	331
Investment and other income (Note 6)	**104**	123	**–**	–	**104**	123
Other gains and losses (Note 7)	**–**	(19,672)	**–**	–	**–**	(19,672)
Selling and distribution expenses	**(164)**	(431)	**–**	(155)	**(164)**	(586)
Administrative expenses	**(2,339)**	(1,238)	**–**	(149)	**(2,339)**	(1,387)
Finance costs (Note 8)	**(580)**	(1,567)	**–**	–	**(580)**	(1,567)
Loss before taxation	**(2,320)**	(22,095)	**–**	(663)	**(2,320)**	(22,758)
Taxation	**420**	1,085	**–**	–	**420**	1,085
Loss for the year	**(1,900)**	(21,010)	**–**	(663)	**(1,900)**	(21,673)
Loss for the year attributable to:						
Owners of the Company					**(1,856)**	(20,754)
Non-controlling interests					**(44)**	(919)
					(1,900)	(21,673)

The cash flows of the discontinued operations for the current and prior year are as follows:

	2017	2016
	HK$'000	HK$'000
Net cash outflows from operating activities	**(150)**	(2,548)
Net cash inflows from investing activities	**–**	3,421
Net cash inflows/(outflows) from financing activities	**119**	(2,181)
Net cash outflows	**(31)**	(1,308)

14. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2017 (2016: HK$ Nil), nor has any dividend been proposed since the end of the reporting period (2016: HK$ Nil).

15. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is as follows:

	Continuing and discontinued operations		Continuing operations	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Earnings/(loss)				
Earnings/(loss) for the purpose of basic earnings/(loss) per share				
Profit/(loss) for the year attributable to owners of the Company	**27,465**	(102,562)	**(30,463)**	(81,808)

	Continuing and discontinued operations		Continuing operations	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
		(restated)		(restated)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**374,229**	343,731	**374,229**	343,731

The weighted average number of ordinary shares adopted in the calculation of basic earnings per share amounts for the year has been adjusted retrospectively to reflect the impact of share consolidation completed on 21 October 2016. Further details of share consolidation were set out in Note 30(c).

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2017 and 2016 in respect of a dilution as the Group did not have any potential ordinary shares in issue during the years ended March 2017 and 2016.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture and office equipment HK$'000	Motor vehicles HK$'000	Motor vessel HK$'000	Total HK$'000
COST						
At 1 April 2015	8,924	2,395	868	2,047	14,000	28,234
Additions	825	–	362	–	–	1,187
Acquisition of subsidiaries (Note 36)	3	–	23	–	–	26
Transferred to Disposal Group classified as held for sale	(8,417)	(2,298)	(51)	–	–	(10,766)
Exchange realignment	(357)	(97)	(36)	–	–	(490)
At 31 March 2016 and 1 April 2016	978	–	1,166	2,047	14,000	18,191
Additions	24	–	1,356	–	–	1,380
Disposals	(6)	–	–	–	–	(6)
Exchange realignment	(5)	–	(51)	–	–	(56)
At 31 March 2017	**991**	**–**	**2,471**	**2,047**	**14,000**	**19,509**
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 April 2015	2,515	2,022	95	549	2,800	7,981
Depreciation provided for the year	685	210	234	409	2,800	4,338
Transferred to Disposal Group classified as held for sale	(2,900)	(2,147)	(48)	–	–	(5,095)
Exchange realignment	(113)	(85)	(7)	–	–	(205)
At 31 March 2016 and 1 April 2016	187	–	274	958	5,600	7,019
Depreciation provided for the year	191	–	428	409	2,800	3,828
Eliminated on disposals	(4)	–	–	–	–	(4)
Exchange realignment	(2)	–	(18)	–	–	(20)
At 31 March 2017	**372**	**–**	**684**	**1,367**	**8,400**	**10,823**
CARRYING AMOUNT						
At 31 March 2017	**619**	**–**	**1,787**	**680**	**5,600**	**8,686**
At 31 March 2016	791	–	892	1,089	8,400	11,172

17. GOODWILL

	2017 HK$'000	2016 HK$'000
COST		
At beginning of the year	**93,272**	645,800
Arising on acquisition of subsidiaries (Note 36)	**1,375**	29,524
Transferred to Disposal Group classified as held for sale (Note 25)	**–**	(522,849)
Eliminated on disposal of subsidiaries (Note 37)	**–**	(59,203)
At end of the year	**94,647**	93,272
ACCUMULATED IMPAIRMENT		
At beginning of the year	**1,779**	385,227
Impairment loss recognised in respect of:		
– Wastes Recycling business	**–**	15,500
– Internet Services business	**33,129**	3,699
– Trading of Gold and Diamond business	**7,525**	–
Transferred to Disposal Group classified as held for sale (Note 25)	**–**	(400,727)
Eliminated on disposal of subsidiaries (Note 37)	**–**	(1,920)
At end of the year	**42,433**	1,779
CARRYING AMOUNT AT END OF THE YEAR	**52,214**	91,493

Goodwill has been allocated for impairment testing purposes to the following business segments of CGUs:

Wastes Recycling business, Internet Services business, Trading of Gold and Diamond business, Money Lending business and Financial Services business.

The carrying amount of goodwill was allocated to business segments of CGUs as follows:

	2017 HK$'000	2016 HK$'000
Internet Services business	**28,840**	61,969
Trading of Gold and Diamond business	**20,999**	28,524
Money Lending business	**1,000**	1,000
Financial Services business	**1,375**	–
At end of the year	**52,214**	91,493

17. GOODWILL (continued)

Wastes Recycling business

During the year ended 31 March 2016, the goodwill arose from the acquisition of 80% equity interest in Ideal Market with carrying amount of approximately HK$122,122,000 was transferred to Disposal Group classified as held for sale (Note 25).

Internet Services business

During the year ended 31 March 2016, goodwill of approximately HK$63,748,000 arose from the acquisition of 100% equity interest in Platinum Plus Investment Limited ("Platinum Plus") and was recognised at the date of acquisition. Platinum Plus, through its wholly-owned subsidiaries, is principally engaged in provision of internet online services in the PRC relating to product sales and marketing and web maintenance.

The recoverable amount of the CGUs of this Internet Services business at 31 March 2017 has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a four-year period with growth rates of 25.09% (2016: 116.06%) per annum for the first year, 7.20% (2016: 107.32%) per annum for the second year, 20.22% (2016: 75.00%) per annum for the third year and 16.54% (2016: 64.85%) per annum for the fourth year, with a terminal value of approximately RMB44,405,000 (2016: approximately RMB81,479,000) estimated based on the growth rate of 3% (2016: 3%) (representing the expected inflation rate) after the four-year period and at a discount rate of 27.35% (2016: 30.41%). Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows, including budgeted sales and gross margin, which is based on the past performance of the cash-generating unit and management's expectations for the market development.

Based on the impairment testing, impairment loss on goodwill amounting to approximately HK$33,129,000 (2016: approximately HK$1,779,000) was recognised by the Group and charged to the consolidated profit or loss for the year ended 31 March 2017, which is calculated based on the recoverable amount of the CGU of Internet Services business. Accumulated impairment losses amounted to approximately HK$34,908,000 (2016: approximately HK$5,216,000) at 31 March 2017 were recognised on goodwill allocated to Internet Services business.

17. GOODWILL (continued)

Trading of Gold and Diamond business

During the year ended 31 March 2016, goodwill of approximately HK$28,524,000 arose from the acquisition of 100% equity interest in Elite Honest Inc. ("Elite Honest") and was recognised at the date of acquisition (Note 36). Elite Honest, through its wholly-owned subsidiary, is principally engaged in the trading of gold and diamond.

The recoverable amount of the CGU of this Trading of Gold and Diamond business has been determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a four-year period (2016: five-year period) with growth rates of 27.16% (2016: 25.53%) per annum for the first year, 9.28% (2016: 9.82%) per annum for the second year, 3.5% (2016: 10.00%) per annum for the third year, 3.5% (2016: 10.20%) per annum for the fourth year, N/A (2016: 10.42%) per annum for the fifth year, with a terminal value of approximately HK$32,759,000 (2016: approximately HK$44,392,000) estimated based on the growth rate of 3% (representing the expected inflation rate) after the four-year period (2016: five-year period) and at a discount rate of 17.71% (2016: 15.93%). Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows, including budgeted sales and gross margin, which is based on the past performance of the CGU and management's expectations for the market development.

Based on the impairment testing, impairment loss on goodwill amounting to approximately HK$7,525,000 (2016: HK$Nil) was recognised by the Group and charged to the consolidated profit or loss for the year ended 31 March 2017, which is calculated based on the recoverable amount of the CGU of Trading of Gold and Diamond business. Accumulated impairment losses amounted to approximately HK$7,525,000 (2016: HK$Nil) at 31 March 2017 were recognised on goodwill allocated to Trading of Gold and Diamond business.

Money Lending business

During the year ended 31 March 2016, goodwill of approximately HK$1,000,000 arose from the acquisition of 100% equity interest in Great Luck Finance Limited ("Great Luck") and was recognised at the date of acquisition (Note 36). Great Luck is principally engaged in the provision of loan as money lending.

The recoverable amount of the CGUs of this Money Lending business has been determined based on a value in use calculated which uses cash flow projections based on financial budgets approved by the directors covering a one-year period.

Based on the impairment testing, the directors consider that there is no impairment of goodwill based on the profitability of Money Lending business to which the goodwill relates.

17. GOODWILL (continued)

Financial services business

During the year ended 31 March 2017, goodwill of approximately HK$1,375,000 arose from the acquisition of 100% equity interest in C.E. Securities and Asset Management Limited ("C. E. Securities") and was recognised at the date of acquisition (Note 36). C. E. Securities is principally engaged in the provision of financial advisory and intermediary services.

The recoverable amounts of the CGUs are determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the Group's securities brokerage and provision of securities margin finance is 28.63%.

Based on the impairment testing, the directors consider that there is no impairment of goodwill based on the profitability of Financial Services business to which the goodwill relates.

18. INTANGIBLE ASSETS

	2017 HK$'000	2016 HK$'000
COST		
At beginning of the year	–	42,500
Acquisition of a subsidiary (Note 36)	13,922	–
Exchange realignment	–	(1,696)
Transferred to Disposal Group classified as held for sale (Note 25)	–	(40,804)
At end of the year	13,922	–
ACCUMUALTED AMORTISATION		
At beginning of the year	–	14,521
Charge for the year (Note 7)	–	4,172
Exchange realignment	–	(671)
Transferred to Disposal Group classified as held for sale (Note 25)	–	(18,022)
At end of the year	–	–
CARRYING AMOUNT AT END OF THE YEAR	13,922	–

The cost of customer relationship is amortised on a straight-line basis over its estimated useful life of 10 years. It has been transferred to Disposal Group classified as held for sale as at 31 March 2016.

As at 31 March 2017, the carrying amount of intangible assets represented the regulated activities licenses issued by SFC.

The Licenses are acquired in a business combination and are recognised at fair value at the acquisition date. They have indefinite useful lives and carried at cost less accumulated impairment losses.

The fair value of the Licenses as at date of initial recognition and 31 March 2017 have been arrived at on the basis of a valuation carried out on these dates by Roma Appraisals Limited ("Roma"), which is an independent qualified professional valuer not connected with the Group. The valuation reports on these licenses were signed by a director of Roma who is a member of the Hong Kong Institute of Surveyors. Roma also reviewed the useful life and concluded that events and circumstances continued to support the indefinite useful life assessment.

19. INTEREST IN AN ASSOCIATE

	2017 HK$'000	2016 HK$'000
Unlisted		
Cost of investment in an associate	**204,358**	204,358
Share of post-acquisition loss and other comprehensive income, net of dividend received	**(3,236)**	–
At end of the year	**201,122**	204,358

At the end of the reporting period, the Group had interest in the following associate:

Name of entity	Country/place of incorporation	Principal place of business	Proportion of ownership interest and voting power held by the Group		Principal activities
			2017	2016	
Pure Power Holdings Limited ("Pure Power") (Note)	British Virgin Islands ("BVI")	United States of America ("USA")	**49.41%**	49.41%	Natural resources

Note:

On 29 January 2016, the Group acquired further 39.41% of the issued share capital of Pure Power at a consideration of HK$163,000,000 which was satisfied by (i) the promissory note with the principal amount of HK$100,000,000 issued by the Company; and (ii) cash amounted to HK$63,000,000. Pure Power is an investment holding company and its subsidiary is principally engaged in exploration and exploitation of natural resources in the USA.

The Group is able to exercise significant influence over Pure Power because it holds 49.41% of the issued share capital of Pure Power.

Summarised financial information in respect of Pure Power is set out below. The summarised financial information below represents amounts shown in Pure Power financial statements prepared in accordance with HKFRSs.

Pure Power is accounted for using the equity method in these consolidated financial statements.

	2017 HK$'000	2016 HK$'000
Current assets	**1,059**	1,959
Non-current assets	**457,849**	463,505
Current liabilities	**61,935**	61,950
Non-current liabilities	**81,995**	82,000

19. INTEREST IN AN ASSOCIATE (continued)

	2017 HK$'000	2016 HK$'000
Revenue	–	–
Loss and total comprehensive income for the year/period	(6,548)	–
Dividends received during the year/period	–	–

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

	2017 HK$'000	2016 HK$'000
Net assets	314,978	321,514
Proportion of the Group's ownership interest	49.41%	49.41%
	155,630	158,866
Goodwill	45,492	45,492
Carrying amount of the Group's interest	201,122	204,358

20. AVAILABLE-FOR-SALE INVESTMENTS

	2017 HK$'000	2016 HK$'000
Unlisted shares, at cost (Note)	–	30,610
Equity securities listed in Hong Kong, at fair value	770,657	804,907
At end of the year	770,657	835,517

Note:

The unlisted shares are measured at cost less impairment loss, if any, because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be measured reliably. Particulars regarding these unlisted investments are as follows:

Name of investee	Place of incorporation	Class of shares held	Proportion of ownership interest held by the Group	
			2017	2016
Starfame Investments Limited	BVI	Ordinary	–	9.9%

20. AVAILABLE-FOR-SALE INVESTMENTS (continued)

Movements during the year are as follows:

	2017 HK$'000	2016 HK$'000
Balance at beginning of the year	**835,517**	274,248
Acquisitions at cost	**276,100**	380,309
Increase in fair value of listed securities	**159,452**	429,200
Impairment loss recognised on unlisted shares	**–**	(74,695)
Disposal	**(500,412)**	(132,188)
Transferred to interest in an associate	**–**	(41,357)
	770,657	835,517

Available-for-sale financial assets are measured at fair value at the end of the reporting period. The Group holds the equity securities for long term investment purpose. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

21. TRADE RECEIVABLES

	2017 HK$'000	2016 HK$'000
Trade receivables	**6,054**	3,263
Less: allowance for impairment loss	**–**	–
	6,054	3,263

The Group has a policy of allowing credit period ranging from 3 to 6 months to its trade customers. In addition, for certain customers with long-established relationship and good past repayment history, a longer credit period may be granted. The Group does not hold any collateral over the balances.

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

	2017 HK$'000	2016 HK$'000
Within 3 months	**3,402**	1,664
4 to 6 months	**1,940**	1,599
Over 6 months	**712**	–
At end of the year	**6,054**	3,263

21. TRADE RECEIVABLES (continued)

Movements in allowance for impairment loss of trade receivables are as follows:

	2017 HK$'000	2016 HK$'000
At beginning of the year	–	6,000
Transferred to Disposal Group classified as held for sale (Note 25)	–	(5,759)
Exchange realignment	–	(241)
At end of the year	–	–

As at 31 March 2017, no trade receivables of the Group (2016: HK$ Nil) were individually determined to be impaired and impairment loss of the full amount had been recognised. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. The Group does not hold any collateral over these receivables.

The aged analysis of the trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2017 HK$'000	2016 HK$'000
Not past due	4,650	605
Less than 3 months past due	687	1,083
4 to 6 months past due	717	1,575
At end of the year	6,054	3,263

The Group's trade receivables that are neither past due nor impaired mainly represent sales made to recognised and creditworthy customers. These customers who trade on credit terms are subject to credit verification procedures. No impairment is required for the past due balances based on the Group's assessment of their recoverability.

At 31 March 2017 and 2016, the trade receivables were denominated in the following currencies:

	2017 HK$'000	2016 HK$'000
RMB	762	1,539
United States dollars ("USD")	–	104
HK$	5,292	1,620
	6,054	3,263

22. LOAN AND INTEREST RECEIVABLES

	2017 HK$'000	2016 HK$'000
Fixed-rate loan receivables	**84,000**	44,000
Interest receivables	**1,427**	427
At end of the year	**85,427**	44,427

Included in the gross balances are loans of approximately HK$85,427,000 which was secured by listed shares in Hong Kong (2016: approximately HK$44,427,000).

At 31 March 2017, the loan receivables arising from Money Lending business bear fixed interest rate 20% per annum (2016: 20%). The effective interest rate of the loan receivables is 20% (2016: 20%) per annum.

The maturity profile of these loan receivables from customers (including interest receivables), at the end of the reporting period, analysed by remaining periods to their contracted maturity, is as follow:

	2017 HK$'000	2016 HK$'000
Repayable:		
Within 3 months	**35,427**	427
Over 3 months but less than 1 year	**50,000**	44,000
	85,427	44,427

The loan receivables from customers have been reviewed by management of the Company to assess impairment allowances which are based on the evaluation of collectability, aging analysis of accounts and on management's judgment, including the current creditworthiness and the past collection statistics of individually significant accounts or a portfolio of accounts on a collective basis.

At 31 March 2017, none of the loan and interest receivables was past due but not impaired (2016: Nil).

The fair value of the Group's loan and interest receivables, determined based on the present value of the estimated future cash flows discounted using the applicable interest rate at the end of reporting period, approximates to the carrying amount of the loan and interest receivables.

The loan receivables outstanding as at 31 March 2017 and 2016 are denominated in Hong Kong dollars.

23. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS PAID

	2017 HK$'000	2016 HK$'000
Other receivables (Note a)	85	6
Prepayments	335	302
Deposits paid	5,574	6,034
Consideration receivables (Note 37)	–	18,000
	5,994	24,342

Note:

(a) An analysis of other receivables (net of impairment) is as follows:

	2017 HK$'000	2016 HK$'000
Other receivables	85	6
Less: allowance for impairment loss	–	–
	85	6

(b) Movements in the allowance for impairment loss of other receivables are as follows:

	2017 HK$'000	2016 HK$'000
At beginning of the year	–	82,369
Exchange realignment	–	(3,317)
Transferred to Disposal Group classified as held for sale (Note 25)	–	(79,052)
At end of the year	–	–

24. CASH DEPOSITS HELD BY SECURITIES BROKERS AND BANK BALANCES AND CASH

Bank balances and cash and cash deposits held by securities brokers comprise cash held by the Group and deposits with banks and securities brokers with an original maturity of three months or less. These deposits carry interest at market rates ranging from 0.001% to 0.35% (2016: 0.001% to 0.35%) per annum.

At 31 March 2017 and 2016, the cash deposits held by securities brokers were denominated in Hong Kong dollar.

At 31 March 2017 and 2016, the bank balances and cash were denominated in the following currencies:

	2017	2016
	HK$'000	HK$'000
RMB	**9**	2
USD	**277**	469
Euro	**–**	80
HK$	**66,686**	22,215
	66,972	22,766

25. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 3 February 2016, the Company entered into a memorandum of understanding with a purchaser (the "Purchaser") which is a third party independent of the Company in relation to possible disposal of approximately 93.33% equity interests of Ideal Market owned by the Company. Ideal Market and its subsidiaries (collectively, the "Disposal Group") represent the whole principal business segments of the Group in the businesses of Wastes Recycling and Trading of Petrochemical Products in the PRC. All assets and liabilities under the Disposal Group were classified as assets and liabilities held for sale.

On 19 May 2016, the Company, as vendor, entered into a sale and purchase agreement with the Purchaser, pursuant to which the Purchaser had agreed to acquire and the Company had agreed to sell the Disposal Group. These business segments of the Disposal Group were classified as discontinued operations. The completion of the disposal took place on 30 August 2016.

	2016 HK$'000
Property, plant and equipment	5,671
Goodwill	122,122
Intangible assets	22,782
Inventories	49
Trade and bills receivables	3,266
Other receivables, prepayments and deposits paid	21,443
Restricted bank deposits	2,400
Bank balances and cash	348
Assets classified as held for sale	178,081
Trade and bills payables	384
Other payables and accruals	59,229
Income tax payable	21,152
Bank and other borrowings	22,202
Deferred tax liabilities	5,743
Liabilities classified as held for sale	108,710
Net assets classified as held for sale	69,371

26. TRADE PAYABLES

An aged analysis of the trade payables at the end of reporting period, based on the invoice date, is as follows:

	2017 HK$'000	2016 HK$'000
Within 3 months	**425**	319
4 to 6 months	**–**	12
Over 6 months	**–**	4
	425	335

The credit period on purchase of goods ranged from 60 to 90 days.

At 31 March 2017 and 2016, the trade payables were denominated in the following currencies:

	2017 HK$'000	2016 HK$'000
RMB	**–**	305
USD	**–**	17
HK$	**425**	13
	425	335

27. OTHER PAYABLES AND ACCRUALS

	2017 HK$'000	2016 HK$'000
Other accrued charges and payables	**20,582**	4,960
Receipt in advance	**212**	–
Consideration received in advance (Note)	**–**	50,000
	20,794	54,960

Note:

The consideration received in advance represents the deposit paid by a purchaser in relation to the disposal of subsidiaries (Note 37).

28. PROMISSORY NOTES PAYABLE

	2017 HK$'000	2016 HK$'000
Promissory notes payable		
– issued on 18 September 2015, unsecured (Note d)	**33,689**	31,289
– issued on 29 January 2016, unsecured (Note e)	**109,381**	101,381
	143,070	132,670

	2017 HK$'000	2016 HK$'000
Represented by:		
– Current	**143,070**	101,381
– Non-current	**–**	31,289
	143,070	132,670

(a) Promissory notes issued on 7 November 2011 (the "Note A")

On 7 November 2011, the Company issued promissory notes with an aggregate principal amount of HK$260,000,000 as part of the consideration for the acquisition of Ideal Market. The notes are unsecured and carry interests at 5.25% per annum. The notes with the principal amount of HK$255,000,000 was repaid up to 31 March 2014.

At 1 April 2015, the promissory notes with the principal amount of HK$5,000,000 have been overdue for repayment and remained outstanding. The promissory notes with the principal amount of HK$5,000,000 together with accrued interest HK$721,000 for aggregate cash consideration of HK$5,721,000 in August 2015.

The Company has made the payment on 30 August 2016.

(b) Promissory notes issued on 29 April 2014 (the "Note B")

On 29 April 2014, the Company issued a promissory note with the principal amount of HK$123,200,000 as part of the consideration for the acquisition for approximately 10% of the issued share capital in Pure Power. The note was unsecured, carried interest at 8% per annum and was wholly payable on the date which is 12 months after the date of the issue of the promissory note.

At 1 April 2015, the promissory note with the principal amount of HK$123,200,000 remained outstanding. Subsequent to 1 April 2015, the Company repaid the promissory note with principal amount of HK$123,200,000 together with accrued interest thereon of HK$9,856,000 for an aggregate cash consideration of HK$133,056,000.

The Company fully repaid the Note B during the year ended 31 March 2016.

28. PROMISSORY NOTES PAYABLE (continued)

(c) Promissory notes issued on 30 January 2015 (the "Note C")

On 30 January 2015, the Company issued promissory notes with the aggregate principal amount of HK$63,750,000 as the consideration for the acquisition of 100% of the issued share capital in Platinum Plus. The notes are unsecured, carry interests at 8% per annum and are wholly payable on the date which is 12 months after the date of the issue of promissory notes.

At 1 April 2015, the Note C with the aggregate principal amount of HK$63,750,000 remained outstanding.

During the year ended 31 March 2016, the Company repaid the promissory note with principal amount of HK$63,750,000 together with accrued interest thereon of HK$5,100,000 for an aggregate cash consideration of HK$68,850,000.

The fair value of the Note C at the date of issue was estimated to be HK$63,750,000, based on the effective interest rate of 8% per annum.

(d) Promissory notes issued on 18 September 2015 (the "Note D")

On 18 September 2015, the Company issued promissory notes with the aggregate principal amount of HK$30,000,000 as the consideration for the acquisition of 100% of the issued share capital in Elite Honest (Note 36). The notes are unsecured, carry interests at 8% per annum and are wholly payable on the date which is 24 months after the date of the issue of promissory notes.

At the end of the reporting period, the Note D with the aggregate principal amount of HK$30,000,000 (2016: HK$30,000,000) remained outstanding.

The fair value of the Note D at the date of issue was estimated to be HK$30,000,000, based on the effective interest rate of 8% per annum.

(e) Promissory notes issued on 29 January 2016 (the "Note E")

On 29 January 2016, the Company issued promissory notes with the aggregate principal amount of HK$100,000,000 as the consideration for the acquisition of 39.41% of the issued share capital in Pure Power (Note 19). The notes are unsecured, carry interests at 8% per annum and are wholly payable on the date which is 12 months after the date of the issue of promissory notes. During the year ended 31 March 2017, the repayment date has been extended and the Note E should be fully repaid within the next financial year.

At the end of the reporting period, the Note E with the aggregate principal amount of HK$100,000,000 (2016: HK$100,000,000) remained outstanding.

The fair value of the Note E at the date of issue was estimated to be HK$100,000,000, based on the effective interest rate of 8% per annum.

28. PROMISSORY NOTES PAYABLE (continued)

Movements of the promissory notes payable during the year are as follows:

	Note A HK$'000	Note B HK$'000	Note C HK$'000	Note D HK$'000	Note E HK$'000	Total HK$'000
At 1 April 2015	5,000	132,300	64,602	–	–	201,902
Issue of promissory notes, at fair value	–	–	–	30,000	100,000	130,000
Interest charged for the year (Note 8)	91	756	4,248	1,289	1,381	7,765
Repayments of promissory notes and interests thereof	(5,721)	(133,056)	(68,850)	–	–	(207,627)
Interest payable on promissory notes transferred from in other payables and accruals	630	–	–	–	–	630
At 31 March 2016 and 1 April 2016	–	–	–	31,289	101,381	132,670
Interest charged for the year (Note 8)	–	–	–	2,400	8,000	10,400
At 31 March 2017	–	–	–	33,689	109,381	143,070

During the year, the Group did not repay any promissory notes.

During the last year, the Company repaid the Note A, Note B and Note C with the aggregate principal amount of approximately HK$191,950,000 together with accrued interests thereon amounted to approximately HK$15,677,000 for an aggregate consideration of approximately HK$207,627,000, which did not give rise to any gain or loss on redemption recognised in profit or loss.

29. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017 **HK$'000**	2016 HK$'000
Convertible notes denominated in Hong Kong dollar		
1.8m Note (Note a)	**–**	–

Movement during the year are as follows:

	2017 **HK$'000**	2016 HK$'000
Balance at beginning of the year	**–**	1,933
Issue of 1.8m Note, at fair value	**–**	–
Increase in fair value of 1.8m Note	**–**	–
Accrued interest of convertible note	**–**	133
Gain on early redemption of convertible note	**–**	(122)
Early redemption of 1.8m Note	**–**	(1,944)
Balance at end of the year	**–**	–

	2017 **HK$'000**	2016 HK$'000
Total loss on change in fair value recognised in profit or loss (Note a)	**–**	–

Notes:

(a) 1.8m Note

On 29 April 2014, the Company issued a 8% convertible note with the principal amount of HK$1,800,000 (the "1.8m Note") as part of the consideration for the acquisition of approximately 10% equity interest in Pure Power. The 1.8m Note, which carries interest at 8% per annum and will mature immediately after twelve months from the date of issue, entitles the holders thereof to convert the note into new ordinary shares of the Company at an initial conversion price of HK$0.768 per share at any time from the date of issue of the note until the third business day before the maturity date of the note. The conversion price was adjusted to HK$15.36 per share and HK$5.84 per share following the share consolidation and rights issue respectively made during the year. The 1.8m Note may be redeemed at 100% of its outstanding principal amount (in whole or in part) at the option of the Company at any time prior to the maturity date. Unless previously converted, redeemed and cancelled, the outstanding 1.8m Note will be redeemed by the Company on maturity.

During the year ended 31 March 2016, the 1.8m Note, together with interests thereon, were redeemed by the Company for a consideration of HK$1,944,000.

30. SHARE CAPITAL

	Number of shares '000	Nominal amount HK$'000
Authorised:		
Ordinary shares of HK$0.01 each at 1 April 2015, 31 March 2016 and 1 April 2016	100,000,000	1,000,000
Share consolidation (Note c)	(90,000,000)	–
Ordinary shares of HK$0.1 each at 31 March 2017	**10,000,000**	**1,000,000**

	Number of shares '000	Nominal amount HK$'000
Issued and fully paid:		
Ordinary shares of HK$0.01 each at 31 March 2015	2,602,285	26,023
Issue of shares on placement of shares (Note a)	520,000	5,200
Issue of shares on placement of shares (Note b)	620,000	6,200
Ordinary shares of HK$0.01 each at 31 March 2016	3,742,285	37,423
Shares consolidation (Note c)	(3,368,058)	–
Ordinary shares of HK$0.1 each at 31 March 2017	**374,227**	**37,423**

Notes:

(a) On 20 April 2015, the Company entered into a placing agreement with a placing agent, under which 520,000,000 new ordinary shares of the Company were issued at a price of HK$0.245 per share on 8 May 2015, giving rise to a gross proceeds of approximately HK$127,400,000 (before expenses).

(b) On 19 August 2015, the Company entered into a placing agreement with a placing agent, under which 620,000,000 new ordinary shares of the Company were issued at a price of HK$0.134 per share on 28 August 2015, giving rise to a gross proceeds of approximately HK$83,080,000 (before expenses).

(c) On 12 September 2016, the Company proposed to implement a share consolidation scheme on the basis that every ten issued and unissued shares of HK$0.01 each in the share capital of the Company were consolidated into one consolidated share of HK$0.1 each. The share consolidation was effected on 21 October 2016.

All the new ordinary shares issued and allotted during both of the years presented rank pari passu in all respect with the then existing ordinary shares of the Company.

31. SHARE OPTION SCHEME

On 30 August 2011, the Company adopted a new share option scheme (the "New Scheme") to override the share option scheme dated 23 August 2002 (the "Old Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

A summary of the New Scheme of the Company is as follows:

Purpose	To provide incentives and rewards to eligible participants for their contributions to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds an equity interest (the "Invested Entity").
Eligible participants	(i) any employee (whether full-time or part-time), executive directors, non-executive directors and independent non-executive directors of the Company or any of its subsidiaries or Invested Entity; (ii) any supplier of goods or services to any member of the Group or any Invested Entity; any customer of the Group or any Invested Entity; any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and (iii) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.
Total number of ordinary shares available for issue under the New Scheme and the percentage of the issued share capital that it represents as at the date of the approval of these consolidated financial statements	62,941 ordinary shares of HK$0.1 each and approximately 0.02% of the issued share capital.
Maximum entitlement of each eligible participant	Where any grant or further grant of options to an eligible participant would result in the total number of shares issued and to be issued upon exercise of all the options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12 month period up to and including the date of such grant or further grant representing in aggregate over 1% of the total number of shares in issue, such grant or further grant must be separately approved by the shareholders in a general meeting.

31. SHARE OPTION SCHEME (continued)

	Where any grant or further grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including exercised, cancelled and outstanding options) to such person in the 12-month period up to and including the date of such grant: (a) representing in aggregate over 0.1% of the relevant class of shares in issue; and (b) having an aggregate value, based on the closing price of the shares at the date of each grant, in excess of HK$5,000,000, such grant or further grant of options must be approved by the shareholders in a general meeting.
Period within which the securities must be taken up under an option	An option may be exercised at any time during a period to be determined and notified by the directors to each grantee, but shall end in any event not later than 10 years from the date of offer of the grant of options subject to the provisions for early termination set out in the Scheme.
Minimum period for which an option must be held before it can be exercised	There is no minimum period for which an option granted must be held before it can be exercised except otherwise imposed by the directors.
Amount payable on acceptance of the option and the period within which such payment must be made	The offer of a grant of share options may be accepted within 28 days from the date of offer with a consideration of HK$1.00 being payable by the grantee.
Exercise price	Determined by the directors but shall not be less than the highest of (i) the closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheets on the date of offer of the grant of options, which must be a trading day; (ii) the average closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer of the grant of options; and (iii) the nominal value of shares.

32. UNCONVERTIBLE BONDS

Movements in the unconvertible bonds during the year are as follows:

	2017 **HK$'000**	2016 HK$'000
At the beginning of the year	**20,434**	20,297
Addition	**10,000**	–
Interest charges for the year (Note 8)	**1,302**	1,138
Interest paid during the year	**(1,000)**	(1,001)
At end of the year	**30,736**	20,434

In July 2012 and October 2012, the Company issued unconvertible bonds with the aggregate principal amounts of HK$20,000,000 giving rise to total proceeds of HK$20,000,000 (before expenses). The unconvertible bonds, which are unsecured and carry interest at 5% per annum, are wholly repayable by the Company on the maturity date of 31 May 2017 at the principal amount. At 31 March 2017, the unconvertible bonds with the principal amount of HK$20,000,000 (2016: HK$20,000,000) remained outstanding. The effective interest rate of the unconvertible bonds in respect of the year ranged from 5.55% to 5.65% per annum (2016: ranged from 5.55% to 5.65% per annum).

In December 2016, the Company issued a new unconvertible bond with the aggregate principal amounts of HK$10,000,000 giving rise to total proceeds of HK$10,000,000 (before expenses) which provides working capital to the Group. The unconvertible bond, which is unsecured and carries interest at 5% per annum, are wholly repayable by the Company on the maturity date of 5 December 2023 at the principal amount. At 31 March 2017, the unconvertible bond with the principal amount of HK$10,000,000 (2016: HK$ Nil) remained outstanding. The effective interest rate of the unconvertible bond in respect of the year is 5.00% per annum (2016: Nil).

	2017 **HK$'000**	2016 HK$'000
Represented by:		
– Current	**20,585**	–
– Non-current	**10,151**	20,434
	30,736	20,434

33. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities recognised and movements thereon during the current year.

	Fair value adjustment on business combination HK$'000	Change in fair value of available-for-sale investment HK$'000	Undistributed earnings of PRC subsidiaries HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2015	7,014	15,633	112	(1,473)	21,286
Credited to profit or loss (Note 12)	(1,053)	–	(32)	–	(1,085)
Credited to other comprehensive income (Note 12)	–	(15,633)	–	1,473	(14,160)
Transfer to Disposal Group classified as held for sale	(5,668)	–	(75)	–	(5,743)
Exchange realignment	(293)	–	(5)	–	(298)
At 31 March 2016 and 1 April 2016	–	–	–	–	–
Acquisition of a subsidiary (Note 36)	2,297	–	–	–	2,297
At 31 March 2017	**2,297**	**–**	**–**	**–**	**2,297**

Under the EIT Law of the PRC, withholding income tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. No deferred tax in respect of temporary differences attributable to the retained earnings of the PRC subsidiaries from 1 January 2008 had been recognised in the consolidated financial statements (2016: HK$Nil).

At the end of the reporting period, the Group had unused tax losses of approximately HK$13,555,000 (2016: approximately HK$5,228,000) available for offset against future profits. No deferred tax liabilities (2016: HK$ Nil) has been recognised in respect of the unused tax losses. No deferred tax asset has been recognised for the year ended 31 March 2017 (2016: HK$ Nil) in respect of the tax losses due to the unpredictability of future profit streams.

34. EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plan

The Group has participated in defined contribution retirement schemes established under Mandatory Provident Fund Ordinance ("MPF Schemes") for its employees in Hong Kong. The assets of the MPF Schemes are held separately from those of the Group in funds under the control of independent trustees. Under the rules of the MPF Schemes, each of the employer and its employees are generally required to make contributions to the schemes at 5% of the employee's relevant monthly income, subject to a cap of monthly relevant income of HK$25,000 before 1 June 2014 and HK$30,000 thereafter. Contributions to the plan vest immediately.

The employees of PRC subsidiaries of the Company are members of state-managed retirement benefits schemes operated by the PRC Government. The PRC subsidiaries are 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 retirement benefits schemes is to make the required contributions under the schemes.

No forfeited contributions were recognised for the year ended 31 March 2017 (2016: HK$ Nil) and there were no material forfeitures available to reduce the Group's future contributions as at 31 March 2017 and 2016.

35. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group rented certain office premises and warehouses under operating lease arrangements, with the leases negotiated for a term within one to two years (2016: within one to two years).

At the end of the reporting period, the Group had total future minimum lease payments under the non-cancellable operating leases falling due as follows:

	2017 **HK$'000**	2016 HK$'000
Within one year	**2,182**	1,040
Later than one year and within five years	**1,514**	1,173
	3,696	2,213

36. BUSINESS COMBINATIONS

For the year ended 31 March 2017

On 9 August 2016, the Group has completed the acquisition of the entire issued share capital of C.E. Securities at a consideration of approximately HK$17,034,000.

C.E. Securities is incorporated in Hong Kong with limited liability and is a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong).

The acquisition has been accounted for business combination using the acquisition method. The effect of the acquisition is summarised as follows:

Consideration transferred

	HK$'000
Consideration as at 9 August 2016:	
Consideration paid by cash	17,034

Recognised amounts of identifiable assets acquired and liabilities assumed

	HK$'000
Intangible assets (Note 18)	13,922
Bank balances and cash	4,693
Other payables and accruals	(659)
Deferred tax liabilities	(2,297)
Total identifiable net assets	15,659

Goodwill arising on acquisition

	HK$'000
Consideration attributable to acquisition	17,034
Total identifiable net assets	(15,659)
Goodwill arising on acquisition (Note 17)	1,375

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

36. BUSINESS COMBINATIONS (continued)

Net cash outflow in respect of acquisition of the subsidiary

	HK$'000
Cash consideration paid in the year	17,034
Less: Bank balances and cash acquired	(4,693)
Net cash outflow on acquisition of the subsidiary	12,341

Acquisition-related costs amounting to approximately HK$2,077,000 have been excluded from the cost of acquisition and have been recognised directly as an expense in the period and included in the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Since acquisition, C.E. Securities has contributed revenue of approximately HK$1,306,000 and a loss of approximately HK$4,380,000 to the Group.

Impact of acquisitions on the results of the Group

Had these business combinations been affected at April 1, 2016, the revenue of the Group would have been HK$69,253,000 approximately, and the profit for year would have been approximately HK$26,801,000. The directors of the Group consider these "pro-forma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

For the year ended 31 March 2016

On 18 September 2015, for the purpose of entering into the trading of gold and diamond industry, the Group acquired 100% equity interest in Elite Honest from a third party for an aggregate consideration of HK$30,000,000, which was satisfied by the promissory note with the principal amount of HK$30,000,000 payable by the Company. Elite Honest, through its wholly-owned subsidiary, is engaged in the Trading of Gold and Diamond business in Hong Kong.

On 16 October 2015, for the purpose of entering into the financial services sector, the Group acquired 100% equity interest in Great Luck from a third party for an aggregate consideration of HK$1,000,000, which was satisfied by cash. Great Luck, which is the holder of money lender's license under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), is engaged in the Money Lending business in Hong Kong.

36. BUSINESS COMBINATIONS (continued)

For the year ended 31 March 2016 (continued)

The acquisitions have been accounted for by business combination using the acquisition method. The effect of the acquisitions is summarised as follows:

Consideration transferred

	Elite Honest HK$'000	Great Luck HK$'000	Total HK$'000
Consideration paid by issue of promissory notes, at fair value	30,000	–	30,000
Consideration paid by cash	–	1,000	1,000
	30,000	1,000	31,000

Acquisition-related costs amounting to approximately HK$386,000 have been excluded from the cost of acquisition and have been recognised directly as an expense in the period and included in the "administrative expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Assets acquired and liabilities recognised the date of acquisition

	Elite Honest HK$'000	Great Luck HK$'000	Total HK$'000
Non-current assets			
Property, plant and equipment	24	–	24
Current assets			
Trade receivables	2,440	–	2,440
Other receivables, prepayments and deposits paid	34	–	34
Bank balances and cash	460	–	460
Current liabilities			
Trade payables	(270)	–	(270)
Other payables and accruals	(976)	(6)	(982)
Income tax payable	(236)	–	(236)
	1,476	(6)	1,470

The trade receivables acquired in these transactions had gross amount of approximately HK$2,440,000. No contractual cash flows from these receivables are expected not to be collected.

36. BUSINESS COMBINATIONS (continued)

Goodwill arising on acquisition

	Elite Honest HK$'000	Great Luck HK$'000	Total HK$'000
Consideration attributable to acquisition	30,000	1,000	31,000
Net (assets acquired)/liabilities assumed	(1,476)	6	(1,470)
Waive of liabilities accrued to a former shareholder	–	(6)	(6)
Goodwill arising on acquisition	28,524	1,000	29,524

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Net cash (inflow)/outflow on acquisition of subsidiaries

	Elite Honest HK$'000	Great Luck HK$'000	Total HK$'000
Cash consideration paid in the year	–	1,000	1,000
Less: Bank balances and cash acquired of subsidiaries	(460)	–	(460)
Net cash (inflow)/outflow on acquisition of subsidiaries	(460)	1,000	540

Impact of acquisitions on the results of the Group

Included in the loss for the year ended 31 March 2016 is profit of approximately HK$959,000 and approximately HK$192,000 attributable to the businesses undertaken by Elite Honest and Great Luck respectively. Revenue for the year ended 31 March 2016 includes approximately HK$8,171,000 and approximately HK$427,000 in respect of Elite Honest and Great Luck respectively.

Had these business combinations been effected at 1 April 2015, the revenue of the Group from continuing operations would have been approximately HK$31,608,000, and the loss for the year from continuing operations would have been approximately HK$80,660,000. The directors of the Company consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualized basis and to provide a reference point for comparison in future periods.

In determining the "pro-forma" revenue and loss of the Group had Elite Honest and Great Luck been acquired at the beginning of the last year, the directors have calculated depreciation of property, plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements.

37. DISPOSAL OF SUBSIDIARIES

As more explained in Note 13 in respect of the disposal of Ideal Market, the results of Disposal Group together with the related gain on disposal have been presented as discontinued operations in the consolidated financial statements. The completion of the disposal took place on 30 August 2016.

On 4 February 2016, the Group disposed of its 100% equity interests in Asian Champion Limited which, through its 90% equity owned subsidiary, is engaged in the provision of internet online services in Hong Kong relating to product sales and marketing and web maintenance to independent third party at an aggregate cash consideration of HK$58,000,000. The completion of the disposal took place on 4 February 2016.

Consideration received and receivable

	2017	2016
	HK$'000	HK$'000
Consideration received in cash	**150,000**	40,000
Consideration receivable in cash (Note 23)	**–**	18,000
	150,000	58,000

Analysis of assets and liabilities at the date of disposal over which control was lost

	30 Aug 2016	**4 Feb 2016**
	HK$'000	HK$'000
Non-current assets		
Property, plant and equipment	5,182	–
Goodwill	122,122	57,283
Intangible assets	20,403	–
	147,707	57,283
Current assets		
Trade receivable	3,161	6,091
Other receivables, prepayments and deposits paid	21,476	1
Bank balances and cash	2,559	3,364
	27,196	9,456
Current liabilities		
Trade payables	(742)	(2,565)
Other payables and accruals	(43,717)	(2,321)
Income tax payables	(20,471)	(716)
Bank and other borrowings	(21,487)	–
Deferred tax liabilities	(5,144)	–
	(91,561)	(5,602)
Net assets disposed of	83,342	61,137

37. DISPOSAL OF SUBSIDIARIES (continued)

Gain on disposal of subsidiaries

	2017 **HK$'000**	2016 HK$'000
Consideration received and receivable	**150,000**	58,000
Net assets disposed of	**(83,342)**	(61,137)
Reclassification relating to foreign operation disposed of	**(4,509)**	–
Non-controlling interests	**(2,365)**	384
Gain/(loss) on disposal of subsidiaries	**59,784**	(2,753)

Net cash inflow on disposal of subsidiaries

	2017 **HK$'000**	2016 HK$'000
Cash consideration received in the year	**100,000**	40,000
Less: Bank balances and cash disposed of	**(2,559)**	(3,364)
Net cash inflow on disposal of subsidiaries	**97,441**	36,636

38. CHANGES IN NON-CONTROLLING INTEREST WITHOUT CHANGE IN CONTROL

Major changes in non-controlling interest are as follows:

For the year ended 31 March 2017

There are no changes in non-controlling interest without change in control.

For the year ended 31 March 2016

During the year, the Company, acquired an aggregate of 40 shares in Ideal Market from third party vendors at an aggregate consideration of HK$25,358,000. As a result, the Group's effective ownership in Ideal Market increased from 80.00% as at 31 March 2015 to approximately 93.33% as at 31 March 2016. The Group recognised an increase in non-controlling interests of HK$4,887,000 and a decrease in retained profits of HK$30,245,000.

39. MAJOR NON-CASH TRANSACTIONS

(a) During the year ended 31 March 2017, the Group had no major non-cash transaction.

(b) During the year ended 31 March 2016, the Group acquired 100% equity interests in Elite Honest at a consideration of HK$30,000,000 which were satisfied by the promissory notes issued by the Company, details of which are set out in Note 28(d).

(c) During the year ended 31 March 2016, the Group acquired 39.41% equity interests in Pure Power at a consideration of HK$163,000,000, which were satisfied partially by the promissory notes in the amount of HK$100,000,000 issued by the Company, details of which are set out in Note 28(e).

40. PLEDGE OF ASSETS

At the end of the reporting date, the Group had no restricted deposits which were placed with a bank to secure bills issued by the Group which remained unsettled at that date (2016: HK$Nil).

41. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties:

Compensation of key management personnel of the Group, who were the directors of the Company, are as follows:

	2017 **HK$'000**	2016 HK$'000
Short-term employee benefits	**2,272**	3,029
Post-employment benefits	**18**	18
Total compensation paid to key management personnel	**2,290**	3,047

The remuneration of directors is determined by the Remuneration Committee and having regard to the performance of individuals and market trends.

Further details of directors' emoluments are included in Note 10.

42. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group reviews the capital structure periodically. As a part of this review, the Group considers costs of capital, its bank covenant obligations and the risks associated with issued share capital and may adjust its overall capital structure through the drawn down of bank borrowings, the repayment of existing borrowings or the adjustment of dividend to shareholders.

The capital structure of the Group consists of net debt and equity attributable to owners of the Company. Net debt includes trade payables, other payables and accruals, promissory notes payable, bank and other borrowings, financial liabilities designated at fair value through profit or loss ("FVTPL"), unconvertible bonds less the aggregate of restricted bank deposits, cash deposits held by securities brokers and bank balances and cash. Equity attributable to owners of the Company includes issued share capital and reserves.

All licensed corporations within the Group complied with their required liquid capital during the year ended 31 March 2017.

During the year ended 31 March 2017, the Group's strategy, which was unchanged from prior year, was to maintain the debt equity ratio to be in a net cash position. The net debts as at 31 March 2017 and 2016 were as follows:

	2017 **HK$'000**	2016 HK$'000
Trade payables	**425**	335
Other payables and accruals	**20,795**	54,960
Promissory notes payable	**143,070**	132,670
Unconvertible bonds	**30,736**	20,434
Less: Restricted bank deposits, cash deposits held by securities brokers and bank balances and cash	**(67,051)**	(22,773)
Net debt	**127,975**	185,626
Equity attributable to owners of the Group	**1,012,737**	1,100,364
Capital and net debt	**1,140,712**	1,285,990
Gearing ratio	**11%**	14%

43. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The carrying amount of the Group's financial assets and liabilities as recognised at the end of each reporting period are categorised as follows:

	2017 HK$'000	2016 HK$'000
Financial assets		
Available-for-sale investments	**770,657**	835,517
Loan and receivables		
Trade receivables	**6,054**	3,263
Loan and interest receivables	**85,427**	44,427
Other receivables and deposits paid	**5,659**	22,952
Cash deposits held by securities brokers	**79**	7
Bank balances and cash	**66,972**	22,766
	934,848	928,932
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables	**425**	335
Other payables and accruals	**20,794**	54,960
Promissory notes payable	**143,070**	132,670
Unconvertible bonds	**30,736**	20,434
	195,025	208,399

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, trade receivables, loan and interest receivables, other receivables and deposits paid, cash deposits held by securities brokers, bank balances and cash, trade payables, other payables and accruals, promissory notes payable, and unconvertible bonds. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group does not enter into trade derivative instruments for speculative purposes. There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure that appropriate measures are implemented on a timely and effective manner.

43. FINANCIAL INSTRUMENTS (continued)

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

Market risk

(i) Currency risk

Currency risk refers to the risk associated with movements in foreign currency rates which will affect the Group's financial results and its cash flows. Management considers that the Group is not exposed to significant foreign currency risk as the majority of its operations are transacted in Hong Kong and the PRC with their functional currency of HK$ and RMB.

For the two years ended 31 March 2017 and 2016, the Group mainly earned revenue in HK$ and RMB and incurred costs in HK$ and RMB. Although the Group currently does not have any foreign currency hedging policies, it manages its currency exposure by ensuring that the revenue earned in RMB are used to pay for RMB denominated costs. Funds raised from financing activities which are mainly in HK$ are used to pay for HK$ expenses.

The monetary assets and monetary liabilities of the Group at the end of reporting date denominated in currencies other than functional currencies of the related entities are as follows:

	2017	2016
	HK$'000	HK$'000
Assets		
USD	**3,688**	573
Euro	**–**	80
	3,688	653
Liabilities		
USD	**425**	17
	425	17

43. FINANCIAL INSTRUMENTS (continued)

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

Market risk *(continued)*

(ii) Other price risks

The Group is exposed to equity price risk mainly through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on similar equity securities quoted on the Hong Kong Stock Exchange.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices has been 5% higher/lower (2016: 5%), other comprehensive income for the year ended 31 March 2017 would increase/decrease by approximately HK$38,533,000 (2016: approximately HK$40,245,000) as a result of the changes in fair value of available-for-sale investments.

(iii) Fair value and cash flow interest rate risk

The Group has loan receivables, cash deposits held by securities brokers, bank balances, promissory notes payable and unconvertible bonds which bear interest and are therefore exposed to interest rate risk. Cash deposits held by securities brokers and bank balances bearing at variable rates expose the Group to cash flow interest rate risk. Loan receivables, promissory notes payable, convertible notes, unconvertible bonds bearing at fixed rates expose the Group to fair value interest rate risk. During the year, the Group has not hedged its cash flow and fair value interest rate risk.

Assuming the restricted bank deposits, cash deposits held by securities brokers and bank balances with variable rates outstanding at the end of the reporting period were outstanding for the whole year if interest rates had increased by 100 basis points (2016: 100 basis points) and all other variables held constant, there was a decrease in post-tax loss by approximately HK$671,000 (2016: a decrease by approximately HK$228,000). If interest rates had decreased by 100 basis points (2016: 100 basis points), there would be an equal but opposite impact on the results for the year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

43. FINANCIAL INSTRUMENTS (continued)

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

Credit risk

The carrying amounts of the trade and other receivables and loan and interest receivables included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk. The Group manages the credit risk by setting up a team responsible for the determination of credit terms, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debt. In addition, it is the Group's policy to review regularly the recoverable amount of trade and other receivables and loan and interest receivables to ensure that adequate impairment provisions are made against the irrecoverable amounts. Trade receivables consist of a number of customers, spread across diverse industries and geographical areas.

As at 31 March 2017, the Group has concentration of credit risk as 45% (2016: 32%) of the total trade receivables were due from the Group's largest customer from Trading of Gold and Diamond business (2016: Internet Services business); and 99% (2016: 96%) of the total trade receivables were due from the Group's five largest customers from Trading of Gold and Diamond business and Internet Services business (2016: Trading of Gold and Diamond business and Internet Services business).

As at 31 March 2017, the Group has concentration of credit risk as 30% (2016: 54%) of the total loan and interest receivables were due from the Group's largest customer.

The credit risk on liquid funds of bank deposits is limited because the majority of the counterparties are banks with high credit ratings assigned by international credit-rating agencies and authorised banks in the PRC.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it meets the liquidity requirements in the short and longer term.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of an adequate amount of committed credit facilities. Management aims to maintain flexibility in funding by keeping credit lines available.

The following table details the Group's remaining contractual maturity for its non-derivative and derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities in accordance with the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

43. FINANCIAL INSTRUMENTS (continued)

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

Liquidity risk *(continued)*

In addition, the following tables detail the Group's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual cash flows of the financial assets including interest that will be earned on those assets. The inclusion of information on these non-derivative financial assets is necessary in order to understand the Group's liquidity is managed on a net asset and liability basis.

The amounts included below for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates different to those estimates of interest rates determined at end of the reporting period.

	Within 3 months or on demand HK$'000	3 months to 1 year HK$'000	1 to 5 years HK$'000	Over 5 years HK$'000	Undiscounted cash flows HK$'000	Carrying amount HK$'000
As at 31 March 2017						
Non-derivative financial liabilities						
Trade payables	425	–	–	–	425	425
Other payables and accruals	20,794	–	–	–	20,794	20,794
Promissory notes payable	–	152,194	–	–	152,194	143,070
Unconvertible bonds	20,771	500	2,000	11,000	34,271	30,736
	41,990	152,694	2,000	11,000	207,684	195,025
As at 31 March 2016						
Non-derivative financial liabilities						
Trade payables	335	–	–	–	335	335
Other payables and accruals	54,960	–	–	–	54,960	54,960
Promissory notes payable	–	108,000	34,800	–	142,800	132,670
Unconvertible bonds	–	1,000	20,771	–	21,771	20,434
	55,295	109,000	55,571	–	219,866	208,399

The directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to meet the liquidity requirement. In order to improve the Group's liquidity, the Group implemented or is in the process of implementing the following measure:

– The Group is taking measures to tighten cost controls over administrative and other operating expenses aiming at improving the working capital and cash flow position of the Group including closely monitoring the daily operating expenses.

43. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurement

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Included in the Group's financial assets are listed available-for-sale investments which are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined, in particular, the valuation technique(s) and input used. The Group had no financial liabilities which are measured at fair value at the end of the reporting period.

	Fair value as at 31 March		Fair value hierarchy	Valuation technique(s) and key input
	2017	2016		
	HK$'000	HK$'000		
Financial assets				
Listed available-for-sale investments (Note 20)	**770,657**	804,907	Level 1	Quoted bid prices in an active market

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

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

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

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2017 HK$'000	2016 HK$'000
Non-current assets			
Investments in subsidiaries	a	**51,240**	91,894
Interest in an associate		**201,122**	204,358
Available-for-sale investments		**488,477**	362,739
		740,839	658,991
Current assets			
Other receivables, prepayments and deposits paid		**330**	22,680
Amounts due from subsidiaries	b	**401,871**	360,596
Cash deposits held by securities brokers		**70**	2
Bank balances and cash		**58,998**	21,934
		461,269	405,212
Assets classified as held for sale		**–**	149,200
		461,269	554,412
Current liabilities			
Other payables and accruals		**17,270**	53,232
Amounts due to subsidiaries	b	**–**	17,858
Unconvertible bonds		**20,585**	–
Promissory notes payable		**143,070**	101,381
		180,925	172,471
Net current assets		**280,344**	381,941
		1,021,183	1,040,932

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

	Notes	2017 HK$'000	2016 HK$'000
Capital and reserves			
Share capital		**37,423**	37,423
Share premium and reserves	c	**973,609**	951,786
		1,011,032	989,209
Non-current liabilities			
Unconvertible bonds		**10,151**	20,434
Promissory notes payable		**–**	31,289
		10,151	51,723
		1,021,183	1,040,932

(a) Investments in subsidiaries

	2017 HK$'000	2016 HK$'000
Unlisted investments, at cost	**93,673**	93,673
Less: Impairment losses recognised	**(42,433)**	(1,779)
	51,240	91,894

(b) Amounts due from/(to) subsidiaries

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

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

(c) Share premium and reserves

	Share premium HK$'000	Contributed surplus HK$'000 (Note)	Investments revaluation reserve HK$'000	Exchange reserve HK$'000	Capital redemption reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2015	2,404,726	62,604	19,481	4,538	464	(1,957,534)	534,279
Loss for the year	–	–	–	–	–	(76,986)	(76,986)
Other comprehensive income/(expense)							
Exchange difference arising on translation of foreign operations	–	–	–	(4,700)	–	–	(4,700)
Reclassification adjustments upon disposal of available-for-sale investments	–	–	–	2,350	–	–	2,350
Increase in fair value of available-for-sale investments	–	–	303,016	–	–	–	303,016
Reclassification adjustments for gains on disposal of available-for-sale investments included in profit or loss	–	–	(2,650)	–	–	–	(2,650)
Total comprehensive income/(expense) for the year	–	–	300,366	(2,350)	–	(76,986)	221,030
Issue of shares upon placement of shares	199,080	–	–	–	–	–	199,080
Share issue expenses	(2,603)	–	–	–	–	–	(2,603)
At 31 March 2016 and 1 April 2016	2,601,203	62,604	319,847	2,188	464	(2,034,520)	951,786
Profit for the year	–	–	–	–	–	36,117	36,117
Other comprehensive income/(expense)							
Reclassification adjustments upon disposal of subsidiaries	–	–	–	(2,188)	–	–	(2,188)
Increase in fair value of available-for-sale investments	–	–	175,157	–	–	–	175,157
Reclassification adjustments for gains on disposal of available-for-sale investments included in profit or loss	–	–	(187,263)	–	–	–	(187,263)
Total comprehensive income/(expense) for the year	–	–	(12,106)	(2,188)	–	36,117	21,823
At 31 March 2017	**2,601,203**	**62,604**	**307,741**	**–**	**464**	**(1,998,403)**	**973,609**

Note: The contributed surplus of the Company at 31 March 2017 and 31 March 2016 represents the excess of the fair value of the subsidiaries acquired pursuant to the reorganisation in 1994, over the nominal value of the Company's shares issued for their acquisition. Under the Companies Act of Bermuda, the contributed surplus shall not be distributed to the shareholders if there are reasonable grounds for believing that:

(i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital.

45. SUBSIDIARIES

Details of the Group's principal subsidiaries at the end of the reporting period:

Name of company	Place of incorporation/ establishment	Class of share held	Issued share capital/ registered capital	Proportion of ownership interest held by the Company				Proportion of voting power held		Principal activities
				Directly		Indirectly				
				2017 %	2016 %	**2017** %	2016 %	**2017** %	2016 %	
Golden Fair Holdings Limited	Hong Kong	Ordinary shares	HK$1	**100**	100	**–**	–	**100**	100	Investment holding
Gold Castle Group Limited	BVI	Ordinary shares	US$1	**100**	100	**–**	–	**100**	100	Investment holding
Ideal Market	BVI	Ordinary shares	US$300	**–**	93	**–**	–	**–**	93	Investment holding
Long Great International Limited	Hong Kong	Ordinary shares	HK$1	**–**	–	**100**	100	**100**	100	Investment holding
Greenland Holdings Limited	Hong Kong	Ordinary shares	HK$1	**–**	–	**100**	100	**100**	100	Investment holding
Topbright International Group Holdings Limited	Hong Kong	Ordinary shares	HK$1	**–**	–	**–**	93	**–**	93	Investment holding
Xiangshan Gaoming Environmental Protection Technology Limited[1]	PRC	Registered capital	US$100,000	**–**	–	**–**	93	**–**	93	Investment holding
Suzhou Baina Renewable Resources Yancheng Co., Limited[2]	PRC	Registered capital	RMB1,876,640	**–**	–	**–**	93	**–**	93	Waste paper, scrap metals and consumable wastes recycling
Huaian Bai Run Renewable Resources Co. Limited[2]	PRC	Registered capital	RMB1,000,000	**–**	–	**–**	93	**–**	93	Waste paper, scrap metals and consumable wastes recycling
Suzhou Baina Renewable Resources Co., Limited[2]	PRC	Registered capital	RMB10,000,000	**–**	–	**–**	93	**–**	93	Waste paper, scrap metals and consumable wastes recycling and trading of petrochemical products
Platinum Plus	BVI	Ordinary shares	US$100	**100**	100	**–**	–	**100**	100	Investment holding
Ritz Services (HK) Limited (formerly named as "Ritz Healthcare Management Services (HK) Limited")	Hong Kong	Ordinary shares	HK$1	**–**	–	**100**	100	**100**	100	Provision of internet online services relating to product sales and marketing and web maintenance
Ritz Trading (Shanghai) Co., Limited[1]	PRC	Registered capital	HK$1,000,000	**–**	–	**100**	100	**100**	100	Provision of internet online services relating to product sales and marketing and web maintenance
Orient Time Investment Limited	Hong Kong	Ordinary shares	HK$1	**100**	100	**–**	–	**100**	100	Securities investment
Great Luck	Hong Kong	Ordinary shares	HK$1	**–**	–	**100**	100	**100**	100	Provision of loan as money lending
Elite Honest	BVI	Ordinary shares	US$1	**100**	100	**–**	–	**100**	100	Investment holding
H & S Creation Limited	Hong Kong	Ordinary shares	HK$100	**–**	–	**100**	100	**100**	100	Trading of gold and diamond
C.E. Securities and Asset Management Limited	Hong Kong	Ordinary shares	HK$14,800,000	**–**	–	**100**	–	**100**	–	Provision of financial advisory and intermediary services

45. SUBSIDIARIES (continued)

Notes:

1 The subsidiary is registered as a wholly-foreign-owned enterprise under the PRC laws

2 The subsidiaries are registered as limited liability enterprises under the PRC laws

The English names of certain of the companies referred to above in this note represent management's best efforts in translating the Chinese names of these companies as no English names have been registered or available.

Details of non-wholly owned subsidiaries that have material non-controlling interests

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

Name of company	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss)/profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2017	2016	**2017**	2016	**2017**	2016
		%	%	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Ideal Market	(Note a)	**–**	7	**(44)**	(919)	**–**	(2,472)
HKOMall Limited ("HKOMall")	(Note b)	**–**	–	**–**	91	**–**	–
				(44)	(828)	**–**	(2,472)

Notes:

a) Ideal Market was incorporated in the BVI and, through its subsidiaries, is principally engaged in waste paper, scrap metals and consumable wastes recycling and trading of petrochemical products in the PRC.

b) HKOMall was incorporated in Hong Kong and is principally engaged in the provision of internet online services relating to product sales and marketing and web maintenance.

As at 31 March 2017, the Group's subsidiaries have no material non-controlling interests.

Summarised financial information in respect of each of the Group's subsidiaries at 31 March 2016 that has material non-controlling interests is set out below. The summarised financial Information below represents amount before intergroup eliminations.

45. SUBSIDIARIES (continued)

(a) Ideal Market

	31 March 2016 HK$'000
Current assets	40,567
Non-current assets	28,453
Current liabilities	(100,357)
Non-current liabilities	(5,743)
Equity attributable to owners of the Company	(34,608)
Non-controlling interests	(2,472)

	Year ended 31 March 2016 HK$'000
Revenue	25,540
Expenses	(31,713)
Loss for the year	(6,173)
Loss attributable to:	
– owners of the Company	(5,254)
– non-controlling interests	(919)
Loss for the year	(6,173)
Total comprehensive expense attributable to:	
– owners of the Company	(4,220)
– non-controlling interests	(518)
Total comprehensive expense for the year	(4,738)
Net cash outflow from operating activities	(2,548)
Net cash inflow from investing activities	3,421
Net cash outflow from financing activities	(2,181)
Net cash outflow	(1,308)

45. SUBSIDIARIES (continued)

(b) HKOMall

	31 March 2016 HK$'000
Current assets	–
Current liabilities	–
Equity attributable to owners of the Company	–
Non-controlling interests	–

	Year ended 31 March 2016 HK$'000
Revenue	6,826
Expenses	(5,916)
Profit for the year	910
Profit attributable to:	
– owners of the Company	819
– non-controlling interests	91
Profit for the year	910
Total comprehensive income attributable to:	
– owners of the Company	819
– non-controlling interests	91
Total comprehensive income for the year	910
Net cash inflow from operating activities	3,365
Net cash outflow from financing activities	(1)
Net cash inflow	3,364

46. EVENTS AFTER THE REPORTING PERIOD

In addition to those disclosed elsewhere in the consolidated financial statements, the following events took place subsequent to the end of the reporting period:

(a) On 27 March 2017, the Company wishes to propose the entering of the Subscription Agreement between a subsidiary of the Company, which is incorporated in Hong Kong with limited liability (the "Subscriber") and the Henghua Global Fund SPC (the "Fund Company"), pursuant to which the Subscriber will make the subscription of shares which designated as Class B Shares in the Fund. The Proposed Investment and payment for the Subscription will be determined and settled by the transfer of listed securities to the Fund Company upon entering into the subscription agreement.

Please refer to announcement dated 27 March 2017 and circular dated 11 May 2017 for detail.

The shareholders had approved the resolution for approving the Subscription (including the transfer of listed securities) at the special general meeting. The completion of the Subscription ("the Completion") had taken place on 21 June 2017. At Completion, the Subscriber had subscribed for approximately 260,297 Class B Shares of the Fund based on an aggregate market value of the listed securities of approximately HK$260.30 million. Such investment in the Fund is accounted for as available-for-sales investments in the Group's financial statements upon Completion