易還財務投資有限公司

EASY REPAY FINANCE & INVESTMENT LIMITED

Continued in Bermuda with limited liability

Stock Code : 8079

Annual Report

2015/16

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of Easy Repay Finance & Investment Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

Contents

FINANCIAL SUMMARY

Annual results for the five years from 2012

	Year ended 31st March, 2016 *HK$'000*	Year ended 31st March, 2015 *HK$'000*	Year ended 31st March, 2014 *HK$'000*	Year ended 31st March, 2013 *HK$'000*	Year ended 31st March, 2012 *HK$'000*
Revenue*	**119,516**	66,859	37,930	41,665	53,302
Profit/(loss) for the year from continuing operations	**32,999**	40,921	(12,345)	(48,048)	(18,132)
Profit for the year from discontinued operation	**–**	–	–	12,598	8,978
Profit/(loss) for the year	**32,999**	40,921	(12,345)	(35,450)	(9,154)
Profit/(loss) attributable to owners of the Company	**32,922**	40,724	(12,259)	(35,091)	(8,998)

	As at 31st March, 2016 *HK$'000*	As at 31st March, 2015 *HK$'000*	As at 31st March, 2014 *HK$'000*	As at 31st March, 2013 *HK$'000*	As at 31st March, 2012 *HK$'000*
Total assets	**487,794**	522,696	289,929	234,150	305,567
Total liabilities	**(24,718)**	(100,672)	(21,766)	(10,340)	(32,177)
	463,076	422,024	268,163	223,810	273,390

* Included revenue from both continuing and discontinued operations

CORPORATE INFORMATION

Directors

Executive Directors

Mr. SHIU Yeuk Yuen – Chairman
Mr. LEUNG Ge On, Andy

Independent Non-executive Directors

Dr. SIU Yim Kwan, Sidney *S.B.St.J.*
Mr. LAU Gar Hung, Christopher, *Bsc, in Mathematics*
Mr. KAM Tik Lun, *CPA, FCCA, LL.M (ICFL)*

Company Secretary

Mr. TO Chi, *CPA, FCCA*

Compliance Officer

Mr. LEUNG Ge On, Andy

Authorised Representatives

Mr. SHIU Yeuk Yuen
Mr. LEUNG Ge On, Andy

Audit Committee

Mr. KAM Tik Lun, *CPA, FCCA, LL.M (ICFL)*
Dr. SIU Yim Kwan, Sidney *S.B.St.J.*
Mr. LAU Gar Hung, Christopher, *Bsc, in Mathematics*

Remuneration and Nomination Committee

Mr. KAM Tik Lun, *CPA, FCCA, LL.M (ICFL)*
Mr. SHIU Yeuk Yuen
Mr. LEUNG Ge On, Andy
Dr. SIU Yim Kwan, Sidney *S.B.St.J.*
Mr. LAU Gar Hung, Christopher, *Bsc, in Mathematics*

Legal Adviser on the Bermuda Law

Appleby

Auditor

Moore Stephens CPA Limited
905 Silvercord, Tower 2
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

Principal Share Registrar and Transfer Office

Appleby Management (Bermuda) Ltd
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

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

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head Office and Principal Place of Business in Hong Kong

7/F., Zung Fu Industrial Building
1067 King's Road
Quarry Bay
Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
409-415 Hennessy Road, Wanchai
Hong Kong

DBS Bank (Hong Kong) Limited
16th Floor, The Center
99 Queen's Road Central
Hong Kong

Stock Code

8079

Website

http://www.ecrepay.com

CHAIRMAN'S STATEMENT

On behalf of the board of Directors (the "Board"), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March, 2016 to the Shareholders.

The money lending business has continued to achieve satisfactory and healthy growth in the past year and will continue to be the core business of the Group and to generate stable income to the Group. The turnover of this segment increase 20% when compare with the continuing operations in 2015.

The Company reviewed that the online shopping has been a part of the modern urban lifestyle in Hong Kong. The Group has been developing the retails and online sales business since the year 2015. In addition, the distribution center of the retails business has been moved to Kwai Hing in February, 2016 for more storage spaces. The Group will continue to seek and sourcing difference type of products from local or overseas suppliers to satisfy the needs of our customers.

In addition, the Group is developing the frozen food market in 2016. The Group starts to import different kind of frozen food, such as seafood, meat and fruit from local or overseas supplies in supporting the retails and wholesales business of the Group. In addition, the Group also obtained the restricted food permit for online sale of prepackaged frozen meat and frozen poultry on 24th May, 2016. Furthermore, the distribution center located at Kwai Hing has also obtained the certificate for the processing, storage and packaging of frozen meat, chilled meat and frozen marine products and also obtained the ISO22000:2005 food safety management system on 8th June, 2016 respectively.

The wholesale business has also been developing since January, 2015. The wholesale business generates sustainable income to the Group in the past year. It is a fine supplement to our retails business and continue to strengthen our overall business.

PROSPECTS

The Company expects the loan portfolio of money lending business continuously to increase in coming years. It will bring to the Group substantial turnover and profit.

The Company targets to integrate those retails and wholesales business through e-commerce and also expects it will become an independent and significant profit center of the Group.

In spite of all these expansion plans of the Group, the Group has been actively seeking suitable investment opportunities for business diversification. The Group will explore into different industry sectors so as to expand and diversify the scope of the Group's business.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, clients and staff members for their support in the past years. I would also like to express my personal appreciation to my fellow Board members for their continuous valuable contributions.

Mr. Shiu Yeuk Yuen
Chairman
Hong Kong, 21st June, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

Turnover for the financial year ended 31st March, 2016 was approximately HK$119.5 million, representing an increase of approximately 78.7% when compared with the same period last year. Profit attributable to owners of the Company for the year ended 31st March, 2016 was approximately HK$32.9 million and the corresponding period in 2015 was profit of HK$40.7 million.

Securities and bonds Investment

In view of the volatility of the global economic environment driven by the economic downturn in Hong Kong continues in the financial year, the Group will take more conservative step to invest in securities and bonds investment. Focus will be placed on corporate bonds with higher credit rating instead of listed securities in the volatile stock market. For the financial year ended 31st March, 2016, the segment profit before taxation was approximately HK$1.2 million.

Money Lending Business

After actively participating in money lending business for more than five years, a solid client base has been built. In the financial year, turnover for this segment under review was approximately HK$72.4 million, representing 20% increase when compare with the continuing operations in 2015. The Group expects this segment to grow steadily and generate sustainable income in the coming future.

Retail Business

The Group's current distribution office in Taikoo was opened in January, 2013 and moved to Kwai Hing in February, 2016 for the purpose of catering online sales and its online shopping service continuously in Hong Kong for the sales of grocery products (including frozen soup, frozen seafood, personal care products, stationery, electrical appliances and etc.) to the public.

Turnover for this segment in the financial period under review was approximately HK$10 million, representing 61% increase when compare with the same period in 2015. We will continue to monitor the operation and develop new market in order to increase the turnover and market share.

Wholesale Business

The Group has also been developing the wholesale business in 2015. The wholesale business is a fine supplement to our retail business and it will certainly strengthen our overall business. In the financial year, turnover for this segment from external customers under review was approximately HK$37.2 million. The Group expects this segment to grow steadily and generate sustainable income in the coming future.

Outlook

The Group will continue to look for ways to further improve its existing business and explore new investment opportunities to broaden the business scope of the Group with the ultimate goal to maximise the return to shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations with internally generated cash flows. As at 31st March, 2016, the Group had cash and cash equivalents of approximately HK$40 million (2015: HK$66.4 million).

As at 31st March, 2016, the Group had borrowings of HK$7 million (2015: HK$89.3 million) which were used to finance the operation of the Group.

As at 31st March, 2016, the Group's gearing ratio, expressed as a percentage of total borrowings (comprising amounts due to related parties, borrowings and obligation under a finance lease) less cash and cash equivalents then divided by total equity, decreased to nil (2015: 7.5%).

CHARGES ON GROUP'S ASSETS

As at 31st March, 2016, except for the pledged bank deposits, financial instruments of approximately HK$23.9 million (2015: HK$42.4 million) was pledged as collateral to securities brokers for margin financing granted to the Group. As at 31st March, 2016, no margin financing was utilised by the Group.

TREASURY POLICIES

Cash and bank deposits of the Group are mainly denominated in HK dollars ("HK$").

Since most of the transactions of the Group are denominated in Hong Kong dollars, no hedging or other arrangements to reduce the currency risk have been implemented.

EMPLOYEES

As at 31st March, 2016, the Group had around 73 (2015: 48) full-time employees. The total employee remuneration, including that of the Directors, for the year ended 31st March, 2016 amounted to approximately HK$19.1 million (2015: HK$15.6 million). The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

CAPITAL STRUCTURE

During the year ended 31st March, 2016, the capital structure of the Company has no changed.

ACQUISITION OF 75% EQUITY INTERESTS IN VISION LION LIMITED

On 16th June, 2015, the Company acquired 45% of the entire issued share capital of Vision Lion Limited (the "Target Company") from ex-shareholder of the Target Company at the consideration of HK$5,850,000 (the "Prior Transaction").

On 22nd January, 2016, the Company entered into a Sale and Purchase Agreement with Vendor A (the "Vendor A"), an independent third party, an individual and the shareholder of the Target Company, pursuant to which the Company acquired and Vendor A disposed of its shares, representing 30% of the entire issued share capital of the Target Company (the "Acquisition"). The consideration for the Acquisition is HK$3,900,000, which was settled in cash.

The Acquisition plus the Prior Transaction acquired in the Target Company within a 12-month period is HK$9,750,000.

Upon completion of the Acquisition, the Company is directly interested in 75% of the entire issued share capital of the Target Company and the Target Company is accounted for as a subsidiary of the Company.

The Target Company is the registered owner of a cruiser together with an open cruiser in Hong Kong. Details of the Acquisition were disclosed in the announcement dated 22nd January, 2016.

CONTINGENT LIABILITIES

As at 31st March, 2016, except for as disclosed below, the Company did not provide any corporate guarantee to third parties.

On 20th October, 2015, a new tenancy agreement was jointly entered by Top Euro Limited ("Top Euro"), an indirect wholly-owned subsidiary of the Company and Mark Glory International Enterprise Limited ("Mark Glory"), an indirect wholly-owned subsidiary of China 3D Digital Entertainment Limited with Wit Way Enterprises Limited in relation to the lease of the premises. The duration of the tenancy agreements is for two years commencing from 1st November, 2015 to 31st October, 2017 with a monthly rental of HK$325,000 inclusive of management charges (equivalent to HK$3,900,000 per annum), but exclusive of government rates and all other outgoings. The rent, government rates and all outgoings of the premises shall be paid by Top Euro and Mark Glory in equal shares.

If either party fails to fulfill their leasing obligations under the agreement, the other party will obligate to pay the other party's outstanding contingent rental liability amounting to HK$1,950,000 per annum. The taking up of the contingent rental liability constitutes a provision of financial assistance under the GEM Listing Rules.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR EXECUTIVES

EXECUTIVE DIRECTORS

Mr. Shiu Yeuk Yuen ("Mr. Shiu"), aged 66, is the executive director since December, 2010 and appointed as the Chairman of the Group in January, 2011. Mr. Shiu has over 37 years' experience in the ceramic tile and marble and granite products industry and over 11 years' experience in securities investment.

Mr. Shiu was one of the founders and has been the executive director of Companion Building Material International Holdings Limited (together with its subsidiaries, the "CBMI Group", currently known as Pacific Century Premium Developments Ltd, stock code: 432), a company listed on The Stock Exchange, for the period from September, 1993 to January, 2002 during which he was responsible for the development of the CBMI Group's corporate strategies.

Mr. Leung Ge On, Andy ("Mr. Leung"), aged 47, is the executive director of the Company. Mr. Leung joined the Group since 2005 and was appointed as an executive director in December, 2010. Mr. Leung obtained a Bachelor of Arts degree in Economics at York University in Canada. Mr. Leung has extensive experience in business development, operation and marketing management. Mr. Leung is the nephew of Mr. Shiu.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. SIU Yim Kwan, Sidney ("Dr. Siu"), *S.B.St.J.*, aged 69, was appointed as an independent non-executive director and member of Audit Committee of the Company in December, 2004. Dr. Siu is also the independent non-executive director of Wang On Group Limited, a listed company in Hong Kong since November, 1993.

Dr. Siu is a director of The Association of The Directors & Former Directors of Pok Oi Hospital Limited which is a non-profitable association and providing community services in Hong Kong.

Dr. Siu is also a director and general vice-president of The Hong Kong Taekwondo Association Limited, a sport and non-profitable association in Hong Kong and also an executive member of a number of charitable organisations and sports associations.

Mr. KAM Tik Lun ("Mr. Kam"), *CPA, FCCA, LL.M (ICFL),* aged 40, joined the Company in March, 2012. Mr. Kam is the Chairman of the Audit Committee of the Company. Mr. Kam holds a Bachelor of Commerce from Concordia University, Canada and a Postgraduate Diploma in International Corporate and Financial Law from The University of Wolverhampton, UK and a Master of Laws in International Corporate and Financial Law from The University of Wolverhampton, UK. He is a member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants. Mr. Kam has over 11 years of experience in the financial markets. He has vast experience in providing business consultancy, business valuation services, financial analysis and corporate advisory. Mr. Kam is also an independent non-executive director of China 3D Digital Entertainment Limited, a company listed on the GEM Board of Stock Exchange.

Mr. LAU Gar Hung, Christopher ("Mr. Lau"), *Bsc, in Mathematics*, aged 40, joined the Company in July, 2014. Mr. Lau holds a Bachelor of Science degree, Major in Mathematics (with Honours) from The Chinese University of Hong Kong. Mr. Lau has years of experience in international consulting firms, specialising in providing retirement benefits advice and financial analysis to leading financial institutions and large conglomerates in Hong Kong and Asia.

CORPORATE GOVERNANCE REPORT

A. CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to protect the interests of the shareholders of the Company. The Company had complied with most of the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31st March, 2016, except for the following deviation of Code A.2.1.

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

The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by the same person, Mr. Shiu Yeuk Yuen. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and there is a balanced composition of Executive Directors and Non-executive Directors (including Independent Non-executive Directors). Given the composition of the Board, the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

During the year ended 31st March, 2016, the Board was responsible for determining the policy for the corporate governance of the Company performing the corporate governance duties as below:

- to develop and review the Group's policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of the Directors and senior management;
- to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- to review the Group's compliance with the Code and disclosure requirements in the corporate governance report.

B. SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the "Required Standard of Dealings") of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings for the financial year ended 31st March, 2016.

C. BOARD OF DIRECTORS

Composition of the Board, number of Board meetings and Directors' attendance

The Company's Board is comprised of experienced and highly competent individuals and a balanced composition of Executive and Non-executive Directors. 11 Board meetings were held during the financial year ended 31st March, 2016. The composition of the Board and attendance of the Directors are set out below:

Name of Directors	Attendance/Number of Board meetings held during the year	Attendance/Number of General meetings held during the year
Executive Directors		
Mr. Shiu Yeuk Yuen *(Chairman)*	10/11	1/1
Mr. Leung Ge On, Andy	11/11	1/1
Independent Non-executive Directors		
Dr. Siu Yim Kwan, Sidney	10/11	1/1
Mr. Lau Gar Hung, Christopher	11/11	1/1
Mr. Kam Tik Lun	11/11	0/1

There were 6 additional Board meetings held for normal course of business during the year.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the GEM Listing Rules.

Mr. Leung Ge On, Andy is the nephew of Mr. Shiu Yeuk Yuen. Save for the aforesaid, there is no relationship between members of the Board.

The two Executive Directors are responsible for the leadership and control of the Company and oversee the Group's businesses, strategic decisions and performances and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The three Independent Non-executive Directors are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing adequate checks and balances in the Board in order to protect shareholders' interest and overall interest of the Group.

Each Independent Non-executive Director has given the Company an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the Independent Non-executive Directors are independent and meet the independent guidelines set out in Rule 5.09 of the GEM Listing Rules.

D. APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS

The procedures and process of appointment, re-election and removal of Directors are laid down in the code provisions A.4 set out in the Code contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31st March, 2016.

Code A.4.1 stipulates that Non-executive Directors should be appointed for a specific term, subject to re-election and Code A.4.2 stipulates that all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.

All Independent Non-executive Directors appointed has entered into a letter of appointment with the Company for a term of one year and renewable automatically for successive terms of another year unless terminated by three-month notice in writing served by either party. Pursuant to the Code A.4.2, the Directors, regardless of his/her term of appointment, if any, are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy is subject to re-election by shareholders at the first general meeting after his/her appointment. The Company in practice will observe Code A.4.2 and will ensure that any new director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment.

E. CHAIRMAN AND CHIEF EXECUTIVE

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

Mr. Shiu Yeuk Yuen is the Chairman and Chief Executive Officer of the Company. In view of the scale of operations of the Company and the fact that daily operations of the Group's business is delegated to the senior executives and department heads, the Board considers that vesting the roles of both Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board also believes that the current structure provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. It is in the best interest of the Group to maintain the current practice for continuous efficient operations and development of the Group.

F. REMUNERATION COMMITTEE

A remuneration committee (the "Remuneration Committee"), consisting of three Independent Non-executive Directors and two Executive Directors, was set up by the Company in accordance with the Code. The Remuneration Committee has adopted written terms of reference in compliance with Code Provision B.1.3. The primary duties of the Remuneration Committee include the following:

– evaluating the performance and making recommendations to the Board on the remuneration packages of the individual executive directors and senior management;

– making recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

– reviewing and approving the management's remuneration proposals with reference to the board's corporate goals and objectives.

During the year ended 31st March, 2016, the Remuneration Committee met once with presence of all eligible members and reviewed and made recommendations on the remunerations packages of the Directors of the Group.

None of the Directors participated in the determination of his/her own remuneration. Attendance of the members of the Remuneration Committee is set out below:

Name of Directors	**Number of meeting attended/Number of meeting held**
Mr. Kam Tik Lun	1/1
Mr. Shiu Yeuk Yuen	1/1
Mr. Leung Ge On, Andy	1/1
Dr. Siu Yim Kwan, Sidney	1/1
Mr. Lau Gar Hung, Christopher	1/1

G. AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's annual report and financial statements, half-yearly report and quarterly reports and to provide advice and comment thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. Currently, it consists of three Independent Non-executive Directors, Mr. Kam Tik Lun, chairman of the Audit Committee, Dr. Siu Yim Kwan, Sidney and Mr. Lau Gar Hung, Christopher. Six meetings were held during the financial year ended 31st March, 2016. Attendance of the members of the Audit Committee is set out below:

Name of Directors	**Number of meeting attended/Number of meeting held**
Mr. Kam Tik Lun	6/6
Dr. Siu Yim Kwan, Sidney	6/6
Mr. Lau Gar Hung, Christopher	6/6

The Company's annual results for the year ended 31st March, 2016, have been reviewed by the Audit Committee.

H. NOMINATION COMMITTEE

A nomination committee (the "Nomination Committee") consisting of three Independent Non-executive Directors and two Executive Directors was set up by the Company in accordance with the Code. The Nomination Committee has adopted written terms of reference, which have been amended by the Board in compliance with Code Provision A.5.3. The primary duties of the Nomination Committee include:

– reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the issuer's corporate strategy;

– identify individuals suitably qualified to become board members and select or make recommendations to the board on the selection of, individuals nominated for directorships;

– reviewing the nomination of Directors and making recommendations to the Board on terms of such appointment;

– assessing the independence of Independent Non-executive Directors.

The Company has adopted a board diversity policy (the "Board Diversity Policy"), which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company recognises the benefits of Board diversity and endeavours to ensure that the Board has the appropriate balance and level of skills, experience and perspectives required to support the execution of its business strategies. The Company seeks to achieve Board diversity through the consideration of a number of factors, including professional qualifications and experience, cultural and educational background, gender and age. The Company will also take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Board has set measurable objectives (in terms of gender, skills and experience) to implement the Board Diversity Policy and review such objects from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

The Company considers that the current composition of the Board is characterised by diversity, whether considered in terms of professional background and skills.

During the year ended 31st March, 2016, the Nomination Committee met once with the presence of all eligible members and (i) reviewed and discussed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirements for the business of the Group and (ii) recommendation on the re-election of the retiring Directors.

I. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the "Required Standard of Dealings") of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the year ended 31st March, 2016.

The Company also has established written guidelines on no less exacting terms than the Required Standard of Dealings (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of any unpublished inside information of the Company.

J. TRAINING AND CONTINUING DEVELOPMENT FOR DIRECTORS

All Directors should participate in continuing professional development to develop and refresh their skills to ensure that they have appropriate understanding of the business and operations of the Group and that they are sufficiently aware of their responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development for Directors will be arranged where necessary.

The Company has also continually updated Directors on the latest development regarding the GEM Listing Rules and other regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

K. RESPONSIBILITIES IN RESPECT OF THE FINANCIAL REPORTING

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

The Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31st March, 2016.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on page 26.

L. AUDITOR'S REMUNERATION

For the year ended 31st March, 2016, the remuneration paid or payable to the Company's auditor, Moore Stephens CPA Limited, is set out as follows:

	Fee
	HK$'000
Statutory audit services	480
Non-statutory audit services	135
Total	615

M. INTERNAL CONTROLS

The Board has overall responsibility for the internal control system of the Company. The Board has developed its systems of internal control and risk management and is also responsible for reviewing and maintaining an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company. During the period under review, the Board has conducted a review of the effectiveness of the internal control system of the Company.

N. COMMUNICATIONS WITH SHAREHOLDERS

The Company recognises the importance in engaging in regular, effective and fair communication with its shareholders and is committed to conveying important and relevant information to the shareholders on a timely basis.

The Company strives to ensure that information is made publicly available in a prompt and timely disseminated manner. Disclosure of information is made through announcements to the Stock Exchange, the Company's annual reports, interim reports and quarterly reports, as well as the corporate website (http://www.ecrepay.com).

O. SHAREHOLDERS' RIGHTS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Bye-laws. Details of such rights to demand a poll were included in the circular to shareholders in relation to the holding of 2016 annual general meeting and explained during the proceedings of the meeting.

Save as aforesaid, pursuant to section 62 of the Bye-Laws, special general meetings of the Company (the "SGM") shall be convened on the requisition of the members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company. Such shareholders shall have the right, by written requisition to the Board or the company secretary of the Company, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and the SGM shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s), as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

To ensure effective communication between the Board and the shareholders, the Company has adopted a shareholders' communication policy (the "Policy"). Under the Policy, the Company's information shall be communicated to the shareholders mainly through general meetings, including annual general meetings, the Company's financial reports (annual, interim and quarterly reports), and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website. Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. Any such questions shall be first directed to the Chairman of the Board of the Company at the Company's principal place of business in Hong Kong by post or by email. Shareholders may also directly raise questions during the shareholders' meetings.

The number of shareholders necessary for putting forward a proposal at a shareholders' meeting shall be any number of shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the request.

P. ENVIRONMENTAL ISSUES

The Company is committed to the sustainable development of the environment our society. The Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental policies to ensure its projects meet the required standards and ethics in respect of environmental protection.

Q. RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that our employees, customers and suppliers and business associates are key stakeholders to the Company's success. We strive to achieve corporate sustainability through engaging our employees, providing quality products and services to our customers, collaborating with suppliers to deliver quality sustainable products and services and supporting our community.

REPORT OF THE DIRECTORS

The directors of the Company (the "Directors") present their annual report together with the audited consolidated financial statements for the year ended 31st March, 2016.

PRINCIPAL ACTIVITIES

The Group is principally engaged in money lending business, financial instruments and quoted shares investment, retail business, wholesale business and property investment in Hong Kong.

BUSINESS REVIEW

A review of the business of the Group and a discussion on the Group's future business development during the year ended 31st March, 2016 are provided in the Chairman's Statement on page 5 and Management Discussion and Analysis on pages 7 to 9 of this Annual Report.

The capital risk management and financial risk management objectives and policies of the Group are shown in note 39 to the consolidated financial statements.

An analysis of the Group's performance during the year ended 31st March, 2016 using financial key performance indicators is provided in the Financial Summary on page 3 of this Annual Report.

Discussion on the Group's environmental issues and compliance with the relevant laws and regulations that have a significant impact on the Company are contained in the Corporate Governance Report on pages 11 to 17 of this Annual Report.

The Company's key relationships with its employees, customers and suppliers and business associates that have a significant impact on the Company and on which the Company's success depends are shown in the Management Discussion and Analysis under "Employee" section on pages 7 to 9 and in the Corporate Governance Report on pages 11 to 17 of this Annual Report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2016 are set out in the consolidated statement of comprehensive income on pages 27 to 28 of the annual report.

The Board of Directors does not recommend the payment of dividend for the year ended 31st March, 2016 (2015: Nil)

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 3.

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES

Details of the movements in property, plant and equipment and investment properties of the Group are set out in notes 14 and 15 to the consolidated financial statements.

ISSUED CAPITAL AND SHARE OPTIONS

Details of the movements in issued capital and share options of the Company for the year ended 31st March, 2016 are set out in notes 32 and 33, respectively to the consolidated financial statements.

RESERVES

Details of the movements in reserves of the Group during the year are set out on page 31 in the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company during the year are set out in note 41(iii) to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest suppliers of the Group accounted for approximately 38.5% of its cost of sale for the year ended 31st March, 2016. The largest supplier of the Group accounted for approximately 16.6% of its cost of sale for the year ended 31st March, 2016.

Sales to the Group's five largest customers accounted for approximately 4.5% of the Group's turnover for the year ended 31st March, 2016. The Group's largest customer accounted for approximately 1.5% of the Group's turnover for the year ended 31st March, 2016.

Save as disclosed above, if any, none of the Directors or any of their associates (as defined in the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") or any shareholders of the Company (who, to the knowledge of the Directors, own more than 5% of the issued share capital of the Company) had any beneficial interest in any of the five largest suppliers or customers of the Group for year ended 31st March, 2016.

DONATION

During the year ended 31st March, 2016, HK$3,000 was made by the Group (2015: Nil).

DIRECTORS

The Directors who held office during the year are:

Executive Directors

Mr. Shiu Yeuk Yuen
Mr. Leung Ge On, Andy

Independent Non-executive Directors

Mr. Kam Tik Lun, *CPA, FCCA, LL.M (ICFL)*
Dr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Lau Gar Hung, Christopher, *Bsc, in Mathematics*

DIRECTORS' SERVICE CONTRACTS

All of the Directors have entered into a service contract with the Company and the service contracts shall be renewed automatically after a year unless and until terminated by not less than three months' notice in writing served by either party to the other. Pursuant to the Company's Bye-laws, the Directors, regardless of his/her term of appointment, if any, are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy is subject to re-election by shareholders at the first general meeting after his/her appointment.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31st March, 2016.

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, senior management and five individuals with highest emoluments are set out in notes 9 and 10(ii) to the consolidated financial statements respectively.

SHARE OPTION SCHEMES

On 24th September, 2001, the shareholders of the Company approved a share option scheme (the "Old Scheme") under which its Board of Directors may, at its discretion, offer full-time or part-time employees and Executive, Non-executive and Independent Non-executive Directors of the Company and/or any of its subsidiaries, options to subscribe for shares of the Company. The subscription price will be determined by the Company's Board of Directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company's shares on the five trading days immediately preceding the date of offer of the options ("the Old Scheme").

On 4th January, 2011, the shareholders of the Company approved to terminate the Old Scheme ("the Old Scheme") and adopted a new share option scheme (the "New Scheme") under which its Board of Directors may, at its discretion, offer full-time or part-time employees and Executive, Non-executive and Independent Non-executive Directors of the Company and/or any of its subsidiaries, suppliers, customers, advisors or consultants options to subscribe for shares of the Company. The maximum number of shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme adopted by the Group shall not exceed 10 per cent of the share capital of the Company in issue from time to time. The subscription price will be determined by the Company's Board of Directors and shall not be less than the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company's shares on the five trading days immediately preceding the date of offer of the options.

The New Scheme is valid for ten years from the date of adoption.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

For the year ended 31st March, 2016, no option was granted and outstanding under the New Scheme.

There is no employee compensation expense which was included in the consolidated statement of comprehensive income for the year ended 31st March, 2016 (2015: Nil). No liabilities was recognised due to share-based payment transactions.

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

As at 31st March, 2016, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or 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 Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

Name	Personal Interests	Family Interests	Other Interests	Total	Approximate percentage to the issued share capital of the Company as at 31st March, 2016
Mr. Shiu Yeuk Yuen (note 1)	–	1 (note 2)	82,288,613 (note 3)	82,288,614	37.37%
Mr. Leung Ge On, Andy (note 1)	22,050	–	–	22,050	0.01%

Notes:

1. Mr. Shiu Yeuk Yuen ("Mr. Shiu") and Mr. Leung Ge On, Andy are the Executive Directors of the Company.

2. 1 share of the Company are held by Ms. Hau Lai Mei, the spouse of Mr. Shiu Yeuk Yuen.

3. 82,288,613 shares of the Company are held by Able Rich Consultants Limited, a wholly-owned subsidiary of Rich Treasure Group Limited, of which Mr. Shiu is the sole director and shareholder of that company.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as known to the Directors, as at 31st March, 2016, the Directors were not aware of any other person (other than the Directors and chief executive of the Company as disclosed above) who had an interests or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

Name	No. of Shares	Approximate percentage to the issued share capital of the Company as at 31st March, 2016
China 3D Digital Entertainment Limited (note)	26,093,500	11.85%

Note: 26,093,500 Shares refer to the aggregate of (a) 21,509,075 Shares held by China 3D Digital Entertainment Limited and (b) 4,584,425 shares held by New Smart International Creation Limited, a direct wholly-owned subsidiary of China 3D Digital Entertainment Limited.

PRE-EMPTIVE RIGHTS

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

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

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

RELATED PARTY TRANSACTIONS

Details of the related party transactions for the period are set out in note 34 to the consolidated financial statements.

Save as disclosed therein, there were no other transactions to be disclosed as related party transactions in accordance with the requirements of the GEM Listing Rules.

COMPETING INTEREST

None of the Directors or the controlling shareholder (as defined in the GEM Listing Rules) of the Company has an interest in a business, which competes or may compete with the business of the Group.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-executive Directors an annual confirmation of independent pursuant to Rule 5.09 of the GEM Listing Rules and considers all the Independent Non-executive Directors to be independent.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company maintained the prescribed public float under the GEM Listing Rules.

CONNECTED TRANSACTIONS

Connected Transaction I

On 14th December, 2015 and clarification made on 15th December, 2015, Yvonne Credit Service Company Limited ("Yvonne Credit"), an indirect wholly-owned subsidiary of the Company entered into a loan participation agreement (the "Loan Participation Agreement") with Quick Money Finance Limited ("Quick Money"), a wholly-owned subsidiary of China 3D Digital Entertainment Limited ("China 3D") in relation to the participation on the advancement of the participation amount of HK$9,999,990 (the "Participation Amount").

China 3D is a substantial Shareholder of the Company and interested in approximately 10.49% of the issued share capital of the Company as at 14th December, 2015. Accordingly, China 3D and its subsidiaries are regarded as connected persons of the Company under the GEM Listing Rules. Therefore, the entering into of Loan Participation Agreement (being a provision of financial assistance) constitutes connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

One of the applicable percentage ratios (as defined in the GEM Listing Rules) on the Participation Amount for the Loan Participation Agreement for the Company exceed 5% but are less than 25% and HK$9,999,990. Accordingly, pursuant to Rule 20.74(2)(b) of the GEM Listing Rules, the Loan Participation Agreement is subject to reporting and announcement but exempted from independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Details of the Connected Transaction I were disclosed in the announcements dated 14th December, 2015 and 15th December, 2015 respectively.

CONNECTED TRANSACTIONS *(Continued)*

Connected Transaction II

On 15th March, 2016, Yvonne Credit entered into the transfer mortgage agreement (the "Transfer Mortgage Agreement") with Quick Money, pursuant to which Quick Money agreed to assign and transfer, Yvonne Credit agreed to accept the rights, title, interest and benefits in and to the three loans at a total consideration of HK$9,861,265.51.

China 3D is a substantial Shareholder of the Company and interested in approximately 11.85% of the issued share capital of the Company as at 15th March, 2016. Accordingly, China 3D and its subsidiaries are regarded as connected persons of the Company under the GEM Listing Rules. Therefore, the entering into of Transfer Mortgage Agreement constitutes connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As one of the relevant applicable percentage ratios set out in Rule 19.06 of the GEM Listing Rules with respect to the assignment of the three loans exceed 5% but not more than 25%, the assignment of the three loans also constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under the GEM Listing Rules.

The amount of the three loans are comprised of a sum of HK$5,235,116.51, HK$3,113,190.00 and HK$1,512,959.00 being the outstanding loan amounts pursuant to the three loans entered into between the customers and Quick Money.

Details of the Connected Transaction II was disclosed in the announcement dated 15th March, 2016.

CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transaction I

On 9th October, 2012, a tenancy agreement was jointly entered by Top Euro Limited ("Top Euro"), an indirect wholly-owned subsidiary of the Company and Mark Glory International Enterprise Limited ("Mark Glory"), an indirect wholly-owned subsidiary of China 3D with Wit Way Enterprise Limited, in relation to the lease of the premises. As the tenancy agreement expired on 31st October, 2015, a new tenancy agreement was entered into by the same parties on 20th October, 2015 ("Date of Agreement"). The terms of the new tenancy agreement is for two years commencing from 1st November, 2015 to 31st October, 2017, both days inclusive, with a monthly rental of HK$325,000 inclusive of management charges (equivalent to HK$3,900,000 per annum), but exclusive of government rates and all other outgoings. The rent, government rates and all outgoings of the premises shall be paid by Top Euro and Mark Glory in equal shares.

China 3D is a substantial shareholder of the Company as at the Date of Agreement. Accordingly, China 3D are regarded as connected person of the Company under the GEM Listing Rules. Therefore, the new tenancy agreement (including the contingent rental liability, being a provision of financial assistance) constitutes continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

The applicable percentage ratio (as defined in the GEM Listing Rules) on an annual basis for the new tenancy agreement (including the contingent rental liability, being a provision of financial assistance) for the Company and China 3D exceed 5% but are less than 25% and the annual caps under the new tenancy agreement are less than HK$10,000,000. Accordingly, pursuant to Rule 20.74(2) of the GEM Listing Rules, the new tenancy agreement (including the contingent rental liability, being a provision of financial assistance) is subject to reporting and announcement requirements but exempted from independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The aggregate annual cap of the aforesaid continuing connected transactions for the year ended 31st March, 2016 was HK$3,222,000 and the transaction amount in connection with the continuing connected transactions for the year ended 31st March, 2016 was HK$1,611,000, which was within the annual caps as set out in the Company's announcement dated 9th October, 2012 and 20th October, 2015.

CONTINUING CONNECTED TRANSACTIONS *(Continued)*

Continuing Connected Transactions II

Basic Wholesale Limited ("Basic") is a subsidiary of the Company. The Company indirectly holds 80% of equity interests in Basic and the remaining 20% is held by Upstair Wholesale (HK) Limited ("Upstair"). Mr. Yeung Tak Lok ("Mr. Yeung"), a director of Basic, is one of the directors and shareholders with 30% or above equity interests in Upstair and Lok Chun Trading Limited.

Mr. Yeung or its related parties has a good networks and a wide range of sources or suppliers in the wholesale industry. Therefore, Basic was authorised to have purchase and sales transactions with Mr. Yeung or its related parties during the year ended 31st March, 2016.

The related party transactions in respect of the sales and purchase of groceries products constitute continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules as the non-controlling shareholder is a connected person at subsidiary level. However, those transactions are exempt from the circular, independent financial advice and shareholders' approval requirements in Chapter 20 of the GEM Listing Rules.

Details of the transactions are set out in note 34 to the consolidated financial statements.

Auditor's letter on continuing connected transactions

The Board has engaged Moore Stephens CPA Limited, the auditor of the Company to report the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to the Practice Note 740 "Auditor's Letter on Continuing Connected Transaction under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing their findings and conclusions in respect of the continuing connected transactions of the Group disclosed above in accordance with Rule 20.54 of the GEM Listing Rules. The auditor has confirmed to the Company that nothing has come to their attention that causes them to believe that the continuing connected transactions of the Group for year ended 31st March, 2016 disclosed above:

(1) have not been approved by the Company's board of directors;

(2) were not, in all material respects, in accordance with the pricing policies of the Group;

(3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(4) have exceeded the annual cap as set by the Company.

Confirmation of Independent Non-executive Directors

The Independent Non-executive Directors have reviewed the continuing connected transactions and have confirmed that the transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial terms, and in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Contracts of Significance

Except for the disclosure under the heading "continuing connected transactions" above and save as detailed in note 34 to the consolidated financial statements on the annual report, there are no other contracts of significance in relation to the Group's business to which the Company, or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

AUDITOR

The consolidated financial statements for the year ended 31st March, 2016 were audited by Moore Stephens CPA Limited whose term of office will expire upon the annual general meeting. A resolution for the re-appointment of Moore Stephens CPA Limited as the auditor of the Company for the subsequent year will be proposed at the forthcoming annual general meeting. The consolidated financial statements for the years ended 31st March, 2014 and 31st March, 2015 were audited by Ting Ho Kwan & Chan CPA Limited.

On behalf of the Board
Easy Repay Finance & Investment Limited

Shiu Yeuk Yuen
Chairman

Hong Kong, 21st June, 2016

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會計師事務所有限公司

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EASY REPAY FINANCE & INVESTMENT LIMITED

(Continued in Bermuda with limited liability)

We have audited the consolidated financial statements of Easy Repay Finance & Investment Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 27 to 102, which comprise the consolidated statement of financial position as at 31st March, 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

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

Other matter

The consolidated financial statements of the Group for the year ended 31st March, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 23rd June, 2015.

Moore Stephens CPA Limited
Certified Public Accountants

Chan King Keung
Practising Certificate Number: P06057

Hong Kong, 21st June, 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2016

	Notes	2016 HK$'000	2015 HK$'000 (Restated)
Revenue	5	**119,516**	66,859
Cost of sales		**(41,260)**	(4,620)
Investment and other income	6	**3,388**	1,508
Other gains and losses, net	7	**(194)**	12,319
Servicing, selling and distribution costs		**(7,548)**	(4,300)
Administrative expenses		**(38,661)**	(26,221)
Impairment losses on loans and advances to customers, net	22	**(2,084)**	(1,343)
Bad debts recovery on loans and advances to customers	22	**2,904**	158
Operating profit		**36,061**	44,360
Finance costs	11	**(1,780)**	(1,913)
Share of results of associates	16	**(339)**	(1,605)
Profit before taxation	8	**33,942**	40,842
Income tax (expense)/credit	12	**(943)**	79
Profit for the year		**32,999**	40,921
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of financial asset at fair value through other comprehensive income		**5,456**	(10,571)
Other comprehensive income/(loss) for the year, net of tax		**5,456**	(10,571)
Total comprehensive income for the year		**38,455**	30,350

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Continued)

For the year ended 31st March, 2016

	Notes	2016 *HK$'000*	2015 *HK$'000* (Restated)
Profit for the year attributable to:			
Owners of the Company		**32,922**	40,724
Non-controlling interests		**77**	197
		32,999	40,921
Total comprehensive income for the year attributable to:			
Owners of the Company		**38,378**	30,153
Non-controlling interests		**77**	197
		38,455	30,350
Earnings per share	13		
Basic and diluted		**HK$0.15**	HK$0.41

The notes on pages 34 to 102 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31st March, 2016

	Notes	2016 HK$'000	2015 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**22,395**	4,194
Interests in associates	16	**–**	–
Financial assets at fair value through other comprehensive income	17	**8,813**	3,357
Loans and advances to customers	22	**196,348**	110,746
		227,556	118,297
Current assets			
Inventories	19	**7,026**	223
Trade receivables	20	**2,542**	544
Deposits, prepayments and other receivables	21	**2,375**	59,012
Loans and advances to customers	22	**185,993**	177,695
Financial assets at fair value through profit or loss	18	**19,156**	69,321
Amount due from a related company	23	**–**	262
Amounts due from associates	16	**2,147**	2,044
Pledged bank deposits	24	**1,010**	28,895
Cash and cash equivalents	25	**39,989**	66,403
		260,238	404,399
LIABILITIES			
Current liabilities			
Trade and other payables	26	**5,577**	2,402
Financial liabilities at fair value through profit or loss		**3**	–
Amounts due to non-controlling interests	27	**746**	150
Amounts due to related parties	28	**10,200**	8,200
Borrowings	29	**7,000**	89,348
Obligation under a finance lease	31	**207**	203
Income tax payable		**880**	57
		24,613	100,360
Net current assets		**235,625**	304,039
Total assets less current liabilities		**463,181**	422,336
Non-current liabilities			
Obligation under a finance lease	31	**105**	312
		105	312
Net assets		**463,076**	422,024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

31st March, 2016

	Notes	2016 HK$'000	2015 HK$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	32	**2,202**	2,202
Reserves		**457,788**	419,901
		459,990	422,103
Non-controlling interests		**3,086**	(79)
Total equity		**463,076**	422,024

The notes on pages 34 to 102 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 27 to 102 were approved and authorised for issue by the board of directors on 21st June, 2016 and are signed on its behalf by:

Shiu Yeuk Yuen
Director

Leung Ge On Andy
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2016

	Attributable to owners of the Company									
	Share capital HK$'000 (note 32(b))	Share premium* HK$'000 (note 32(c)(i))	Capital redemption reserve* HK$'000 (note 32(c)(ii))	Capital reserve* HK$'000 (note 32(c)(iii))	Investment revaluation reserve* HK$'000 (note 32(c)(iv))	Contributed surplus* HK$'000 (note 32(c)(v))	Accumulated losses* HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
Balance at 1st April, 2014	6,292	246,126	278	28,546	(10,268)	201,218	(203,753)	268,439	(276)	268,163
Profit for the year	–	–	–	–	–	–	40,724	40,724	197	40,921
Other comprehensive loss:										
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	(10,571)	–	–	(10,571)	–	(10,571)
Total comprehensive income/(loss) for the year	–	–	–	–	(10,571)	–	40,724	30,153	197	30,350
Transactions with owners:										
Rights issue of shares *(note 32(b)(i))*	15,730	110,110	–	–	–	–	–	125,840	–	125,840
Transaction cost attributable to rights issue of shares	–	(2,329)	–	–	–	–	–	(2,329)	–	(2,329)
Capital reduction *(note 32(b)(ii)(b))*	(19,820)	–	–	–	–	19,820	–	–	–	–
Total transactions with owners of the Company	**(4,090)**	**107,781**	**–**	**–**	**–**	**19,820**	**–**	**123,511**	**–**	**123,511**
Balance at 31st March, 2015 and 1st April, 2015	**2,202**	**353,907***	**278***	**28,546***	**(20,839)***	**221,038***	**(163,029)***	**422,103**	**(79)**	**422,024**
Profit for the year	–	–	–	–	–	–	32,922	32,922	77	32,999
Other comprehensive income:										
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	5,456	–	–	5,456	–	5,456
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**5,456**	**–**	**32,922**	**38,378**	**77**	**38,455**
Transactions with owners:										
Acquisition of non-controlling interests in subsidiaries	–	–	–	(154)	–	–	(337)	(491)	(109)	(600)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	3,197	3,197
Reduction of contributed surplus to set off against accumulated losses *(note 32(c)(v))*	–	–	–	–	–	(75,112)	75,112	–	–	–
Total transactions with owners of the Company	**–**	**–**	**–**	**(154)**	**–**	**(75,112)**	**74,775**	**(491)**	**3,088**	**2,597**
Balance at 31st March, 2016	**2,202**	**353,907***	**278***	**28,392***	**(15,383)***	**145,926***	**(55,332)***	**459,990**	**3,086**	**463,076**

* These reserve accounts comprise the consolidated reserves of approximately HK$457,788,000 (2015: HK$419,901,000) in the consolidated statement of financial position.

The notes on pages 34 to 102 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2016

	Notes	2016 HK$'000	2015 HK$'000 (Restated)
Operating activities			
Profit before taxation		**33,942**	40,842
Adjustments for:			
Depreciation	8	**2,176**	1,171
Dividend income from			
– financial assets at fair value through profit or loss	6	**(421)**	(891)
– financial assets at fair value through other comprehensive income	6	**–**	(42)
Exchange losses, net	7	**495**	161
Fair value gains on financial assets at fair value through profit or loss, net	7	**(598)**	(9,248)
Finance costs	11	**1,780**	1,913
Interest income from			
– financial assets at fair value through profit or loss	6	**(958)**	(343)
– bank balances	6	**(71)**	(107)
Gains on disposal of investment properties	7	**–**	(3,353)
Loss/(gain) on disposal of property, plant and equipment	7	**297**	(14)
Write-down of inventories	8	**–**	9
Write-off of trade receivables	8	**–**	20
Allowance for impairment of loans and advances to customers	22	**2,459**	2,074
Reversal of allowance for impairment of loans and advances to customers	22	**(375)**	(731)
Impairment losses on amount due from an associate	16	**2,035**	–
Write-off of amount due from a related party	23	**262**	–
Share of results of associates	16	**339**	1,605
		41,362	33,066
(Increase)/decrease in inventories		**(6,803)**	26
Increase in trade receivables		**(1,998)**	(457)
Decrease/(increase) in deposits, prepayments and other receivables		**55,892**	(50,660)
Increase in loans and advances to customers		**(95,984)**	(81,817)
Increase in trade and other payables		**3,248**	156
Purchase of financial assets at fair value through profit or loss		**(37,478)**	(127,481)
Proceeds from disposal of financial assets at fair value through profit or loss		**87,615**	87,604
Cash generated from/(used in) operations		**45,854**	(139,563)
Dividend received from financial assets at fair value through profit or loss		**421**	891
Interest received from bank balances		**89**	89
Interest received from financial assets at fair value through profit or loss		**1,167**	134
Interest and finance charges paid		**(1,877)**	(1,913)
Hong Kong Profits Tax paid		**(120)**	–
Net cash generated from/(used in) operating activities		**45,534**	(140,362)

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the year ended 31st March, 2016

	Notes	2016 HK$'000	2015 HK$'000 (Restated)
Investing activities			
Release of/(placement in) pledged bank deposits		**27,885**	(28,895)
Dividend received from financial assets at fair value through other comprehensive income		**–**	42
Increase in amounts due from associates		**(2,138)**	(1,544)
Purchase of property, plant and equipment	14	**(8,232)**	(1,428)
Net cash outflow for acquisition of a subsidiary	37	**(3,907)**	–
Acquisition of interests in associates		**(5,856)**	(540)
Proceeds from disposal of investment properties		**–**	25,153
Proceeds from disposal of property, plant and equipment		**–**	28
Net cash generated from/(used in) investing activities		**7,752**	(7,184)
Financing activities			
Net proceeds from rights issue of shares		**–**	123,511
Proceeds from non-controlling interests on incorporation of subsidiaries		**199**	–
Repayment of obligation under a finance lease		**(203)**	(199)
Drawdown of borrowings		**40,046**	305,185
Repayment of borrowings		**(107,269)**	(238,630)
Net cash (used in)/generated from financing activities		**(67,227)**	189,867
Net (decrease)/increase in cash and cash equivalents		**(13,941)**	42,321
Cash and cash equivalents at the beginning of year		**53,930**	11,609
Cash and cash equivalents at the end of year		**39,989**	53,930
Analysis of the balances of cash and cash equivalents	25		
Short-term bank deposit and cash at bank, security brokers and on hand		**39,989**	66,403
Bank overdrafts – secured		**–**	(12,473)
		39,989	53,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31st March, 2016

1. GENERAL INFORMATION

Easy Repay Finance & Investment Limited (the "Company") was an exempted company continued into Bermuda with limited liability with effect from 30th April, 2008. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

The principal places of business of the Company and its subsidiaries (collectively referred to as the "Group") are in Hong Kong. The Company's principal place of business in Hong Kong is 7th Floor, Zung Fu Industrial Building, 1067 King's Road, Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Group is principally engaged in the money lending business, financial instruments and quoted shares investment, groceries retail and wholesale business. The Group was also engaged in property investment in Hong Kong for the year ended 31st March, 2015.

Pursuant to a special resolution passed at the special general meeting held on 23rd March, 2015 and approved by the Registrar of Companies in Bermuda and Hong Kong on 1st April, 2015 and 27th April, 2015 respectively, the Company has changed its name from "Unlimited Creativity Holdings Limited" to "Easy Repay Finance & Investment Limited" and its new Chinese name "易還財務投資有限公司" has also been adopted as the new secondary name of the Company to replace "無限創意控股有限公司".

These consolidated financial statements were approved and authorised for issue by the board of directors on 21st June, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant 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) Statement of compliance and basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong and the disclosure requirement of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(a) Statement of compliance and basis of preparation *(Continued)*

The consolidated financial statements for the year ended 31st March, 2016 comprise the Company, its subsidiaries and the Group's interests in associates.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and certain financial instruments, which are measured at fair values at the end of each reporting period. The measurement bases are described in the accounting policies below.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement 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 4.

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

(b) Basis of consolidation

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Basis of consolidation *(Continued)*

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without loss of control, is accounted for an equity transaction.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any investment retained and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The Group's share of components previously recognised in other comprehensive income is reclassified to income statement or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(i) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in the consolidated income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKFRS 9 (2009) is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKFRS 9 (2009), it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Basis of consolidation *(Continued)*

(i) Business combinations and goodwill (continued)

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

After initial recognition, goodwill is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31st March. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Impairment is determined by assessing the recoverable amount of the cash-generating units (group of cash-generating units) to which the goodwill relates. If the recoverable amount of the cash-generating units (group of cash-generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit (group of cash-generating units) and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(ii) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In consolidated financial statements, associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless the Group has incurred legal or constructive obligations or made payments on behalf of the investee. The Group's share of the post-acquisition, post-tax results of the investees, including any impairment losses on the interests in associates for the year, are recognised in profit or loss, whereas the Group's share of the post-acquisition, post-tax items of the investees' other comprehensive income are recognised in other comprehensive income of the Group.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Basis of consolidation *(Continued)*

(ii) Associates (Continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)).

Unrealised profits and losses resulting from transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associates. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associates, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are immediately recognised in profit or loss.

Where the associates use accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to conform the associates' accounting policies to those of the Group when the associates' financial statements are used by the Group in applying the equity method.

(c) Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, over their useful lives, using straight-line method, at the following rates per annum:

Leasehold improvements	20% or over the lease terms, whichever is shorter
Equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%
Ship	10%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(d) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rentals and/or for capital appreciation and are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(e) Leases

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

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

(i) Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain overship of the asset, the of the asset, as set out in note 2(c). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(f).

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals (if any) are recognised as expenses in the periods in which they are incurred.

(ii) Operating leases payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals (if any) arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Impairment of tangible assets

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

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

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

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

(g) Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of reporting period. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at fair value through profit or loss, the foreign exchange component is recognised in profit or loss. For financial assets designated as at fair value through other comprehensive income, any foreign exchange component is recognised in other comprehensive income. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the “other gains and losses” line item in the consolidated statement of comprehensive income.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Financial assets *(Continued)*

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

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(a) Classification of financial assets

Following the early adoption of HKFRS 9 (2009) on 1st April, 2014, financial assets of the Group extant at that date are classified under the following categories:

– Financial assets at amortised cost

– Financial assets at fair value through profit or loss

– Financial assets at fair value through other comprehensive income

Therefore, the Group's recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

(i) Financial assets at amortised cost

Debt instruments are classified under this category if they satisfy both of the following conditions:

– the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows for managing liquidity and generating income on its investment, but not for the purpose of realising fair value gains; and

– the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, with interest being the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and are unleveraged.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment, with interest revenue recognised on an effective yield basis and included in the "investment and other income" line item.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Financial assets *(Continued)*

(a) Classification of financial assets (continued)

(ii) Financial assets at fair value through profit or loss

Debt instruments are classified under this category if they do not meet the conditions to be measured at amortised cost.

Investments in equity instruments are classified as at fair value through profit or loss, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income on initial recognition as described below.

Financial assets at fair value through profit or loss are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The fair value gains or losses recognised in profit or loss is included in the "other gains and losses" line item in the statement of comprehensive income.

Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Interest income on debt instruments and dividend income on investments in equity instruments at fair value through profit or loss is recognised in profit or loss. Fair value gains or losses do not include any interest or dividend earned on these financial assets.

(iii) Financial assets at fair value through other comprehensive income

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income. Designation at fair value through other comprehensive income is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

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

– on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

– it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. On derecognition of a financial asset that is classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is reclassified directly to retained profits/accumulated losses.

Dividends on these investments in equity instruments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(g) Financial assets *(Continued)*

(b) Derecognition of financial assets

Derecognition of financial assets occurs when, and only when, the contractual rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

(h) Impairment of financial assets

At each reporting date, financial assets measured at amortised cost are reviewed to determine whether there is any objective evidence of impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor or counterparty; or

– a breach of contract, such as a default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed for impairment on collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in notional or local economic conditions that correlate with default on receivables.

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

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

Impairment losses on doubtful receivables, whose recovery is considered doubtful but not remote, are recorded using an allowance account. When the Group considered that recovery of receivables is remote, the amount considered irrecoverable is written off against the receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted-average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks, other financial institutions and securities brokers, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

(k) Financial liabilities and equity instruments

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

(i) Equity instruments

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

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

(ii) Financial liabilities

Financial liabilities (including trade and other payables, amounts due to related parties, amounts due to non-controlling interests and borrowings) are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least one year after the end of reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(k) Financial liabilities and equity instruments *(Continued)*

(ii) Financial liabilities (Continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis.

(l) Derecognition of financial liabilities

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

(m) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of the derivative instruments are recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. The Group does not have any hedging instrument at any time during the year or at the end of reporting period.

A derivative with positive fair value is recognised as financial asset through profit or loss and a derivative with negative fair value is recognised as a financial liability through profit or loss.

(n) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of the tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Income tax *(Continued)*

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries and associates to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group or the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group or the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either;

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(o) Borrowing costs

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(p) Retirement benefit costs and short term employee benefits

(i) Retirement benefits costs

Retirement benefits to employees are provided through a defined contribution plan. The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (HK$25,000 prior to June, 2014). Contributions to the plan vest immediately.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii) Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(iii) Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(q) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and

- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates, discounts and after eliminating sales within the Group.

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

(i) Sales of goods

Revenue is recognised upon transfer of significant risks and rewards of ownership to customers. This is usually taken as the time when the goods are delivered and the customer has accepted the goods and the related risks and rewards of ownership.

(ii) Interest income

Interest income for all interest-bearing financial instruments is recognised in profit or loss on an accrual basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(r) Revenue recognition *(Continued)*

(ii) Interest income (Continued)

For impaired loans, the accrual of interest income based on the original terms of the loan is discontinued, but any increase in the present value of impaired loans due to the passage of time is reported as interest income.

(iii) Rental income is recognised on a straight-line basis over the term of the lease;

(iv) Dividend income is recognised when the shareholder's right to receive payment is established prior to the end of reporting period; and

(v) Management fee income and commission income are recognised when the services have been rendered.

(s) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(t) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of the products and services, the nature of the production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(u) Related parties

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Company's parent.

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

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(v) Fair value measurement

The Group measures its derivative financial instruments and equity investments at fair value at the end of each reporting period. 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain key assumptions and risk factors in respect of the financial risk management are set out in note 39. Other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out as follows:

(a) Income taxes

The Group is subject to income taxes only in Hong Kong. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Impairment of loans and advances to customers

The policy for impairment of loan receivables of the Group is based on the evaluation of collectability and ageing analysis of the loans and advances to customers and on management's judgements. A considerable amount of judgement is required in assessing the ultimate realisation of loans and advances to these customers, if applicable, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance for impairment may be required.

As at 31st March, 2016, the carrying amount of the Group's loans and advances to customers was HK$382,341,000 (2015: HK$288,441,000). Further details are disclosed in note 22.

(c) Impairment of other non-financial assets

The Group assesses at each reporting period whether there is any indication that other non-financial assets with finite lives may be impaired. If any such indication exists, the Group estimates the recoverable amount of the assets. In assessing whether there is any indication that other non-financial assets may be impaired, the Group considers indications from both internal and external sources of information such as evidence of obsolescence or decline in economic performance of the assets, changes in market conditions, economic environment and customers' tastes. These assessments are subjective and require management's judgements and estimations.

5. REVENUE AND SEGMENT INFORMATION

The chief operating decision makers have been identified as the executive directors of the Company (the "Executive Directors"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

Management assesses the performance based on the nature of the Group's businesses which are principally located in Hong Kong, and comprises (i) money lending; (ii) financial instruments and quoted shares investment; (iii) groceries retail business; (iv) wholesale business and (v) property investment.

Segment results represent the profit/(loss) generated by each segment without allocation of central administration costs, gain on disposal of property, plant and equipment, finance costs, share of results of an associate and taxation. This is the measure reported to the Executive Directors for the purposes of resources allocation and assessment of segment performance.

Segment assets include all assets, other than unallocated corporate assets. Segment liabilities include all liabilities, other than unallocated corporate liabilities, current and deferred tax liabilities.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Segment results, assets and liabilities

	Money lending		Financial instruments and quoted shares investment		Groceries retail		Wholesale		Property investment		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue from external customers	**72,357**	60,427	**–**	–	**9,992**	6,211	**37,167**	–	**–**	221	**119,516**	66,859
Inter-segment revenue	**–**	–	**–**	–	**–**	–	**301**	–	**–**	–	**301**	–
Reportable segment revenue	**72,357**	60,427	**–**	–	**9,992**	6,211	**37,468**	–	**–**	221	**119,817**	66,859
Investment and other income	**70**	36	**1,437**	1,376	**3**	5	**1**	–	**–**	2	**1,511**	1,419
Other gains and losses, net	**–**	–	**103**	8,952	**–**	–	**–**	–	**–**	3,339	**103**	12,291
	72,427	60,463	**1,540**	10,328	**9,995**	6,216	**37,469**	–	**–**	3,562	**121,431**	80,569
Reportable segment profit/(loss) before taxation	**54,345**	48,510	**1,200**	6,980	**873**	590	**(655)**	–	**–**	3,223	**55,763**	59,303
Depreciation	**–**	69	**–**	–	**–**	24	**238**	–	**–**	308	**238**	401
Impairment losses on loans and advances to customers	**2,084**	1,343	**–**	–	**–**	–	**–**	–	**–**	–	**2,084**	1,343
Bad debts (recovery)/ written off	**(2,904)**	(158)	**–**	–	**–**	20	**–**	–	**–**	–	**(2,904)**	(138)
Interest income from bank balances	**(11)**	(5)	**(58)**	(443)	**–**	–	**–**	–	**–**	(2)	**(69)**	(450)
Reportable segment assets	**399,015**	313,134	**45,802**	203,071	**4,437**	3,982	**16,946**	–	**–**	1,613	**466,200**	521,800
Additions to non-current segment assets												
– Investment in an associate	**–**	–	**–**	–	**–**	540	**–**	–	**–**	–	**–**	540
– Other capital expenditure	**410**	250	**–**	1,050	**335**	128	**4,939**	–	**–**	–	**5,684**	1,428
Reportable segment liabilities	**807**	16,287	**1,791**	83,904	**534**	176	**3,746**	–	**–**	–	**6,878**	100,367

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Reconciliations of reportable segment revenue, profit before taxation, assets and liabilities

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**119,817**	66,859
Elimination of inter-segment revenue	**(301)**	–
Consolidated revenue	**119,516**	66,859

	2016	2015
	HK$'000	*HK$'000*
Profit before taxation		
Reportable segment profit before taxation	**55,763**	59,303
Unallocated head office corporate expenses	**(17,108)**	(14,957)
Share of results of associates	**(339)**	(1,605)
(Loss)/gain on disposal of properties, plant and equipment	**(297)**	14
Finance costs	**(1,780)**	(1,913)
Impairment loss on amount due from an associate	**(2,035)**	–
Write-off of amount due from a related party	**(262)**	–
Consolidated profit before taxation	**33,942**	40,842

	2016	2015
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**466,200**	521,800
Unallocated corporate assets	**21,594**	896
Consolidated total assets	**487,794**	522,696

	2016	2015
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**6,878**	100,367
Unallocated corporate liabilities	**17,840**	305
Consolidated total liabilities	**24,718**	100,672

(c) Information about major customers

No single customers contributed 10% or more to the Group's revenue for the years ended 31st March, 2016 and 2015.

(d) Geographical information

All of the Group's operations and assets are located in Hong Kong, in which all of its revenue was derived.

6. INVESTMENT AND OTHER INCOME

	2016 HK$'000	2015 HK$'000
Interest income from		
– bank balances	**71**	107
– financial assets at fair value through profit or loss	**958**	343
Dividend income from		
– financial assets at fair value through profit or loss	**421**	891
– financial assets at fair value through other comprehensive income	**–**	42
Rental income from letting of		
– office premises	**36**	36
– office equipment	**53**	53
Production project service income	**1,635**	–
Others	**214**	36
	3,388	1,508

7. OTHER GAINS AND LOSSES, NET

	2016 HK$'000	2015 HK$'000 (Restated)
(Loss)/gain on disposal of property, plant and equipment	**(297)**	14
Gain on disposal of investment properties	**–**	3,353
Exchange losses, net	**(495)**	(296)
Fair value gains on financial assets at fair value through profit or loss, net	**598**	9,248
	(194)	12,319

8. PROFIT BEFORE TAXATION

	2016 HK$'000	2015 HK$'000
Profit before taxation is arrived at after charging:		
Auditors' remuneration	**480**	445
Write-off of trade receivables	**–**	20
Impairment loss on amount due from an associate	**2,035**	–
Write-off of amount due from a related party	**262**	–
Operating leases payments in respect of land and buildings	**5,517**	2,064
Employee benefit expenses (note 10)	**19,073**	15,552
Depreciation of property, plant and equipment		
– Owned assets	**1,982**	977
– Held under a finance lease	**194**	194
	2,176	1,171
Carrying amount of inventories sold	**41,260**	4,611
Write-down of inventories	**–**	9
Cost of inventories recognised as expenses	**41,260**	4,620

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefit of Directors) Regulation (Cap. 622G) and the GEM Listing Rules, the remuneration paid or payable to each of the five (2015: six) directors of the Company is set out below:

	For the year ended 31st March, 2016			
	Fees	**Salaries, allowances, and benefits in kind**	**Retirement benefit scheme contributions**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Executive Directors				
Mr. SHIU Yeuk Yuen, the Chief Executive	**–**	**2,114**	**–**	**2,114**
Mr. LEUNG Ge On, Andy	**–**	**688**	**18**	**706**
	–	**2,802**	**18**	**2,820**
Independent non-executive directors				
Dr. SIU Yim Kwan, Sidney	**100**	**–**	**–**	**100**
Mr. LAU Gar Hung, Christopher	**100**	**–**	**–**	**100**
Mr. KAM Tik Lun	**100**	**–**	**–**	**100**
	300	**–**	**–**	**300**
Total emoluments	**300**	**2,802**	**18**	**3,120**

	For the year ended 31st March, 2015			
	Fees	Salaries, allowances, and benefits in kind	Retirement benefit scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors				
Mr. SHIU Yeuk Yuen, the Chief Executive	–	2,477	4	2,481
Mr. LEUNG Ge On, Andy	–	546	17	563
	–	3,023	21	3,044
Independent non-executive directors				
Dr. SIU Yim Kwan, Sidney	100	–	–	100
Mr. TSUI Pui Hung (note)	25	–	–	25
Mr. LAU Gar Hung, Christopher (note)	75	–	–	75
Mr. KAM Tik Lun	100	–	–	100
	300	–	–	300
Total emoluments	300	3,023	21	3,344

Note: The independent non-executive director, Mr. TSUI Pui Hung, resigned on 30th June, 2014 and Mr. LAU Gar Hung, Christopher was appointed as the independent non-executive director on 1st July, 2014.

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

Except as disclosed above, there was no remuneration paid to other directors of the Company for the years ended 31st March, 2016 and 2015.

During the year, no emolument was paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office (2015: nil).

None of the directors of the Company has waived any emoluments during the year (2015: none).

10. EMPLOYEE BENEFIT EXPENSES

(i)

	2016	2015
	HK$'000	*HK$'000*
Employee benefit expense (including directors' remuneration (note 9))		
– Basic salaries, allowances and other benefits in kind	**18,538**	15,132
– Retirement benefit scheme contributions	**535**	420
Total employee benefit expenses	**19,073**	15,552

(ii) **Five highest paid individuals**

Of the five individuals with the highest emoluments in the Group, two (2015: two) were directors of the Company whose emoluments are included in the disclosures in note 9 above. The emoluments payable to the remaining three (2015: three) individuals in which all of them (2015: all of them) were senior management during the year are as follows:

	2016	2015
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**3,070**	2,314
Retirement benefit scheme contributions	**36**	35
	3,106	2,349

The emoluments of the three highest paid (2015: three) individuals for the year fell within the following bands:

	Number of individuals	
	2016	2015
Emolument bands		
Nil – HK$1,000,000	**2**	2
HK$1,000,001 – HK$1,500,000	**–**	1
HK$1,500,001 – HK$2,000,000	**1**	–
	3	3

11. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest expenses on		
– bank loan and overdrafts	**144**	223
– other borrowings	**1,628**	1,678
	1,772	1,901
Finance charges on obligation under a finance lease	**8**	12
Total interest expenses for financial liabilities that are not at fair value through profit or loss	**1,780**	1,913

12. INCOME TAX EXPENSE/(CREDIT)

	2016	2015
	HK$'000	*HK$'000*
Current tax: Hong Kong		
– Charge for the year	**823**	–
– Under-provision in prior years	**120**	–
	943	–
Deferred tax: (note 30)		
– Credit for the year	**–**	(79)
Income tax expenses/(credit)	**943**	(79)

The provision for Hong Kong Profits Tax for the year ended 31st March, 2016 is calculated at 16.5% of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2015-16 subject to a maximum reduction of HK$20,000 for each business (2015: No provision for Hong Kong Profits Tax has been made for the companies in the Group as they either have no assessable profits or have available tax losses brought forward from prior years to offset against estimated assessable profits).

No income tax expense in relation to any component of other comprehensive income for the years ended 31st March, 2016 and 2015 was included in other comprehensive income.

12. INCOME TAX EXPENSE/(CREDIT) *(Continued)*

The tax expense/(credit) for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

	2016	2015
	HK$'000	*HK$'000*
Profit before taxation	**33,942**	40,842
Tax on profit before taxation, calculated at the domestic income tax rate of 16.5% (2015: 16.5%)	**5,601**	6,739
Tax effect of non-taxable revenue	**(87)**	(1,230)
Tax effect of non-deductible expenses	**989**	2,544
Tax effect of unused tax loss not recognised	**476**	738
Tax effect of utilisation of tax losses previously not recognised	**(7,485)**	(7,036)
Tax effect of temporary differences not recognised	**1,313**	(2,099)
Tax effect of share of results of associates	**56**	265
Statutory tax concession	**(40)**	–
Under-provision of income tax in prior years	**120**	–
Income tax expenses/(credit)	**943**	(79)

13. EARNINGS PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to owners of the Company	**32,922**	40,724

	2016	2015
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**220,219,354**	98,689,300

Diluted earnings per share for the years ended 31st March, 2016 and 2015 were the same as the basic earnings per share as there were no potential ordinary shares outstanding for both years.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Equipment	Furniture and fixtures	Motor vehicles and ship	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost					
At 1st April, 2014	1,892	1,179	708	1,500	5,279
Additions	–	396	364	668	1,428
Disposal/written off	(20)	–	–	(330)	(350)
At 31st March, 2015 and 1st April, 2015	1,872	1,575	1,072	1,838	6,357
Additions	3,563	2,405	1,312	952	8,232
Acquisition of a subsidiary (note 37)	–	–	–	12,442	12,442
Disposal/written off	(351)	–	(239)	–	(590)
At 31st March, 2016	5,084	3,980	2,145	15,232	26,441
Accumulated depreciation					
At 1st April, 2014	375	339	174	440	1,328
Charge for the year	377	275	194	325	1,171
Written back on disposal/written off	(6)	–	–	(330)	(336)
At 31st March, 2015 and 1st April, 2015	746	614	368	435	2,163
Charge for the year	532	480	360	804	2,176
Written back on disposal/written off	(167)	–	(126)	–	(293)
At 31st March, 2016	1,111	1,094	602	1,239	4,046
Carrying amounts:					
At 31st March, 2016	**3,973**	**2,886**	**1,543**	**13,993**	**22,395**
At 31st March, 2015	1,126	961	704	1,403	4,194

Note: The net book value of office equipment held under finance lease was approximately HK$291,000 (2015: HK$486,000).

15. INVESTMENT PROPERTIES

	2016	2015
	HK$'000	HK$'000
Fair value		
At the beginning of year	–	21,800
Disposals during the year	–	(21,800)
At the end of year	–	–

The Group's property interests held under operating lease to earn rental or for capital appreciation purpose are measured using the fair value model and are classified and accounted for as investment properties.

All of the Group's investment properties were disposed of during the year ended 31st March, 2015.

16. INTERESTS IN ASSOCIATES

	2016	2015
	HK$'000	HK$'000
Unlisted shares, at cost	1,890	1,890
Share of post-acquisition losses	(1,890)	(1,890)
	–	–
Amounts due from associates (note (i))	16,782	14,644
Allowance for impairment	(14,635)	(12,600)
	2,147	2,044

Notes:

(i) The amounts due from associates are unsecured, interest free and repayable on demand.

The amounts due from associates of approximately HK$14,635,000 (2015: HK$12,600,000) were impaired. The amount of allowance for impairment was approximately HK$14,635,000 as at 31st March, 2016 (2015: HK$12,600,000). The individually impaired receivables mainly relate to associates which have going concern issue and they are of age over three years. The remaining amounts due from associates do not contain impaired assets.

(ii) The movements in allowance for impairment of the amounts due from associates are as follows:

	2016	2015
	HK$'000	HK$'000
Balance at the beginning of year	12,600	12,600
Impairment losses charged to profit or loss	2,035	–
Balance at the end of year	14,635	12,600

16. INTERESTS IN ASSOCIATES *(Continued)*

Notes: (Continued)

(iii) Particulars of the Group's interests in the associates at 31st March, 2016 and 2015 are as follows:

Name of associates	Class of shares held	Particulars of paid up capital	Proportion of ownership interest: Group's effective interest 2016 %	Proportion of ownership interest: Group's effective interest 2015 %	Proportion of ownership interest: Held by a subsidiary 2016 %	Proportion of ownership interest: Held by a subsidiary 2015 %	Principal activities	Place of incorporation and operations
One Dollar Movies Productions Limited	Ordinary	HK$10 (2015: HK$10)	**40.00**	40.00	**40.00**	40.00	Movies production	Hong Kong
One Dollar Distribution Limited	Ordinary	HK$10,000 (2015: HK$10,000)	**40.00**	40.00	**40.00**	40.00	Movies distribution	Hong Kong
Perfect Talent Limited	Ordinary	HK$1 (2015: HK$1)	**40.00**	40.00	**40.00**	40.00	Movies production	Hong Kong
Smart Investment Development Limited	Ordinary	HK$4,140,000 (2015: HK$4,140,000)	**45.65**	45.65	**45.65**	45.65	Operation of a dispensary	Hong Kong

(iv) Aggregate financial information of individually immaterial associates are as follows:

	2016	2015
	HK$'000	*HK$'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**–**	–
Aggregate amounts of the Group's share of those associates' loss for the year	**(339)**	(1,605)
Other comprehensive income for the year	**–**	–
Total comprehensive loss for the year	**(339)**	(1,605)

On 16th June, 2015, the Group acquired 45% of the share capital of Vision Lion Limited ("Vision Lion"), and on 22nd January, 2016, the Group acquired a further 30% of the share capital of Vision Lion (note 37). Thereafter, Vision Lion becomes a subsidiary of the Group.

During the year ended 31st March, 2016, the share of results represented the share of loss of Vision Lion for the period from 16th June, 2015 to 22nd January, 2016.

The Group has discontinued recognition of its share of losses of certain associates amounting to approximately HK$787,000 (2015: HK$71,000). As at 31st March, 2015, the accumulated losses of these associates not recognised by the Group amounted to approximately HK$1,866,000 (2015: HK$1,079,000).

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2016	2015
	HK$'000	*HK$'000*
Listed equity securities		
– listed in Hong Kong (notes (i)(a))	**7,813**	2,279
Equity investment funds		
– unlisted (notes (i)(b))	**1,000**	1,078
Total	**8,813**	3,357

Notes:

(i) (a) As at 31st March, 2016, the Group held 13,707,184 (2015: 17,133,986) of the issued ordinary shares of China 3D Digital Entertainment Limited ("China 3D"). The principal activities of China 3D and its subsidiaries are mainly artiste management services, music production, production of films and television programmes. These shares are not held for trading and the Group has chosen to designate these equity instruments as financial assets at fair value through other comprehensive income as the Group intends to hold the investment for the medium to long-term as a strategic investment.

(b) As at 31st March, 2016, the equity investment funds represents the Group's equity investment in China Real Estate Development II (Cayman) Limited ("China Real"), an unlisted company involved in investing private equity real estate development projects in the People's Republic of China. China Real would structure its investments by holding equity interests in project companies which own and develop particular properties. The equity investment held by the Group was not held for trading and the Group has also chosen to designate the equity investment as financial assets at fair value through other comprehensive income as the Group intends to hold the investment for the medium to long-term as a strategic investment.

Commitment of the Group in respect of capital contribution in the equity investment funds amounted to approximately HK$542,000 as at 31st March, 2016 and 2015.

(ii) The fair values of the listed equity securities are based on the quoted market bid prices available on the stock exchange and the fair value of the unlisted equity investment funds is based on the fund net asset value as reported from the fund at the end of reporting period.

(iii) As at 31st March, 2016, certain listed equity securities with an aggregate fair value of approximately HK$6,815,000 (2015: HK$1,988,000) were pledged as collateral to securities brokers for margin financing granted to the Group. As at 31st March, 2016 and 2015, no margin financing was utilised by the Group.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	HK$'000	*HK$'000*
Listed equity securities		
– listed in Hong Kong (note (vi))	**19,152**	40,216
Listed debt securities (notes (ii) and (vi))		
– listed in Hong Kong	**–**	23,944
– listed outside Hong Kong	**–**	1,558
	–	25,502
Unlisted investment funds (notes (iii) and (vi))	**–**	2,289
Derivatives not designated as effective hedging instruments		
– Foreign exchange forward contract (note (iv) and (vi))	**–**	483
– Investment in index options (note (v))	**–**	16
– Investment in listed warrants (note (vi))	**4**	751
– Investment in listed callable bull/bear contracts	**–**	64
	4	1,314
Total financial assets at fair value through profit or loss	**19,156**	69,321

Notes:

(i) The fair values of listed equity securities are determined by reference to their quoted market prices at the end of the reporting period. The fair values of bonds, investment funds and foreign exchange forward contract are derived from quoted prices from pricing services/the foreign exchange forward rate that is quoted in an active market and the effect of discounting is considered insignificant. The fair values of the remaining derivatives are determined by reference to their closing prices at the end of the reporting period as the derivatives are traded either on exchange or liquid over-the-counter markets.

(ii) As at 31st March, 2015, the Group holds listed bonds denominated in the United States dollars carrying at fixed rates ranging from 4.25% to 9.625% per annum with maturity date ranging from September, 2017 to February, 2021. All listed bonds are guaranteed by the listed entities. The Group does not intend to hold the bonds and receive the contractual cash flows over the life of the instruments. The bonds are held by the Group for trading purpose.

(iii) Unlisted investment funds are denominated in the United States dollars investing primarily in a combination of common stocks, other equity securities, debt securities and convertible securities. The investment funds are held by the Group for trading purpose.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes: (Continued)

(iv) The notional principal amount of the outstanding foreign exchange forward contract as at 31st March, 2016 and 2015 is as follows:

	2016	2015
	HK$'000	*HK$'000*
Sell United States Dollars for Renminbi	**–**	15,465

(v) In the course of the Group's normal trading in index options, margin deposit of cash is held by the Group's securities broker. As at 31st March, 2016, the amount of the margin deposit included in deposits, prepayments and other receivables (note 21) was approximately HK$158,000 (2015: HK$81,000).

(vi) As at 31st March, 2015, the bonds, investment funds and foreign exchange forward contract, whose aggregate fair value was approximately HK$28,274,000 were pledged to a bank to secure general banking facilities granted to the Group.

As at 31st March, 2016, certain listed equity securities and warrants, whose aggregate fair value was approximately HK$17,084,000 (2015: HK$40,371,000), were pledged as collateral to securities brokers for margin financing granted to the Group.

As at 31st March, 2016 and 2015, no margin financing was utilised by the Group.

19. INVENTORIES

	2016	2015
	HK$'000	*HK$'000*
Merchandise, at cost	**7,026**	223

20. TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**2,542**	544

The Group maintains credit terms of cash on delivery for retail sales for both years 2016 and 2015. The credit term for certain wholesale customers is 30 days from the date of billing for the year ended 31st March, 2016. At the end of the reporting period, the ageing analysis of the trade receivables based on the invoiced dates is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within three months	**1,633**	528
Over three months and within one year	**909**	16
	2,542	544

At the end of each reporting period, the Group reviews trade receivables for evidence of impairment on both an individual and collective basis. Based on these assessments, no impairment loss has been recognised for both years. The Group did not hold any collateral as security or other credit enhancements over the trade receivables.

20. TRADE RECEIVABLES *(Continued)*

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	2016	2015
	HK$'000	*HK$'000*
Neither past due nor impaired	**310**	–
Within three months past due	**1,582**	528
Over three months but within six months past due	**650**	–
Over six months and within one year	**–**	16
	2,232	544
	2,542	544

Trade receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

21. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Deposits	**990**	1,014
Prepayments	**976**	647
Other receivables	**409**	231
Share application money paid (note (iii))	**–**	57,120
	2,375	59,012

Notes:

(i) As at 31st March, 2016 and 2015, the amount of prepayments, deposits and other receivables that were expected to be recovered within one year from the end of the reporting period were classified as current assets.

(ii) In the opinion of the directors of the Company, deposits, prepayments and other receivables are neither past due nor impaired.

(iii) As at 31st March, 2015, share application money paid represents the amount of approximately HK$57,120,000 paid for an initial public offering ("IPO") application of an entity's equity shares ("IPO shares"). During the year ended 31st March, 2016, 42,000 IPO shares with an aggregate offer price of approximately HK$791,700 were allotted to the Group and the remaining share application money has been refunded to the Group for settlement of the IPO loan (note 29).

22. LOANS AND ADVANCES TO CUSTOMERS

	2016	2015
	HK$'000	*HK$'000*
Loans and advances to customers	**389,435**	295,340
Allowance for impairment	**(7,094)**	(6,899)
	382,341	288,441
Analysed for reporting purpose as:		
Current portion	**185,993**	177,695
Non-current portion	**196,348**	110,746
	382,341	288,441

As at 31st March, 2016, certain loans and advances to customers of approximately HK$218,702,000 (2015: HK$118,294,000) are secured by the customers' pledged properties. As at 31st March, 2016, total value of the customers' pledged properties as collaterals for these loans and advances to customers was approximately HK$569,260,000 (2015: HK$446,900,000) based on the market value of the customers' pledged properties as at the end of the reporting period.

All loans and advances to customers are denominated in HK$. The loans and advances to customers carry fixed effective interest ranging from 2% to 48% (2015: 5% to 48%) per annum with credit terms mutually agreed with the customers. The Group's loans and advances to customers related to a large number of diversified customers and there is no significant concentration of credit risk.

(a) The maturity profile of loans and advances to customers net of allowance for impairment loss at the end of reporting period, analysed by the remaining periods to their contractual maturity dates is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within one year	**185,993**	177,695
Over one year but within five years	**193,735**	32,524
Over five years	**2,613**	78,222
	382,341	288,441

22. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

(b) The movements in allowance for impairment of loans and advances to customers:

	2016	2015
	HK$'000	*HK$'000*
Balance at the beginning of year	**6,899**	11,656
Impairment losses charged to profit or loss	**2,459**	2,074
Impairment losses reversed to profit or loss	**(375)**	(731)
Uncollectible amounts written off	**(1,889)**	(6,100)
Balance at the end of year	**7,094**	6,899
Recovery of loans and advances to customers directly written off in previous years	**(2,904)**	(158)

Included in the above provision for impairment of loans and advances to customers are allowances for individually impaired loans and advances to customers of HK$6,103,000 (2015: HK$6,899,000). The individually impaired receivables related to customers that were in financial difficulties or customers that were in default or delinquency in interest or principal payments and only a portion of the receivables is expected to be recovered.

(c) Loans and advances to customers disclosed in note (a) above include amounts of HK$17,848,000 (2015: HK$31,298,000) which are past due but not impaired.

Loans and advances to customers past due but not impaired:

	2016	2015
	HK$'000	*HK$'000*
Past due within 6 months	**12,220**	27,790
Past due 6 to 12 months	**5,628**	3,508
	17,848	31,298

The Group has not made impairment on these loans and advances to customers because, in the opinion of directors of the Company, there is either no significant change in credit quality of the customers or sufficient collaterals to recover the outstanding loans receivables, therefore the amounts are still considered recoverable.

(d) The Group's loans and advances to customers of approximately HK$364,493,000 (2015: HK$257,143,000) that are neither past due nor impaired mainly represented loans granted to creditworthy customers for whom there was no recent history of default or secured by the collaterals which the value was higher than the carrying value of the loans and advances to customers.

23. AMOUNT DUE FROM A RELATED COMPANY

Name of borrower	Balance as at		Maximum balances during the year	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
One Dollar Productions Limited	**–**	262	**262**	262

Notes:

(i) The amount due from a related company is unsecured, interest free and repayable on demand. The related company is beneficially owned and controlled by certain family members of Mr. Shiu Yeuk Yuen, an Executive Director.

(ii) As at 31st March, 2016, the amount due from a related party of approximately HK$262,000 (2015: Nil) were written off. The amount relates to long aged receivables and management assessed that recovery of the receivable is remote.

24. PLEDGED BANK DEPOSITS

The pledged bank deposits of approximately HK$1,010,000 (2015: HK$28,895,000) carry interest at the rate of 0.40% (2015: interest rates ranging from 0.36% to 3.5%) per annum with maturity period of three months (2015: one to three months). As at 31st March, 2016 and 2015, the above bank deposits have been pledged to banks to secure bank guarantee, short term bank borrowings (note 29) and other general banking facilities granted to the Group.

25. CASH AND CASH EQUIVALENTS

	2016	2015
	HK$'000	*HK$'000*
Short-term bank deposit	**–**	10,000
Cash at bank, security brokers and on hand	**39,989**	56,403
Cash and cash equivalents in the consolidated statement of financial position	**39,989**	66,403
Bank overdrafts (note 29)	**–**	(12,473)
Cash and cash equivalents in the consolidated statement of cash flows	**39,989**	53,930

Note: Short-term bank deposit as at 31st March, 2015 carries interest at the rate of 0.78% per annum with a maturity of 60 days.

26. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**2,337**	60
Other payables and accruals	**2,901**	2,065
Receipts in advance	**339**	277
	5,577	2,402

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

At the end of the reporting period, the ageing analysis of trade creditors and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
0 – 30 days	**2,252**	60
31 – 90 days	**55**	–
91 – 365 days	**30**	–
	2,337	60

27. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

Amounts due to non-controlling interests are unsecured, interest free and repayable on demand.

28. AMOUNTS DUE TO RELATED PARTIES

Amounts due to related parties are unsecured, bearing interest at the rate of 10% (2015: 10%) per annum and repayable within one year.

29. BORROWINGS

	2016	2015
	HK$'000	*HK$'000*
Bank overdrafts secured (notes (i) and (ii))	**–**	12,473
Bank loans – secured (notes (i) and (ii))		
– repayable within one year	**–**	15,611
	–	28,084
IPO loan from securities broker (note (iii))	**–**	54,264
Other loan – unsecured		
– repayable within one year (note (iv))	**7,000**	7,000
	7,000	89,348

Notes:

(i) As at 31st March, 2015, bank overdrafts and bank loan are secured by (i) all monies guarantee given by a director of the Company, Mr. Shiu Yeuk Yuen, (ii) certain financial assets at fair value through profit or loss with the aggregate fair value of approximately HK$28,274,000 (note 18) and (iii) certain pledged bank deposits of approximately HK$15,661,000 (note 24).

(ii) As at 31st March, 2015, the Group's bank borrowings are bearing interest at the rate ranging from 1.28% to 4% per annum.

(iii) The IPO loan from securities broker amounted to approximately HK$54,264,000 for financing an application of an entity's IPO shares. The IPO loan carried interest at the rate of 1.2% per annum, and was unsecured and repaid on 9th April, 2015.

(iv) The other loan is denominated in HK$ and is borrowed from an independent third party. The loan is unsecured, interest-bearing at the rate of 10% (2015: 10%) per annum and repayable within one year.

(v) The maturity profile of the borrowings based on the scheduled repayment dates set out in the loan agreements is as follows:

	2016	2015
	HK$'000	*HK$'000*
Bank overdrafts and bank loan:		
Within one year	**–**	28,084
IPO loan from securities broker:		
Within one year	**–**	54,264
Other loan:		
Within one year	**7,000**	7,000
	7,000	89,348

30. DEFERRED TAX LIABILITIES

The following are the major deferred tax balances recognised and movements thereon during the current and prior years.

	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000
At 1st April, 2014	(541)	462	(79)
Credited/(charged) to profit or loss (note 12)	541	(462)	79
At 31st March, 2015, 1st April, 2015 and 31st March, 2016	–	–	–

At the end of the reporting period, the Group has unused tax losses of approximately HK$44,456,000 (2015: HK$64,670,000) available for offset against future profits. The tax losses do not expire under current legislation. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

31. OBLIGATION UNDER A FINANCE LEASE

At 31st March, 2016 and 2015, the Group had obligation under a finance lease payable as follows:

	2016			2015		
	Present value *HK$'000*	**Finance charge** *HK$'000*	**Total** *HK$'000*	Present value *HK$'000*	Finance charge *HK$'000*	Total *HK$'000*
Within one year	**207**	**4**	**211**	203	8	211
After one year but within five years	**105**	**1**	**106**	312	5	317
	312	**5**	**317**	515	13	528

The Group leased an office equipment under finance lease arrangement (note 14). The lease term was five years (2015: five years). At the end of the lease term, the Group has an option to purchase the equipment at a price deemed to be a bargain purchase option. The lease does not include contingent rentals. The lease equipment secures the above lease obligation.

Finance lease obligation is denominated in HK$.

32. CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

(b) Share capital

	Notes	**Number of shares**	*HK$'000*
Authorised:			
At 1st April, 2014		30,000,000,000	300,000
Ordinary shares of HK$0.01 each			
Share consolidation	(ii)(a)	(27,000,000,000)	–
Ordinary shares of HK$0.10 each			
Capital reduction	(ii)(b)	–	(270,000)
Ordinary shares of HK$0.01 each			
Capital increase	(ii)(c)	27,000,000,000	270,000
At 31st March, 2015, 1st April, 2015 and 31st March, 2016			
Ordinary shares of HK$0.01 each		30,000,000,000	300,000
Issued and fully paid:			
At 1st April, 2014		629,198,155	6,292
Ordinary shares of HK$0.01 each			
Rights issue of shares	(i)	1,572,995,385	15,730
Share consolidation	(ii)(a)	(1,981,974,186)	–
Ordinary shares of HK$0.1 each			
Capital reduction	(ii)(b)	–	(19,820)
Ordinary shares of HK$0.01 each			
At 31st March, 2015, 1st April, 2015 and 31st March, 2016			
Ordinary shares of HK$0.01 each		220,219,354	2,202

32. CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(b) Share capital *(Continued)*

Notes:

(i) The Company announced the results of the rights issue on 7th January, 2015, details of which are set out the Company's announcement on that date. On 8th January, 2015, 1,572,995,385 new ordinary shares of HK$0.01 each were allotted and issued at a price of HK$0.08 per share by way of rights issue to qualifying shareholders on the basis of five rights shares for every two existing shares. The issued share capital of the Company were increased from 629,198,155 shares to 220,219,354 shares on the same date accordingly. The net proceeds of approximately HK$123 million from rights issue were intended to be used for further development of the Group's money lending business, retail business and general working capital.

(ii) By a special resolution dated 23rd March, 2015, the Company's proposed capital reorganisation was duly passed and all the conditions precedent to the capital reorganisation had been fulfilled. On 24th March, 2015, the capital reorganisation became effective, the composition of which is as follows:

(a) Share consolidation:

The consolidation of every ten issued and unissued shares of par value of HK$0.01 each in the share capital of the Company into one consolidated share of par value of HK$0.10 each;

(b) Capital reduction:

Immediately upon completion of the share consolidation, (i) the issued share capital of the Company was reduced by cancelling the paid up capital of the Company to the extent of HK$0.09 on each of the then issued consolidated share such that the par value of each issued consolidated share was reduced from HK$0.10 to HK$0.01 (the "issued share capital reduction"); (ii) the authorised share capital of the Company was reduced by reducing the par value of all consolidated shares from HK$0.10 each to HK$0.01 each resulting in the reduction of the authorised share capital of the Company from HK$300,000,000 divided into 3,000,000,000 consolidated shares to HK$30,000,000 divided into 3,000,000,000 adjusted shares of par value HK$0.01 each; and

The credit arising from the issued share capital reduction of approximately of HK$19,820,000 was credited to the contributed surplus account of the Company.

(c) Capital increase:

Immediately upon completion of the capital reduction, the authorised share capital of the Company increased from HK$30,000,000 divided into 3,000,000,000 adjusted shares to HK$300,000,000 divided into 30,000,000,000 adjusted shares.

All issued shares rank pari passu in all respects with each other. None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's shares during the year.

32. CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(c) Reserves

(i) Share premium

The application of share premium account is governed by section 40 of the Companies Act 1981 of Bermuda.

(ii) Capital redemption reserve

Capital redemption reserve arose on the cancellation of repurchased shares and accordingly reduction of nominal value of share capital of the Company.

(iii) Capital reserve

Capital reserve represents (i) the difference between the nominal value of the shares of subsidiaries acquired and the nominal value of shares issued by the Company as consideration thereof pursuant to the reorganisation and (ii) the difference between the consideration paid/received to obtain/release non-controlling interests in certain subsidiaries and their respective carrying amount on the date of acquisition or disposal.

(iv) Investment revaluation reserve

The investment revaluation reserve represents the cumulative net change in fair value of financial assets at fair value through other comprehensive income since initial recognition.

(v) Contributed surplus

Contributed surplus represents the reduction of issued share capital by the amounts of approximately HK$135,319,000, HK$8,181,000, HK$32,070,000, HK$5,721,000, HK$19,927,000 and HK$19,820,000 pursuant to special resolutions passed at the special general meetings of the Company on 2nd April, 2008, 14th January, 2009, 8th September, 2010, 24th August, 2011, 17th June, 2013 and 23rd March, 2015 respectively.

Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus, 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 and the share premium account.

Pursuant to a special resolution passed at a special general meeting held on 23rd March, 2015, the directors are authorised to apply any credit balance in the contributed surplus account of the Company in accordance with the bye-laws of the Company and all applicable laws. During the year ended 31st March, 2016, the directors of the Company resolved to set-off and eliminate the accumulated losses of the Company in the amount of approximately HK$75,112,000 with the contributed surplus account.

(d) Dividend

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

33. SHARE-BASED EMPLOYEE COMPENSATION

The shareholders of the Company approved a share option scheme (the "2001 Share Option Scheme") under which its board of directors may, as its discretion, offer full-time or part time employees and executive, non-executive and independent non-executive directors of the Company and/or any its subsidiaries, options to subscribe for shares in the Company. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 30% of the issued share capital of the Company. The subscription price will be determined by the Company's board of directors and will be the highest of (i) the nominal value of the shares, (ii) the quoted closing price of the Company's shares on the date of offer of the options, and (iii) the average of the quoted closing prices of the Company's shares on the five trading days immediately preceding the date of offer of the options. The 2001 Share Option Scheme become effective on 24th September, 2001 and was terminated by shareholders of the Company on 4th January, 2011.

An ordinary resolution was passed by the shareholders at the special general meeting of the Company held on 4th January, 2011 to adopt a new share option scheme (the "2011 Share Option Scheme") and terminate the 2001 Share Option Scheme.

The purpose of the 2011 Share Option Scheme is to enable the Group to grant share options to the participants as incentives or rewards for their contribution to the Group.

Eligible participants of the 2011 Share Option Scheme ("Eligible Participants") include (i) any full-time employees of the Group and directors (including Executive Directors, non-executive directors and independent non-executive directors) of the Company; (ii) any supplier of goods or services to any member of the Group or any entity in which any member of the Group holds an equity interest (the "Invested Entity"); (iii) any customer of any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member by any member of the Group or any Invested Entity; (vi) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (vii) any other group or classes of Eligible Participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The 2011 Share Option Scheme became effective on 4th January, 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of share options permitted to be granted under the 2011 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at the date of approval of the 2011 Share Option Scheme.

The maximum number of share issuable under share options to each eligible participant in the 2011 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

33. SHARE-BASED EMPLOYEE COMPENSATION *(Continued)*

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

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, and commences after a vesting period and ends on a date which is not later than ten years from the date of offer of the share options.

The exercise price of share options is determinable by the directors of the Company, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the share options; (ii) the average closing price of the Company's share as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

All share-based employee compensation will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

During the years ended 31st March, 2016 and 2015, no option under the 2011 Share Option Scheme has been granted by the Company, therefore there is no option outstanding at 31st March, 2016 and 2015.

For the years ended 31st March, 2016 and 2015, no employee compensation expenses has been included in the consolidated statement of comprehensive income. No liabilities are recognised due to the share-based payment transactions.

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(a) Key management compensation

During both years, compensation of key management personnel represents directors' remuneration and those of senior staff as stated in notes 9 and 10 to the consolidated financial statements respectively. The directors' remuneration is determined by the remuneration committee having regard to the performance, responsibilities and experience of individuals and market trends.

(b) Financing arrangements

		Amounts owed to the Group by related parties As at 31st March,		Amounts owed by the Group to related parties As at 31st March,		Related interest income/(expense) For the year ended 31st March,	
		2016	2015	**2016**	2015	**2016**	2015
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loan to a company controlled by close family member of a director	(ii),(v)	**4,885**	–	**–**	–	**646**	–
Amount due from an associate	(iii)	**4,182**	2,554	**–**	–	**–**	–
Amount due from companies controlled or jointly controlled by the directors or their close family members	(iii)	**–**	262	**–**	–	**–**	–
Loans from close family members of directors	(i),(iv)	**–**	–	**(10,200)**	(8,200)	**(928)**	(1,036)
Loan from a director	(iv)	**–**	–	**–**	–	**–**	(48)
Amounts due to non-controlling interests	(iii)	**–**	–	**(746)**	(150)	**–**	–

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(Continued)*

(b) Financing arrangements *(Continued)*

Notes:

(i) The balances due to certain family members of an executive director of the Company are unsecured, interest bearing at 10% and repayable on demand. Details of which are set out in note 28 to the consolidated financial statements.

(ii) Pursuant to a loan participation agreement entered into between a subsidiary of the Company and a company controlled by close family member of a director on 14th December, 2015, the Group has granted HK$9,999,990 for participating in a loan to a third party. The loan to a company controlled by close family member of a director is unsecured, interest bearing at 33% per annum and repayable on demand. The amount was included in loans and advance to customers in note 22 to the consolidated financial statements.

(iii) All other balances due to/from the Group are unsecured, interest free and repayable on demand.

(iv) The related party transactions in respect of the financial assistance received from close family members of an executive director constitutes continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules. However those transactions are exempt from the disclosure requirements in Chapter 20 of the GEM Listing Rules as the transactions are on normal commercial terms and no security over the assets of the Company is granted in respect of such financial assistance.

(v) The related party transactions in respect of the financial assistance provided to a company controlled by a family member of an executive director constitutes connected transactions as defined in Chapter 20 of the GEM Listing Rules. The disclosure required by Chapter 20 of the GEM Listing Rules are provided in the directors' report.

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(Continued)*

(c) Other related party transactions

The Group had significant transactions with the following related parties during the year:

Related party relationship	Type of transaction	Notes	Transaction amount 2016 HK$'000	2015 HK$'000
Directors	Sales of groceries products	(ii)	**–**	4
Close family members of a director	Sales of groceries products	(ii)	**49**	65
Companies controlled or jointly controlled by the directors or their close family members	Handling fee income	(ii)	**–**	184
	Sales of groceries products	(ii)	**104**	24
	Rental income from letting			
	– office premises	(ii)	**36**	36
	– office equipment	(ii)	**53**	53
	Assignment of loan to the Group	(iii)	**9,861**	–
	Share of rental and mutual guarantee of contingent rental liabilities	36	**1,611**	1,320
Associate	Sales of groceries products		**2,118**	559
	Purchase of groceries products		**343**	306
Non-controlling interests	Purchase of groceries products	(iv)	**935**	–

Notes:

(i) The directors of the Company are of the opinion that the above transactions were entered into at terms agreed by both parties and the terms of the transactions were determined by the directors with reference to the terms of similar transactions with unrelated third parties.

(ii) The related party transactions in respect of the handling fee income, sales and purchase of groceries products and rental income above constitute connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules. However those transactions are exempt from the disclosure requirements in Chapter 20 of the Listing Rules as they are below the de minimis threshold under Rule 20.74(1)(c) of the GEM listing Rules.

34. TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(Continued)*

(c) Other related party transactions *(Continued)*

Notes: (Continued)

(iii) The related party transaction in respect of the loans with principal amount of approximately HK$9,770,000 from a company controlled by a close family member of an executive director at a consideration of approximately HK$9,861,000 after taking into account the interest receivables accrued to the loans constitutes connected transactions as defined in Chapter 20 of the GEM Listing Rules. The disclosures required by Chapter 20 of the GEM Listing Rules are provided in the directors' report.

(iv) The related party transactions in respect of the purchase of groceries products constitute continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules as the non-controlling shareholder is a connected person at subsidiary level. The disclosures required by Chapter 20 of the GEM Listing Rules are provided in the directors' report.

(v) As at 31st March, 2015, the director of the Company, Mr. Shiu Yeuk Yuen, has provided all monies guarantee (note 29) to a bank to secure general banking facilities granted to the Group.

(vi) Except as disclosed above and elsewhere in the consolidated financial statements, there were no other significant related party transactions with related parties during the year or significant balances with them at the end of the year.

35. COMMITMENTS

(a) Capital commitments

Saved as those disclosed in to the consolidated financial statements, the Group does not have any other significant capital commitments as at 31st March, 2016 and 2015.

(b) Operating lease commitments

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

	2016	2015
	HK$'000	*HK$'000*
Within one year	**5,442**	3,550
In the second to fifth years, inclusive	**3,663**	822
	9,105	4,372

The Group leases a number of premises under operating leases, with original terms ranging from 2 to 3 years. Two of the leases have options to renew the leases after the date at which time all terms are renegotiated. The leases do not include any contingent rentals.

36. CONTINGENT LIABILITIES

On 9th October, 2012, the Group and Mark Glory International Enterprise Limited, a wholly owned subsidiary of China 3D has jointly entered into a tenancy agreement in relation to the lease of an office premises as a joint tenant. The tenancy agreement was renewed on 20th October, 2015, effective for two years commencing from 1st November, 2015. If either party fails to fulfill their leasing obligations under the agreement, the other party will obligate to pay the other party's outstanding contingent rental liability. The guarantee of the contingent rental liability constitutes a continuing connected transaction as defined in Chapter 20 of the GEM Listing Rules. The disclosures required by Chapter 20 of the GEM Listing Rules are provided in the directors' report.

During the years ended 31st March, 2016 and 2015, both parties have made appropriate operating lease payment under the lease. No outstanding contingent rental liability is required to be paid by the Group under the lease for the years ended 31st March, 2016 and 2015. The maximum exposure of the Group in the remaining lease term amounted to approximately HK$3,196,000.

37. ACQUISITION OF A SUBSIDIARY

Acquisition of assets and liabilities through acquisition of a subsidiary

On 16th June, 2015, the Group acquired 45% of the share capital of Vision Lion for HK$5,850,000. On 22nd January, 2016, the Group acquired a further 30% of the share capital satisfied by HK$3,900,000 and obtained the control of Vision Lion, a registered owner of a cruiser together with an open cruiser in Hong Kong. There is no contingent consideration arrangement. Vision Lion was dormant prior to the acquisition.

As a result of the acquisition, the Group owns an asset for the welfare of the employee of the Group. The acquisition has been reflected as a purchase of assets and liabilities. Further details are set out in the Company's circular dated 22nd January, 2016.

The following table summarises the consideration paid for Vision Lion, the assets acquired, liabilities assumed and the non-controlling interest at the acquisition date:

	HK$'000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	1
Property, plant and equipment	12,442
Accruals and other payables	(24)
Total identifiable net assets	12,419
Non-controlling interest*	(2,994)
Net identifiable net assets	9,425
Consideration:	
At 22nd January, 2016	
Total cash consideration transferred	3,900
Direct expenses in relation to the acquisition	8
Fair value of 45% equity interest in Vision Lion acquired on 16th June, 2015	5,517
Total consideration	9,425
Net cash flow arising on acquisition:	
Cash consideration transferred	3,900
Direct expenses in relation to the acquisition	8
Cash and cash equivalents acquired	(1)
Net cash outflow on acquisition	3,907

* Non-controlling interest is measured at their proportionate share of the value of net identifiable assets acquired.

38. TRANSACTION WITH NON-CONTROLLING INTERESTS

Acquisition of additional interests in subsidiaries

On 1st May, 2015, the Company acquired an additional 30% of the issued share capital of Win Leader Limited ("Win Leader") at a consideration of HK$1. On 25th November, 2015, the Company acquired an additional 33.33% of the issued share capital of Bright Zone Corporation Limited ("Bright Zone") at a consideration of HK$600,000. The carrying amount of the non-controlling interests in Win Leader and Bright Zone on the respective dates of acquisition was deficit of HK$181,000 and asset of HK$290,000 respectively. The Group recognised a decrease in non-controlling interests of HK$109,000 and a decrease in equity attributable to owners of the Company of HK$491,000. The effect of changes in ownership interest of Win Leader and Bright Zone on the equity attributable to owners of the Company during the year is as follows:

	2016
	HK$'000
Consideration paid	600
Carrying amount of non-controlling interests acquired	(109)
Excess of consideration paid recognised within equity	491

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	2016	2015
	HK$'000	*HK$'000*
Financial assets		
Financial assets at fair value through other comprehensive income	**8,813**	3,357
Financial assets at fair value through profit or loss	**19,156**	69,321
Financial assets at amortised costs		
– Trade receivables	**2,542**	544
– Deposits and other receivables (excluding prepayments)	**1,399**	58,365
– Loans and advances to customers	**382,341**	288,441
– Amount due from a related company	**–**	262
– Amounts due from associates	**2,147**	2,044
– Pledged bank deposits	**1,010**	28,895
– Cash and cash equivalents	**39,989**	66,403
	429,428	444,954
Total	**457,397**	517,632
Financial liabilities		
Financial liabilities at fair value through profit or loss	**3**	–
Financial liabilities at amortised cost		
– Trade and other payables (excluding receipt in advance)	**5,238**	2,125
– Amounts due to non-controlling interests	**746**	150
– Amounts due to related parties	**10,200**	8,200
– Borrowings	**7,000**	89,348
– Obligation under a finance lease	**312**	515
	23,496	100,338
Total	**23,499**	100,338

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors

The Group is exposed itself to variety of financial risks: market risk (including foreign currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the Directors of the Company. The overall objective in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

The Group identifies ways to assess financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the directors of the Company.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposures to foreign currency risk arise from investments in equity and debt securities and cash and cash equivalents, which are primarily denominated in RMB and USD. These are not the functional currencies of the Group entities to which these transactions relate. The Group currently does not have a foreign currency hedging policy. However, management of the Group monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

During the year ended 31st March, 2015, the Group made a bank borrowing of approximately RMB12.5 million and then placed the funds into a fixed bank deposit of approximately USD2 million. At the date of maturity of the bank deposit, the Group would use a foreign exchange forward contract to sell the USD and buy RMB for settlement of bank borrowing to earn interest income. Management of the Group considered that currency risk arising from the above transactions is insignificant.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors

(a) Market risk (Continued)

(i) Foreign currency risk *(Continued)*

Summary of exposure

Foreign currency denominated financial assets and liabilities, translated into HK$ at the closing rates, are as follows:

	As at 31st March, 2016		As at 31st March, 2015	
	United States Dollars	**Renminbi**	United States Dollars	Renminbi
	HK'000	***HK'000***	*HK'000*	*HK'000*
Financial assets at fair value through other comprehensive income	**1,000**	**–**	1,078	–
Financial assets at fair value through profit or loss	**–**	**–**	28,274	–
Other receivables	**–**	**–**	227	–
Pledged bank deposits	**–**	**–**	15,661	12,554
Cash and cash equivalents	**2**	**50**	195	20
Other payables	**(128)**	**–**	(128)	(97)
Bank loan	**–**	**–**	–	(15,611)
Bank overdrafts	**–**	**–**	(6,187)	–
Overall net exposure	**874**	**50**	39,120	(3,134)

Sensitivity analysis

In view of the fact that the HKD is pegged to the USD, the Group's exposure of foreign currency risk is minimal.

No sensitivity analysis has been presented as, in the opinion of the directors of the Company, the foreign currency risk associated with the Group's financial assets and liabilities will not be significant.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from cash at bank and security brokers (2015: cash at bank and security brokers and borrowings). Borrowings bearing variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk. The Group did not use any interest rate swaps to mitigate its exposure associated with the cash flow interest rate risk. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rates on the Group's bank balances and variable rate borrowings at the end of the reporting period and prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used by management for the assessment of the reasonably possible change in interest rates.

If market interest rates had been 50 basis points higher/lower with all other variables held constant, the Group's post-tax profits for the year ended 31st March, 2016 would have been approximately HK$199,000 (2015: HK$226,000) higher/lower, respectively.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors

(a) Market risk (Continued)

(iii) Price risk

Equity and debt security price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to equity and debt security price risk arising from individual equity and debt investments classified as financial assets at fair value through profit or loss (note 18) and financial assets at fair value through other comprehensive income (note 17) at 31st March, 2016 and 2015.

The Group's listed investments are primarily listed in Hong Kong, Singapore and United States. Listed investments held in financial assets at fair value through other comprehensive income portfolio have been chosen based on their long term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

Sensitivity analysis

The following table indicates the approximate change in the Group's profit after taxation and other components of equity in response to the reasonably possible changes in the relevant stock market prices, to which the Group has significant exposure at the end of the reporting period.

In response to the reasonably possible change in the market price of the listed securities and the underlying shares, the Group's investment in equity and debt securities has the following exposures:

31st March, 2016			31st March, 2015		
Increase/ (decrease) in securities market price	**Effect on profit after taxation**	**Effect on other components of equity**	Increase/ (decrease) in securities market price	Effect on profit after taxation	Effect on other components of equity
%	***HK$'000***	***HK$'000***	*%*	*HK$'000*	*HK$'000*
10	**1,599**	**781**	10	5,513	228
(10)	**(1,599)**	**(781)**	(10)	(5,513)	(228)

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(b) Credit risk

Credit risk refers to the risk that the borrowers or counterparties may default on their payment obligations due to the Group. These obligations arise from the Group's lending and investment activities. Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statement of financial positions which are summarised in note 39(a) to the consolidated financial statements.

In order to minimise the credit risk, the Group has established policies and systems for the monitoring and control of credit risk. The management has delegated different divisions responsible for determination of credit limits, credit approvals and other monitoring processes to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews the recoverable amounts of loans and advances to customers individually and collectively at the end of each reporting period to ensure that adequate allowance for impairment is made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, the Group has certain concentration of credit risk as 5% and 19% of the total loans and advance to customer was due from the Group's largest customer and the five largest customers within the money lending segment respectively (2015: 5% and 16% respectively). The Group's exposures of credit risk arising from loans and advance to customers is set out in note 22 to the consolidated financial statements.

For the years ended 31st March, 2016 and 2015, all the Group's pledged bank deposits, cash and cash equivalents are deposited with major banks and securities brokers located in Hong Kong.

Sales to customers are made in cash or via major credit cards. The maximum exposure to credit risk is represented by the carrying amount of each trade receivable in the reporting date after deducting any allowance for impairment of trade receivables, if any. The Group's exposure of credit risk arising from trade receivables is set out in note 20 to the consolidated financial statements.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(c) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, borrowings and its financing obligations and also in respect of its cash flow management. The Group manages its liquidity needs on a consolidated basis by carefully monitoring scheduled debt servicing payments for long term financial liabilities as well as forecast cash inflows and outflows due in day to day business.

The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-days periods at a minimum. Funding for longer-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell longer-term financial assets.

Analysed below is the Group's remaining contractual maturities for its non-derivative financial liabilities at 31st March, 2016 and 2015. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is by instalments, each instalment is allocated to the earliest period in which the Group is committed to pay. Bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights within one year after the reporting period. The maturity analysis for other non-derivative financial liabilities is prepared based on the scheduled repayment dates.

The analysis is based on the financial liabilities' contractual undiscounted cash flows (including interest payments calculated using contractual rates or, if floating, based on rates current at the end of reporting period) and the earliest date the Group can be required to pay.

At 31st March, 2016	Weighted average effective interest rate	On demand	Within one year	Over one year but within two years	Over two year but within five years	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial instruments							
Trade and other payables	–	5,238	–	–	–	5,238	5,238
Amounts due to non-controlling interests	–	746	–	–	–	746	746
Amounts due to related parties	10	–	10,728	–	–	10,728	10,200
Borrowings							
– Other loan	10	–	7,307	–	–	7,307	7,000
Obligation under a finance lease	1.92	–	211	106	–	317	312
Total		5,984	18,246	106	–	24,336	23,496

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(c) Liquidity risk (Continued)

At 31st March, 2015	Weighted average effective interest rate	On demand	Within one year	Over one year but within two years	Over two year but within five years	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial instruments							
Trade and other payables	–	2,125	–	–	–	2,125	2,125
Amounts due to non-controlling interests	–	150	–	–	–	150	150
Amounts due to related parties	10	–	8,769	–	–	8,769	8,200
Borrowings							
– Bank loan (note)	4	15,611	–	–	–	15,611	15,611
– Bank overdraft	–	12,473	–	–	–	12,473	12,473
– IPO loan	1.20	–	54,282	–	–	54,282	54,264
– Other loan	10	–	7,307	–	–	7,307	7,000
Obligation under a finance lease	1.92	–	211	211	106	528	515
Total		30,359	70,569	211	106	101,245	100,338

Note: The bank loan as at 31st March, 2015 contains a repayment on demand clause. The directors of the Company believe that such bank loan will be repaid in accordance with the scheduled repayment dates as set out in the loan agreements, which is one month after 31st March, 2015. The aggregate principal and interest cash outflows of bank loan was approximately HK$15,668,000.

(c) Capital risk management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. During the year, the Group's strategy, which was unchanged from 2015, was to continue to monitor its capital structure on the basis of the net debt to adjusted capital ratio at a reasonable level. For this purpose net debt is defined as borrowings, amounts due to related parties and obligation under a finance lease less cash and cash equivalents. Adjusted capital comprises all components of equity other than amounts recognised in equity. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(c) Capital risk management *(Continued)*

The gearing ratio at the end of the reporting period was as follows:

	2016	2015
	HK$'000	*HK$'000*
Borrowings (note (i))	**7,000**	89,348
Amounts due to related parties (note (i))	**10,200**	8,200
Obligation under a finance lease (note (i))	**312**	515
Cash and cash equivalents	**(39,989)**	(66,403)
Net (cash)/debt	**(22,477)**	31,660
Total equity (note (ii))	**463,076**	422,024
Net debt to equity ratio	**N/A**	7.5%

Notes:

(i) Amounts due to related parties, borrowings and obligation under a finance lease are detailed in notes 28, 29 and 31 to the consolidated financial statements respectively.

(ii) Total equity includes all capital, reserves and non-controlling interests at the end of the reporting period.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

(d) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the carrying value of the Group's financial instruments measured at fair value at the end of the reporting period on a recurring basis, categorised into the three levels of the fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level in which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

– Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date.

– Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

– Level 3 valuations: Fair value measured using significant unobservable inputs.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurement *(Continued)*

(i) Financial assets and liabilities measured at fair value (Continued)

		Fair value measurement as at 31st March, 2016 categorised into		
	Fair value	**Level 1**	**Level 2**	**Level 3**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Recurring fair value measurement				
Financial assets at fair value through other comprehensive income				
– Listed equity securities	**7,813**	**7,813**	**–**	**–**
– Unlisted equity investment funds	**1,000**	**–**	**–**	**1,000**
Financial assets/(liabilities) at fair value through profit or loss				
– Listed equity securities	**19,152**	**19,152**	**–**	**–**
– Derivative financial instruments				
– Index options	**(3)**	**(3)**	**–**	**–**
– Listed warrants	**4**	**4**	**–**	**–**
	27,966	**26,966**	**–**	**1,000**

		Fair value measurement as at 31st March, 2015 categorised into		
	Fair value	Level 1	Level 2	Level 3
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurement				
Financial assets at fair value through other comprehensive income				
– Listed equity securities	2,279	2,279	–	–
– Unlisted equity investment funds	1,078	–	–	1,078
Financial assets at fair value through profit or loss				
– Listed equity securities	40,216	40,216	–	–
– Listed bonds	25,502	–	25,502	–
– Unlisted investment funds	2,289	–	2,289	–
– Derivative financial instruments				
– Foreign exchange forward contract	483	–	483	–
– Index options	16	16	–	–
– Listed warrants	751	751	–	–
– Listed callable bull/bear contracts	64	64	–	–
	72,678	43,326	28,274	1,078

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurement *(Continued)*

(i) Financial assets and liabilities measured at fair value (Continued)

The fair value of financial instruments traded in active markets is based on quoted market price at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those price represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily trading securities, certain financial asset at fair value through other comprehensive income with quoted market prices, and derivatives which are traded either on exchange or liquid over-the-counter markets, the Group use the closing price at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The fair values of bonds, unlisted investment funds and foreign exchange forward contract under Level 2 at the reporting date were derived from quoted prices from pricing services/the foreign exchange forward rate that is quoted in an active market and the effect of discounting is considered insignificant.

If one or more of the significant inputs is not based on observable market data, the instrument would be included in Level 3. Therefore, the Group's financial assets classified in Level 3 use valuation technique based on unobservable inputs that are significant to the fair value measurement. The fair value of unquoted equity investment funds under Level 3 in current year is based on the fund's net asset value as reported from the fund at the end of reporting period. The valuation of the unquoted investment funds would be performed monthly by the fund. The Group has determined that the reported net asset values represent the fair value of the unquoted equity investment funds. The fair value measurement is positively correlated to the net asset values.

During the years ended 31st March, 2016 and 2015, there were no transfers between Level 1 and Level 2.

During the year ended 31st March, 2015, the Group transferred the unquoted equity investment funds from Level 2 to Level 3 because of changes in availability of market observable inputs. There were no transfers into or out of Level 3 fair value measurements during the year ended 31st March, 2016. The Group's policy is to recognise transfers into and transfer out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurement *(Continued)*

(i) Financial assets and liabilities measured at fair value (Continued)

The movements in fair value measurements in Level 3 during the year are as follows:

Financial assets fair value through other comprehensive income

	Unlisted equity investment funds	
	2016	2015
	HK$'000	*HK$'000*
At the beginning of year	**1,078**	–
Transfer (see explanation above)	**–**	1,155
Unrealised loss		
– Change in fair value recognised in other comprehensive income	**(78)**	(77)
At the end of year	**1,000**	1,078

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31st March, 2016 and 2015.

40. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Certain rental expenses of HK$595,000 were reclassified from administrative expenses to servicing, selling and distribution expenses in the consolidated statement of comprehensive income for the year ended 31st March, 2015.

Interest and finance charges paid were reclassified from financing activities to operating activities in the consolidated statement of cash flows for the year ended 31st March, 2015.

41. FINANCIAL INFORMATION OF THE COMPANY

Financial information of the Company at the end of the reporting period includes information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2016	2015
	HK$'000	*HK$'000*
ASSETS		
Non-current assets		
Investment in a subsidiary	**1,097**	1,097
Financial assets at fair value through other comprehensive income	**7,813**	2,279
	8,910	3,376
Current assets		
Prepayments, deposits and other receivables	**317**	57,516
Financial assets at fair value through profit or loss	**19,156**	41,047
Amounts due from subsidiaries	**444,425**	393,503
Amount due from a related company	**–**	262
Cash and cash equivalents	**17,039**	40,544
	480,937	532,872
LIABILITIES		
Current liabilities		
Other payables	**423**	208
Financial liabilities at fair value through profit or loss	**3**	–
Borrowings	**–**	54,264
Tax payable	**806**	57
	1,232	54,529
Net current assets	**479,705**	478,343
Net assets	**488,615**	481,719
EQUITY		
Equity attributable to owners of the Company		
Share capital	**2,202**	2,202
Reserves	**486,413**	479,517
Total equity	**488,615**	481,719

41. FINANCIAL INFORMATION OF THE COMPANY *(Continued)*

Notes:

(i) Interests in subsidiaries

	2016	2015
	HK$'000	*HK$'000*
Investment in a subsidiary	**1,097**	1,097

The directors of the Company are of opinion that none of the Group's subsidiaries that have non-controlling interests are material to the consolidated financial statements as a whole.

(ii) Particulars of the principal subsidiaries of the Company at 31st March, 2016 and 2015 are set out in note 43 to the consolidated financial statements.

(iii) Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital	**Share premium**	**Capital redemption reserve**	**Investment revaluation reserve**	**Contributed surplus**	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(note 32(b))	*(note 32(c)(i))*	*(note 32(c)(ii))*	*(note 32(c)(iv))*	*(note 32(c)(v))*		
Balance at 1st April, 2014	6,292	246,126	278	(10,099)	201,218	(176,746)	267,069
Profit for the year	–	–	–	–	–	101,633	101,633
Other comprehensive loss:							
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	(10,494)	–	–	(10,494)
Total comprehensive income for the year	–	–	–	(10,494)	–	101,633	91,139
Transactions with owners:							
Rights issue of shares	15,730	110,110	–	–	–	–	125,840
Transaction cost attributable to rights issue of shares	–	(2,329)	–	–	–	–	(2,329)
Capital reduction	(19,820)	–	–	–	19,820	–	–
Total transactions with owners of the Company	(4,090)	107,781	–	–	19,820	–	123,511
Balance at 31st March, 2015 and 1st April, 2015	2,202	353,907	278	(20,593)	221,038	(75,113)	481,719
Profit for the year	–	–	–	–	–	1,362	1,362
Other comprehensive income:							
Changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	5,534	–	–	5,534
Total comprehensive income for the year	–	–	–	5,534	–	1,362	6,896
Transactions with owners:							
Reduction of contribute surplus to set off against accumulated losses	–	–	–	–	(73,751)	73,751	–
Total transactions with owners of the Company	–	–	–	–	(73,751)	73,751	–
Balance at 31st March, 2016	2,202	353,907	278	(15,059)	147,287	–	488,615

42. NEW AND REVISED HKFRSs NOT YET ADOPTED

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

		Effective for accounting periods beginning on or after
HKAS 1 Amendments	Disclosure Initiatives	1st January, 2016
HKAS 16 and HKAS 38 Amendments	Clarification of Acceptable Methods of Depreciation and Amortisation	1st January, 2016
HKAS 16 and HKAS 41 Amendments	Agriculture: Bearer Plants	1st January, 2016
HKAS 27 Amendments	Equity Method in Separate Financial Statements	1st January, 2016
HKFRS 10 and HKAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined*
HKFRS 10, HKFRS 12 and HKAS 28 Amendments	Investment Entities: Applying the Consolidation Exception	1st January, 2016
HKFRS 11 Amendments	Accounting for Acquisitions of Interests in Joint Operations	1st January, 2016
HKFRS 14**	Regulatory Deferral Accounts	1st January, 2016
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle	1st January, 2016
HKFRS 9 (2014)	Financial Instruments	1st January, 2018
HKFRS 15	Revenue from Contracts with Customers	1st January, 2018
HKFRS 16	Leases	1st January, 2019

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

** HKFRS 14 applies to first annual HKFRS financial statements for a period beginning on or after 1st January, 2016 and therefore is not applicable to the Group.

42. NEW AND REVISED HKFRSs NOT YET ADOPTED *(Continued)*

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1st April, 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

HKFRS 9 (2014) "Financial Instruments"

In 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1st January, 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

HKFRS 16 "Leases"

Under HKFRS 16 a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under HKAS 17 would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

As with HKFRS 16's predecessor, HKAS 17, lessors classify leases as operating or finance in nature. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

For finance leases a lessor recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment. A lessor recognises operating lease payments as income on a straight-line basis or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis.

42. NEW AND REVISED HKFRSs NOT YET ADOPTED *(Continued)*

HKFRS 16 Leases *(Continued)*

Recognition exemptions

Instead of applying the recognition requirements of HKFRS 16 described above, a lessee may elect to account for lease payments as an expense on a straight-line basis over the lease term or another systematic basis for the following two types of leases:

– leases with a lease term of one year or less and containing no purchase options – this election is made by class of underlying asset; and

– leases where the underlying asset has a low value when new (such as personal computers or small items of office furniture) – this election can be made on a lease-by-lease basis.

The directors of the Company anticipate that the application of HKFRS 16 in the future may affect amounts reported and related disclosure. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 16 until the Group performs a detail review.

43. GENERAL INFORMATION OF SUBSIDIARIES

Details of the principal subsidiaries held by the Company directly and indirectly as at 31st March, 2016 and 2015 are as follows:

				Proportion of ownership interest			
Name of subsidiaries	Place of incorporation and kind of legal entity	Class of shares held	Paid up issued/ registered capital	Group's effective interest	Held by the Company	Held indirectly	Principal activities and place of operations
Rainbow Cosmetic (BVI) Limited	British Virgin Islands, limited liability company	Ordinary	2016: USD50,000 (2015: USD50,000)	2016: 100% (2015: 100%)	2016: 100% (2015: 100%)	–	Investment holding, Hong Kong
Basic Wholesale Limited	Hong Kong, limited liability company	Ordinary	2016: HK$15,000 (2015: HK$10,000)	2016: 80% (2015: 100%)	–	2016: 80% (2015: 100%)	Wholesale of grocery products, Hong Kong
Be Cool Limited	Hong Kong, limited liability company	Ordinary	2016: HK$250,000,000 (2015: HK$250,000,000)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	Securities investment, Hong Kong
Bright Zone	Hong Kong, limited liability company	Ordinary	2016: HK$90 (2015: HK$90)	2016: 100% (2015: 66.67%)	–	2016: 100% (2015: 66.67%)	Sales of grocery products, Hong Kong
Perfect Top Corporation Limited	Hong Kong, limited liability company	Ordinary	2016: HK$1 (2015: HK$1)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	Property investment, Hong Kong
Nutriplus (Asia) Limited	Hong Kong, limited liability company	Ordinary	2016: HK$10,000 (2015: HK$10,000)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	Provision of management services to the Group, Hong Kong

43. GENERAL INFORMATION OF SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation and kind of legal entity	Class of shares held	Paid up issued/ registered capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held indirectly	Principal activities and place of operations
Cool Cool Frozen Food Limited (Formerly "Thailand (HK) Plastic Surgery Service Limited")	Hong Kong, limited liability company	Ordinary	2016: HK$30,000,000 (2015: HK$1)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	2016: Wholesale of Frozen Food (2015: Property investment), Hong Kong
Top Empire Limited	Hong Kong, limited liability company	Ordinary	2016: HK$1,000 (2015: HK$1,000)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	Investment holding, Hong Kong
Top Euro Limited	Hong Kong, limited liability company	Ordinary	2016: HK$1 (2015: HK$1)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	Investment holding, Hong Kong
Top Legend Investment Limited	Hong Kong, limited liability company	Ordinary	2016: HK$1 (2015: HK$1)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	Securities investment, Hong Kong
Power In Investments Limited	Hong Kong, limited liability company	Ordinary	2016: HK$100 (2015: HK$100)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	Securities investment, Hong Kong
Yvonne Credit Service Co., Limited	Hong Kong, limited liability company	Ordinary	2016: HK$10,000 (2015: HK$10,000)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	Money lending business, Hong Kong
Century Forever Limited	Hong Kong, limited liability company	Ordinary	2016: HK$1 (2015: HK$1)	2016: 100% (2015: 100%)	–	2016: 100% (2015: 100%)	Wholesale business, Hong Kong
Win Leader	Hong Kong, limited liability company	Ordinary	2016: HK$100 (2015: HK$100)	2016: 100% (2015: 70%)	–	2016: 100% (2015: 70%)	Dormant, Hong Kong
Vision Lion	Hong Kong, limited liability company	Ordinary	2016: HK$1,000 (2015: HK$1)	2016: 75% (2015: Nil)	–	2016: 75% (2015: Nil)	Holding of ship, Hong Kong
King of Catering (Investment) Limited (Formerly "Resources Harvest Limited")	Hong Kong, limited liability company	Ordinary	2016: HK$10 (2015: N/A)	2016: 60% (2015: N/A)	–	2016: 60% (2015: N/A)	Trading of cash coupon, Hong Kong

Note:

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

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