易還財務投資有限公司

EASY REPAY FINANCE & INVESTMENT LIMITED

(formerly known as Unlimited Creativity Holdings Limited)

Continued in Bermuda with limited liability

Stock Code : 8079

2014/15

Annual Report

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 (formerly Unlimited Creativity Holdings 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 2011

	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* (As restated)	Year ended 31st March, 2011 *HK$'000*
Revenue*	**66,859**	37,930	41,665	53,302	69,917
Profit (loss) for the year from continuing operations	**40,921**	(12,345)	(48,048)	(18,132)	(53,187)
Profit (loss) for the year from discontinued operation	**–**	–	12,598	8,978	(14,128)
Profit (loss) for the year	**40,921**	(12,345)	(35,450)	(9,154)	(67,315)
Profit (loss) attributable to owners of the Company	**40,724**	(12,259)	(35,091)	(8,998)	(68,299)

	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*	As at 31st March, 2011 *HK$'000*
Total assets	**522,696**	289,929	234,150	305,567	204,812
Total liabilities	**(100,672)**	(21,766)	(10,340)	(32,177)	(39,094)
	422,024	268,163	223,810	273,390	165,718

* 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

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

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)*
Mr. 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. SIU Yim Kwan, Sidney *S.B.St.J.*
Mr. LAU Gar Hung, Christopher, *Bsc, in Mathematics*
Mr. SHIU Yeuk Yuen
Mr. LEUNG Ge On, Andy

Legal Adviser on the Bermuda Law

Appleby

Auditor

Ting Ho Kwan & Chan CPA Limited
9/F, Tung Ning Building.
249-253 Des Voeux Road C,
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
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 to the Shareholders the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March, 2015.

Due to the competition in relation to the provision of beauty and clinical services in Hong Kong, Macau and PRC is severely keen and the Company also foresee that the industry has to face more potential strict regulations set by the Government, the Company has made a decision to dispose a part of the beauty and clinical business in Hong Kong and PRC in the year 2010 and the remaining part in the year 2013 respectively.

Since the disposal of the beauty and clinical business in the year 2010, the core business of the Company became money lending and it was proved to bring a satisfactory turnover and profit to the Group.

After developing money lending business over four years, the Group has built up a wide solid client base and made satisfactory profit. According to the annual reports of the Company for the year ended 31st March, 2013, 2014 and 2015, the profits from money lending business were approximately HK$11.5 million, HK$14.7 million and HK$46.8 million respectively. The total amount of loans and advances to customers after impairment for the three years ended 31st March, 2013, 2014 and 2015 were approximately HK$110 million, HK$208 million and HK$288 million respectively. It is proven that changing the core business into money lending can bring to the Group satisfactory turnover and profit.

The money lending business mainly consists of three types of loans, namely: mortgage loans, personal loans and car loans. Meanwhile, the default rate, which is the ratio of total bad debts for the year to the total amount of loans and advances to customers after impairment for the three years ended 31st March, 2013, 2014 and 2015 were approximately 6.37%, 1.13% and 2.06% respectively.

The delinquency in debts retrieval substantially drops from 6.37% to 1.13% is due to (i) the increase in mortgage loans; and (ii) the Company adopts prudent treasury management policies and cautious manner with high standard of risk management level ensuring that risks are assessed and controlled in accordance to the Group's policies.

Moreover, in February 2015, Hong Kong Monetary Authority ("HKMA") considered it necessary to introduce new countercyclical measures to safeguard the stability of the banking and financial system in Hong Kong. HKMA announced new guidelines to banks to enforce straighter supervisory measures on property mortgage. Since the Company perceives potential business opportunities for loan portfolio expansion under the prevailing market environment, we will continue to focus on the principal money lending business.

The name of the Company has been changed from Unlimited Creativity Holdings Limited to Easy Repay Finance & Investment Limited with effect from 1st April, 2015 in order to better reflect and emphasise the business focus of the Group and also to provide a better identification and strengthen the Company's corporate image.

In the meantime, the Company also maintain investment on financial instruments and securities. In view of the volatility of the global economic environment, driven by the European sovereign debt crises and the continuous economic downturn in the United States, the unutilised monies of the Group have been more focused on corporate bonds with higher credit rating. These investments will be held for short term investment purpose. The Company will continue to take cautious steps on securities and bonds investment and will closely monitor their corresponding risk and control in the future.

In addition, the Company also foresaw that online shopping has gradually became a part of the modern urban lifestyle in Hong Kong. In view of this, developing the business of online sales could provide more opportunities to the Hong Kong consumers and change their shopping habits.

The Group has been developing the online sales business since the year 2014-2015 and has recorded substantial growth in the corresponding revenue. The Company expects the turnover and profits will further increase in near future.

The Group has also been developing the wholesales business since January 2015. The wholesale business is a fine supplement to our retail business and it will certainly strengthen our overall business.

PROSPECTS

The Company expects the loan portfolio of money lending business to continuously increase in coming years. It will bring to the Group substantial turnover and profit. The migration from the Growth Enterprise Market of the Stock Exchange to the Main Board of the Stock Exchange is one of the main targets of the Company.

Online shopping is the trend of the modern urban lifestyle in Hong Kong. The Company expects the sales to further increase and the wholesale business will be also a good supplement to our online sales business.

The Company has been actively exploring opportunities to increase the return to its shareholders. In this regard, the Company will continue to look for ways to increase its revenue, and will also consider the possibility of capital reorganization to set off the accumulative loss of the Group in the share premium account. In order that the Company will be able to distribute dividend to its shareholders for their continuous support.

APPRECIATION

On behalf of the Board of Directors, 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, 23rd June, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATION REVIEW

Turnover for the financial year ended 31st March, 2015 was approximately HK$66.9 million, representing an increase of approximately 76.3% when compared with the continuing operations in last year. Profit attributable to owners of the Company for the year ended 31st March, 2015 was approximately HK$40.7 million and the corresponding period in 2014 was loss of HK$12.3 million respectively.

Property Investment

The rental income generated from the investment properties continued providing income to the Group. The turnover of this business segment for the financial year was approximately HK$0.2 million in 2015 and HK$0.7 million in 2014.

The Group has disposed the industrial property in Chaiwan and a residential property in Diamond Hill on 29th May, 2014 and 4th September, 2014 respectively. The Group will continue to identify suitable property for long-term investment purposes.

Securities and bonds Investment

In view of the volatility of the global economic environment driven by the European sovereign debt crises and the economic downturn in the United States 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.

Money Lending

After actively participating in money lending business for more than four years, a solid client base has been built. In the financial year, turnover for this segment under review was approximately HK$60.4 million, representing 81.6% increase when compare with the continuing operations in 2014. 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 for the purpose of catering online sales and its online shopping service in Hong Kong for the sales of grocery products (including 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$6.2 million, representing 57.3% increase when compare with the continuing operations in 2014. 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 since January, 2015. The wholesale business is a fine supplement to our retail business and it will certainly strengthen our overall business.

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, 2015, the Group had cash and cash equivalents of approximately HK$66.4 million (2014: HK$11.6 million).

As at 31st March, 2015, the Group had borrowings of HK$89 million (2014: HK$7 million) which were used to finance the securities investment and money lending business.

As at 31st March, 2015, 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, increased to approximately 7.5% (2014: 2.8%).

CHARGES ON GROUP'S ASSETS

As at 31st March, 2015, except for the pledged bank deposits and financial instruments of approximately HK$57.1 million to secure short term bank borrowings, bank guarantees and other general banking facilities granted to the Group, the Group has no other asset pledged to bank to secure the bank borrowings granted to the Group (2014: charge over investment properties of HK$16 million). The charge on the Group's investment properties has been released as the transaction of the disposal of the property located in Chaiwan was completed on 14th July, 2014.

Also, financial instruments of approximately of HK$42.4 million was pledged as collateral to securities brokers for margin financing granted to the Group. As at 31st March, 2015, 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, 2015, the Group had around 48 (2014: 65) full-time employees. The total employee remuneration, including that of the Directors, for the year ended 31st March, 2015 amounted to approximately HK$15.6 million (2014: HK$14.1 million). The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

CAPITAL STRUCTURE

During the year ended 31st March, 2015, the capital structure of the Company has changed as follows:

Rights Issue

By resolution dated 25th November, 2014, the Company was approved to raise approximately HK$125 million, before expenses, by issuing 1,572,995,385 rights shares to the qualifying shareholders by Rights Issue at the subscription price of HK$0.08 per rights share on the basis of five (5) rights shares for every two (2) existing shares held on the record date ("Rights Issue").

The reasons of the Rights Issue are for (i) expansion of the money lending business; (ii) expansion of the retail business and/or medicine store; and (iii) general working capital of the Group. The closing price per share as quoted on the Stock Exchange on 10th October, 2014, being the date of the underwriting agreement, was HK$0.165.

The Rights Issue was completed on 8th January, 2015. The net proceeds approximately HK$123.10 million were raised from the Rights Issue and applied as (i) approximately HK$94.2 million for expansion of the money lending business; (ii) approximately HK$2.9 million for expansion of the retail and wholesale business and/or medicine store; and (iii) approximately HK$26 million for general working capital of the Group.

Capital Reorganisation

By a resolution dated 23rd March, 2015, the Company implemented the capital reorganisation with effective from 24th March, 2015 which involved the share consolidation, capital reduction and capital increase.

Share Consolidation:

The consolidation of every ten (10) issued and unissued shares of par value of HK$0.01 each in the share capital of the Company into one (1) consolidated share of par value of HK$0.10 each ("Consolidated Share").

Capital reduction:

Immediately upon the Share Consolidation became effective, (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"); and (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.

Capital Increase:

Immediately upon the Capital Reduction became effective, the authorised share capital of the Company has been 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.

SIGNIFICANT DISPOSALS

On 10th April, 2014, the Company disposed of 24,358,974 Crosby Shares (representing approximately 5.48% of the total issued share capital of Crosby as at the date of disposal) for a cash consideration of approximately HK$19.4 million in open market. The consideration represented the market prices of Crosby Shares at the time of Disposal. Details refer to the announcement dated 11th April, 2014.

On 29th May, 2014, an indirect wholly-owned subsidiary of the Company, entered a provisional sale and purchase agreement with an independent third party regarding the disposal of the property in Hong Kong at a cash consideration of HK$19.35 million. The transaction was completed on 14th July, 2014.

On 4th September, 2014, an indirect wholly-owned subsidiary of the Company, entered a provisional sale and purchase agreement with an independent third party regarding the disposal of the property in Hong Kong at a cash consideration of HK$6 million. The transaction was completed on 17th November, 2014.

CONTINGENT LIABILITIES

As at 31st March, 2014, the Company had provided an unlimited corporate guarantee to a bank for general banking facilities granted to an indirect wholly-owned subsidiary of the Company. As at 31st March, 2014, banking facilities of approximately HK$3,020,000 had been utilised by the subsidiary.

During the year ended 31st March, 2015, the above corporate guarantee has been released upon settlement of the relevant bank borrowing.

As at 31st March, 2014, the Company had provided a corporate guarantee up to a maximum amount of HK$25,000,000 to secure a letter of guarantee issued by a bank to the extent of approximately HK$679,000.

During the year ended 31st March, 2015, the above corporate guarantee has been replaced by pledge of bank deposit of approximately HK$679,000 (note 27) to secure the aforesaid bank guarantee.

On 9th October, 2012, a tenancy agreement was jointly entered into between Wit Way Enterprises Limited, as landlord and Top Euro Limited, an indirect wholly-owned subsidiary of the Company and Mark Glory International Enterprise Limited, an indirect wholly-owned subsidiary of China 3D Digital Entertainment Limited, both as tenants, in relation to the lease of an office premises. The duration of the tenancy agreement is for three years commencing from 1st November, 2012 to 31st October, 2015 with a monthly rental of HK$220,000 inclusive of management charges (equivalent to HK$2,640,000 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 the tenants 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$1,320,000 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 65, is the executive director since December 2010 and appointed as the Chairman of the Group in January, 2011. Mr. Shiu has over 36 years' experience in the ceramic tile and marble and granite products industry and over 10 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 of Hong Kong Limited, 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 46, 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

Mr. SIU Yim Kwan, Sidney ("Mr. Siu"), *S.B.St.J.*, aged 68, was appointed as an independent non-executive director and member of Audit Committee of the Company in December, 2004. Mr. Siu is also the independent non-executive director of Wang On Group Limited, a listed company in Hong Kong since November 1993.

Mr. 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.

Mr. 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 10 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 39, 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, 2015, except for the following deviation of Code Provision A.2.1.

Code Provision 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, 2015, 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, 2015.

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. 8 Board meetings were held during the financial year ended 31st March, 2015. 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)*	8/8	1/2
Mr. Leung Ge On, Andy	8/8	2/2
Independent Non-executive Directors		
Mr. Siu Yim Kwan, Sidney	8/8	1/2
Mr. Tsui Pui Hung (resigned on 30th June, 2014)	1/1	–
Mr. Kam Tik Lun	8/8	2/2
Mr. Lau Gar Hung, Christopher (appointed on 1st July, 2014)	6/6	2/2

There were 10 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 Company's Bye-laws.

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 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. 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 OFFICER

Code A.2.1 stipulates that the roles of Chairman and Chief Executive Officer 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 on the remuneration package of the 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, 2015, the Remuneration Committee met twice with presence of all eligible members and reviewed and made recommendation on the remuneration package of 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. Siu Yim Kwan, Sidney	2/2
Mr. Tsui Pui Hung (resigned on 30th June, 2014)	–
Mr. Shiu Yeuk Yuen	2/2
Mr. Leung Ge On, Andy	2/2
Mr. Kam Tik Lun	2/2
Mr. Lau Gar Hung, Christopher (appointed on 1st July, 2014)	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, Mr. Siu Yim Kwan, Sidney and Mr. Lau Gar Hung, Christopher. Five meetings were held during the financial year ended 31st March, 2015. Attendance of the members of the Audit Committee is set out below:

Name of Directors	**Number of meeting attended/Number of meeting held**
Mr. Siu Yim Kwan, Sidney	5/5
Mr. Tsui Pui Hung (resigned on 30th June, 2014)	1/1
Mr. Kam Tik Lun	5/5
Mr. Lau Gar Hung, Christopher (appointed on 1st July, 2014)	4/4

The Company's annual results for the year ended 31st March, 2015, 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 A5.3. The primary duties of the Nomination Committee include:

– reviewing the structure, size and composition (including but not limited to gender, age, cultural and educational background, skills, knowledge, professional experience and length of service) of the Board at least annually and making recommendations on any proposed changes to the board to complement the issuer's corporate strategy;

– nominating potential candidates for directorship;

– 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 ("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, age and length of service. 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, 2015, 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, 2015.

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, 2015.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on page 24.

L. AUDITOR'S REMUNERATION

For the year ended 31st March, 2015, the remuneration paid or payable to the Company's auditor, Ting Ho Kwan & Chan CPA Limited, is set out as follows:

	Fee
	HK$'000
Statutory audit services	445
Non-statutory audit services	138
Total	583

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, 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 2015 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 an 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.

REPORT OF THE DIRECTORS

The directors of the Company ("Directors") present their annual report together with the audited consolidated financial statements for the year ended 31st March, 2015.

PRINCIPAL ACTIVITIES

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2015 are set out in the consolidated statement of comprehensive income on pages 25 to 26 of the annual report.

The Board of Directors does not recommend the payment of dividend for the year ended 31st March, 2015 (2014: 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 15 and 16 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, 2015 are set out in notes 35 and 36, respectively to the consolidated financial statements.

RESERVES

Details of the movements in reserves of the Group during the year are set out on page 29 in the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of the movements in distributable reserves of the Company for the year ended 31st March, 2015 are set out in note 44(iv) to the consolidated financial statement.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest suppliers of the Group accounted for approximately 70.76% of its operating costs for the year ended 31st March, 2015. The largest supplier of the Group accounted for approximately 32.30% of its operating costs for the year ended 31st March, 2015.

Sales to the Group's five largest customers accounted for approximately 5% of the Group's turnover for the year ended 31st March, 2015. The Group's largest customer accounted for approximately 2% of the Group's turnover for the year ended 31st March, 2015.

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 ("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, 2015.

DONATION

During the year ended 31st March, 2015, no donation was made by the Group (2014: 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. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Tsui Pui Hung, *LL. B. (Hons), LL.M., BSc (Hons)* (resigned on 30th June, 2014)
Mr. Kam Tik Lun, *CPA, FCCA, LL.M (ICFL)*
Mr. Lau Gar Hung, Christopher, *Bsc, in Mathematics* (appointed on 1st July, 2014)

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.

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 note 10 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, 2015, 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, 2015 (2014: Nil). No liabilities were recognised due to share-based payment transactions.

DIRECTORS' 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, 2015, 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, 2015
Mr. Shiu Yeuk Yuen (note 1)	3,547,670	1 (note 2)	78,110,943 (note 3)	81,658,614	37.08%
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. 78,110,943 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, 2015, 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, 2015
China 3D Digital Entertainment Limited (note)	30,103,500	13.67%

Note: 30,103,500 Shares refer to the aggregate of (a) 28,299,075 Shares held by China 3D Digital Entertainment Limited and (b) 1,804,425 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, 2015, 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 37 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.

CONTINUING CONNECTED TRANSACTIONS

On 9th October, 2012 ("Date of Agreement"), a tenancy agreement was jointly entered into between Wit Way Enterprises Limited, as landlord and Top Euro Limited, an indirect wholly-owned subsidiary of the Company and Mark Glory International Enterprise Limited, an indirect wholly-owned subsidiary of China 3D Digital Entertainment Limited ("China 3D"), both as tenants, in relation to the lease of an office premises. The term of the tenancy agreement is for three years commencing from 1st November, 2012 to 31st October, 2015, both days inclusive, with a monthly rental of HK$220,000 inclusive of management charges (equivalent to HK$2,640,000 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 the tenants in equal shares.

The annual cap of the aforesaid continuing connected transactions for the year ended 31st March, 2015 was HK$2,640,000 and the transaction amount in connection with the continuing connected transactions for the year ended 31st March, 2015 was HK$1,320,000, which was within the annual cap as set out in the Company's announcement dated 9th October, 2012.

CONTINUING CONNECTED TRANSACTIONS *(Continued)*

Auditor's letter on continuing connected transactions

The Board has engaged Ting Ho Kwan & Chan 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 transaction 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 2015 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 maximum aggregate annual value for the year ended 31st March, 2015 as disclosed in the previous announcement dated 9th October, 2012 made by the Company in respect of the disclosed continuing connected transactions.

Confirmation of Independent Non-executive Directors

The Independent Non-executive Directors have reviewed the continuing connected transactions and the report of the auditor 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 37 to the consolidated financial statements on page 92 of this 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, 2015 were audited by Ting Ho Kwan & Chan CPA Limited whose term of office will expire upon the annual general meeting. A resolution for the re-appointment of Ting Ho Kwan & Chan 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 year ended 31st March, 2014 was audited by Ting Ho Kwan & Chan CPA Limited and for the year ended 31st March, 2013 was audited by HLB Hodgson Impey Cheng Limited.

On behalf of the Board
Easy Repay Finance & Investment Limited

Shiu Yeuk Yuen
Chairman

Hong Kong, 23rd June, 2015

丁何關陳會計師事務所有限公司
TING HO KWAN & CHAN CPA LIMITED
9/F., Tung Ning Building, 249-253 Des Voeux Road C, Hong Kong
香港德輔道中249-253號東寧大廈九樓

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EASY REPAY FINANCE & INVESTMENT LIMITED
(FORMERLY UNLIMITED CREATIVITY HOLDINGS LIMITED)
(Continued into Bermuda with limited liability)

We have audited the consolidated financial statements of Easy Repay Finance & Investment Limited (formerly Unlimited Creativity Holdings Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 25 to 110, which comprise the consolidated statement of financial position as at 31st March, 2015, 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, 2015 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.

TING HO KWAN & CHAN CPA LIMITED
Certified Public Accountants

Chan Kwan Ying
Practising Certificate Number: P05065

Hong Kong, 23rd June, 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	6	**66,859**	37,930
Cost of sales		**(4,620)**	(2,736)
Investment and other income	7	**1,508**	719
Other gains and (losses), net	8	**12,319**	2,987
Servicing, selling and distribution costs		**(3,705)**	(1,698)
Administrative expenses		**(26,816)**	(25,979)
Loss on disposal of available-for-sale financial assets		**–**	(12,954)
Impairment losses on loans and advances to customers, net	24	**(1,343)**	(9,659)
Bad debts recovery on loans and advances to customers	24	**158**	340
Operating profit (loss)		**44,360**	(11,050)
Finance costs	12	**(1,913)**	(1,100)
Share of loss of an associate		**(1,605)**	(285)
Profit (loss) before taxation	9	**40,842**	(12,435)
Taxation	13	**79**	90
Profit (loss) for the year		**40,921**	(12,345)
Other comprehensive (loss) income:			
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of financial assets at fair value through other comprehensive income (2014: available-for-sale financial assets)	3(b)	**(10,571)**	(8,123)
Items that have been reclassified to profit or loss:			
Changes in fair value of available-for-sale financial assets		**–**	(703)
Reclassified to profit or loss upon disposal of available-for-sale financial assets		**–**	12,954
Other comprehensive (loss) income for the year, net of tax		**(10,571)**	4,128
Total comprehensive income (loss) for the year		**30,350**	(8,217)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Continued)

For the year ended 31st March, 2015

	Note	**2015** *HK$'000*	2014 *HK$'000*
Profit (loss) for the year attributable to:			
Owners of the Company		**40,724**	(12,259)
Non-controlling interests		**197**	(86)
		40,921	(12,345)
Total comprehensive income (loss) for the year attributable to:			
Owners of the Company		**30,153**	(8,131)
Non-controlling interests		**197**	(86)
		30,350	(8,217)
Earnings (loss) per share	14		
Basic and diluted (2014: restated)		**HK$0.41**	(HK$0.68)

The notes on pages 33 to 110 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st March, 2015

	Notes	2015 HK$'000	2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**4,194**	3,951
Investment properties	16	**–**	21,800
Interests in associates	18	**–**	1,065
Available-for-sale financial assets	19	**–**	13,928
Financial assets at fair value through other comprehensive income	20	**3,357**	–
Loans and advances to customers	24	**110,746**	66,264
		118,297	107,008
Current assets			
Trade receivables	22	**544**	107
Prepayments, deposits and other receivables	23	**59,012**	8,125
Loans and advances to customers	24	**177,695**	141,703
Inventories	25	**223**	258
Financial assets at fair value through profit or loss	21	**69,321**	20,357
Amount due from a related company	26	**262**	262
Amounts due from associates	18	**2,044**	500
Pledged bank deposits	27	**28,895**	–
Cash and cash equivalents	28	**66,403**	11,609
		404,399	182,921
LIABILITIES			
Current liabilities			
Trade and other payables	29	**2,402**	2,246
Amounts due to non-controlling interests	30	**150**	150
Amounts due to related parties	31	**8,200**	11,500
Borrowings	32	**89,348**	7,020
Obligation under a finance lease	34	**203**	199
Provision for tax		**57**	57
		100,360	21,172
Net current assets		**304,039**	161,749
Total assets less current liabilities		**422,336**	268,757

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 31st March, 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current liabilities			
Deferred tax liabilities	33	**–**	79
Obligation under a finance lease	34	**312**	515
		312	594
Net assets		**422,024**	268,163
EQUITY			
Equity attributable to owners of the Company			
Share capital	35	**2,202**	6,292
Reserves		**419,901**	262,147
		422,103	268,439
Non-controlling interests		**(79)**	(276)
Total equity		**422,024**	268,163

The consolidated financial statements on pages 25 to 110 were approved and authorised for issue by the Board of Directors on 23rd June 2015 and are signed on its behalf by:

Shiu Yeuk Yuen	**Leung Ge On Andy**
Director	*Director*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2015

	Attributable to owners of the Company										
	Share capital	Share premium*	Capital redemption reserve*	Accum-ulated losses*	Capital reserve*	Investment revaluation reserve*	Share option reserve*	Contributed surplus*	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1st April, 2013	20,975	198,800	278	(193,397)	28,546	(14,396)	732	181,291	222,829	981	223,810
Loss for the year	–	–	–	(12,259)	–	–	–	–	(12,259)	(86)	(12,345)
Other comprehensive (loss) income:											
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	(8,826)	–	–	(8,826)	–	(8,826)
Reclassified to profit or loss upon disposal of available-for-sale financial assets	–	–	–	–	–	12,954	–	–	12,954	–	12,954
Total comprehensive (loss) income for the year	–	–	–	(12,259)	–	4,128	–	–	(8,131)	(86)	(8,217)
Transactions with owners:											
Capital reduction (note 35(iii)(b))	(19,927)	–	–	–	–	–	–	19,927	–	–	–
Issue of shares upon placing (note 35(iv))	210	4,506	–	–	–	–	–	–	4,716	–	4,716
Transaction costs attributable to issue of shares upon placing	–	(274)	–	–	–	–	–	–	(274)	–	(274)
Issue of shares upon open offer (note 35(v))	5,034	45,302	–	–	–	–	–	–	50,336	–	50,336
Transaction costs attributable to issue of shares upon open offer	–	(2,208)	–	–	–	–	–	–	(2,208)	–	(2,208)
Release of share option reserve upon expiry of share options	–	–	–	732	–	–	(732)	–	–	–	–
Release upon disposal of subsidiaries (note 45(ii))	–	–	–	1,171	–	–	–	–	1,171	(1,171)	–
Total transactions with owners of the Company	(14,683)	47,326	–	1,903	–	–	(732)	19,927	53,741	(1,171)	52,570
Balance at 31st March, 2014	**6,292**	**246,126***	**278***	**(203,753)***	**28,546***	**(10,268)***	**–***	**201,218***	**268,439**	**(276)**	**268,163**
Balance at 1st April, 2014	6,292	246,126*	278*	(203,753)*	28,546*	(10,268)*	–*	201,218*	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	**–**	**–**	**–**	**40,724**	**–**	**(10,571)**	**–**	**–**	**30,153**	**197**	**30,350**
Transactions with owners:											
Rights issue of shares (note 35(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 35(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	**2,202**	**353,907***	**278***	**(163,029)***	**28,546***	**(20,839)***	**–***	**221,038***	**422,103**	**(79)**	**422,024**

* These reserve accounts comprise the consolidated reserves of approximately HK$419,901,000 (2014: HK$262,147,000) in the consolidated statement of financial position.

The notes on pages 33 to 110 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the year ended 31st March, 2015

Notes:

Share premium

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

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.

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.

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 (2014: available-for-sale financial assets) since initial recognition.

Share option reserve

Share option reserve represents the fair value of services estimated to be received in exchange for the grant of the relevant share options over the relevant vesting periods, the total of which is based on the fair value of the share options at grant date. The amount for each reporting period is determined by spreading the fair value of the options over the relevant vesting period (if any) and is recognised as staff costs and related expenses with a corresponding increase in the share-based payment reserve. The share option reserve had been released upon expiry of share options during the year ended 31st March, 2014.

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 and 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2015

	2015 *HK$'000*	2014 *HK$'000*
Operating activities		
Profit (loss) before taxation	**40,842**	(12,435)
Adjustments for:		
Loss on disposal of available-for-sale financial assets	**–**	12,954
Depreciation	**1,171**	933
Dividend income from		
– financial assets at fair value through profit or loss	**(891)**	(61)
– financial assets at fair value through other comprehensive income	**(42)**	–
Exchange loss	**161**	–
Fair value gain on early conversion of convertible bonds, classified as financial asset at fair value through profit or loss – held for trading	**–**	(3,476)
Fair value (gains) losses on financial assets at fair value through profit or loss	**(4,236)**	868
Fair value losses on investment properties	**–**	300
Over-provision of accruals	**–**	(217)
Finance costs	**1,913**	1,100
Interest income from available-for sale financial assets	**–**	(162)
Interest income from financial assets at fair value through profit or loss	**(343)**	–
Interest income from banks	**(107)**	(18)
Gains on disposal of investment properties	**(3,353)**	–
Gain on disposal of property, plant and equipment	**(14)**	(70)
Net (gains) losses on disposal of financial assets at fair value through profits or loss	**(5,012)**	130
Write-down of inventories	**9**	–
Bad debt written off	**20**	–
Allowance for impairment of loans and advances to customers	**2,074**	10,233
Reversal of allowance for impairment of loans and advances to customers	**(731)**	(574)
Share of loss of an associate	**1,605**	285
Operating cash flows before changes in working capital	**33,066**	9,790
Decrease in inventories	**26**	5
Increase in trade receivables	**(457)**	(45)
(Increase) decrease in prepayments, deposits and other receivables	**(50,660)**	790
Increase in loans and advances to customers	**(81,817)**	(106,802)
Increase (decrease) in trade and other payables	**156**	(111)
Purchase of financial assets at fair value through profit or loss	**(127,481)**	(22,716)
Proceeds from disposal of financial assets at fair value through profit or loss	**87,604**	10,441
Cash used in operations	**(139,563)**	(108,648)
Dividend received from financial assets at fair value through profit or loss	**891**	61
Interest received from banks	**89**	18
Interest received from financial assets at fair value through profit or loss	**134**	–
Net cash used in operating activities	**(138,449)**	(108,569)

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the year ended 31st March, 2015

	Note	2015 HK$'000	2014 HK$'000
Investing activities			
Placement in pledged bank deposits		**(28,895)**	–
Interest received from available-for-sale financial assets		**–**	238
Dividend received from financial assets at fair value through other comprehensive income		**42**	–
Increase in advance to an associate		**(1,544)**	(500)
Purchase of property, plant and equipment		**(1,428)**	(1,935)
Purchase of available-for-sale financial assets		**–**	(18,397)
Proceeds from disposal of available-for-sale financial assets		**–**	19,573
Proceeds from disposal of investment properties		**25,153**	4,100
Acquisition of investment in an associate		**(540)**	(1,350)
Proceeds from disposal of property, plant and equipment		**28**	70
Net cash (used in) generated from investing activities		**(7,184)**	1,799
Financing activities			
Interest and finance charges paid		**(1,913)**	(1,100)
Proceeds from allotment of shares upon placing		**–**	4,716
Proceeds from open offer of shares		**–**	50,336
Proceeds from rights issue of shares		**125,840**	–
Payment for transaction cost attributable to issue of shares		**–**	(2,482)
Payment for transaction cost attributable to rights issue of shares		**(2,329)**	–
Repayment of obligation under a finance lease		**(199)**	(196)
Repayment of borrowings		**(238,630)**	(13,775)
Drawdown of borrowings		**305,185**	25,900
Net cash generated from financing activities		**187,954**	63,399
Net increase (decrease) in cash and cash equivalents		**42,321**	(43,371)
Cash and cash equivalents at the beginning of year		**11,609**	54,980
Cash and cash equivalents at the end of year		**53,930**	11,609
Analysis of the balances of cash and cash equivalents	28		
Cash held by securities brokers, cash and bank balances, and short-term bank deposit		**66,403**	11,609
Bank overdrafts – secured		**(12,473)**	–
		53,930	11,609

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2015

1. GENERAL INFORMATION

Easy Repay Finance & Investment Limited (formerly Unlimited Creativity Holdings 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 situated at 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 store business and property investment in Hong Kong.

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 23rd June, 2015.

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) Basis of preparation

The consolidated financial statements of the Company 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 ("Int") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

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 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) Basis of preparation *(Continued)*

The consolidated financial statements for the year ended 31st March, 2015 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 fully described in the accounting policies below.

The consolidated financial statements are presented in Hong Kong dollars ("HKD" or "HK$") and all values are rounded to the nearest thousand except where otherwise indicated.

(b) Basis of consolidation

(i) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(k) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

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

(b) Basis of consolidation *(Continued)*

(i) Subsidiaries and non-controlling interests (Continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when 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)) or when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(ii) Business combinations

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

– deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

– liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment' at the acquisition date; and

– assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

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

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

(b) Basis of consolidation *(Continued)*

(ii) Business combinations (Continued)

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that goodwill may be impaired. If any such indication exists, its recoverable amount is estimated annually whether or not there is any indication of impairment. An impairment loss is recognised in profit or loss whenever the carrying amount of goodwill, or the cash-generating unit to which it belongs exceeds its recoverable amount. An impairment loss on goodwill is not reversed.

On disposal of cash generating unit during the year, any attributable amount of the purchased goodwill is included in the calculation of profit or loss on disposal.

(iii) 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 to make good those losses. The Group's share of the post-acquisition, post-tax results of the investees, including any impairment losses on the investments 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.

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.

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

(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:

Land	Over period of the lease
Buildings	50 years
Leasehold improvements	20% or over the lease terms, if shorter
Equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%
Equipment under finance leases	20%

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.

(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 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.

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

(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.

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.

(f) Impairment of tangible and intangible assets other than goodwill

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

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

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

(f) Impairment of tangible and intangible assets other than goodwill *(Continued)*

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 timeframe 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 (2014: available-for-sale financial assets), 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 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.

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.

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

(g) Financial assets *(Continued)*

(I) For financial assets held on or before 31st March, 2014 or financial assets derecognised prior to 31st March, 2014

(a) Classification of financial assets

The Group's financial assets are classified into the following categories:

– Financial assets at fair value through profit or loss

– Loans and receivables

– Available-for-sale financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if the condition set out in note 2(g)(II)(a)(iii) is satisfied.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

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

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

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 "Financial Instruments: Recognition and Measurement" permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Any dividend or interest earned on the financial asset is included in the "Investment and other income" line item.

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

(g) Financial assets *(Continued)*

(I) For financial assets held on or before 31st March, 2014 or financial assets derecognised prior to 31st March, 2014 (Continued)

(a) Classification of financial assets *(Continued)*

(ii) Available-for-sale financial assets

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

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

Gain or loss on fair value changes of available-for-sale financial assets are recognised in other comprehensive income and accumulated separately in equity under investment revaluation reserve, except for impairment losses and foreign exchange gain or losses resulting from changes in the amortised cost of debt securities which are recognised directly in profit or loss. When the available-for-sale financial assets are disposed of or are determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on finance assets below).

Dividends on available-for-sale equity investments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on finance assets below).

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including loans and advances to customers, trade receivables, deposits and other receivables, amount due from a related company, amounts due from associates, pledged bank deposits, cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment. Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

(b) Derecognition of financial assets

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

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

(g) Financial assets *(Continued)*

(II) For financial assets on or after 1st April, 2014

(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)*

(II) For financial assets on or after 1st April, 2014 (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)*

(II) For financial assets on or after 1st April, 2014 (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. Details of which are set out in note 2(g)(II)(a).

(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

– 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 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.

In respect of the 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)*

(h) Impairment of financial assets *(Continued)*

Impairment of available-for-sale financial assets (which held on or before 31st March, 2014 or derecognised prior to 31st March, 2014)

When an available-for-sale financial asset (which held on or before 31st March, 2014 or derecognised prior to 31st March, 2014) is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

In respect of the available-for-sale equity securities (which held on or before 31st March, 2014 or derecognised prior to 31st March, 2014), impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the investment revaluation reserve. In respect of the available-for-sale debt securities (which held on or before 31st March, 2014 or derecognised prior to 31st March, 2014), impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity securities (which held on or before 31st March, 2014 or derecognised prior to 31st March, 2014) that carried at cost, the amount of impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

(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.

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

(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 12 months after the end of reporting period.

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 they expire. 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

Derivatives 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. The Group does not have any derivative with negative fair value at the end of reporting period.

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

(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.

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.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

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

(n) Income tax *(Continued)*

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.

(p) Retirement benefit costs and short term employee benefit

(i) Retirement benefits costs

Retirement benefits to employees are provided through a defined contribution plan.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

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.

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

(p) Retirement benefit costs and short term employee benefit *(Continued)*

(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.

(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.

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

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

(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.

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

(i) Functional and presentation currency

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

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

(s) Foreign currencies *(Continued)*

(ii) Transactions and balances

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.

(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 recourses 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.

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

(u) Related parties *(Continued)*

(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); and

(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).

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.

3. CHANGES IN ACCOUNTING POLICIES

(a) The HKICPA has issued certain new and revised HKFRSs and amendments to HKFRSs that are first effective for current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

Amendments to HKAS 32	Financial instruments: Presentation – Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Financial instruments: Recognition and measurement – Novation of derivatives and continuation of hedge accounting
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
HK (IFRIC) – Int 21	Levies

Other than those mentioned below, the application of the above new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

The principal effects of adopting these new and revised HKFRSs are summarised as follows:

3. CHANGES IN ACCOUNTING POLICIES *(Continued)*

(a) The HKICPA has issued certain new and revised HKFRSs and amendments to HKFRSs that are first effective for current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements: *(Continued)*

Amendments to HKAS 32, Financial instruments: Presentation - Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement". The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements. The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity's business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities.

The adoption of the amendments has had no impact on the consolidated financial statements as the Company is not an investment entity.

HK (IFRIC) – Int 21 – Levies

HK (IFRIC) – Int 21 clarifies that an entity recognises a liability a pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation has been applied retrospectively. The adoption of HK (IFRIC) – Int 21 has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES *(Continued)*

(b) New and amended standards early adopted by the Group

The following standard has been early adopted by the Group for the first time for the financial year beginning on or after 1st April, 2014:

HKFRS 9 (issued in 2009) Financial Instruments "HKFRS 9 (2009)"
The Group has adopted HKFRS 9 (2009) in advance of its effective date. The Group has chosen 1st April, 2014 as its date of initial application, being the date on which the Group has assessed its existing financial assets.

According to "Mandatory effective date of HKFRS 9 and transition disclosures" (Amendments to HKFRS 9 (2009) and HKFRS 7) issued in December 2011, the Group has not restated comparative information and has provided additional disclosures on the transition in these consolidated financial statements for the year ended 31st March 2015.

HKFRS 9 (2009) specifies how an entity should classify and measure its financial assets, it requires all financial assets to be classified in their entirety on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are measured either at amortised cost or fair value.

Debt instruments are measured at amortised cost only if (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. If either of the two criteria is not met the financial instrument is classified as at fair value through profit or loss.

All derivatives, including embedded derivatives that are embedded in financial liabilities or host contracts outside the scope of HKAS 39 that are separately accounted for, are stated at fair value through profit or loss, except for those designated in hedge accounting relationship.

Investment in equity instruments are classified and measured as at fair value through profit or loss, except if the equity investment is not held for trading and is designated by the Group as at fair value through other comprehensive income. If the equity investment is designated as at fair value through other comprehensive income, all fair value gains or losses, except for dividend income recognised in accordance with HKAS 18, are recognised in other comprehensive income and are not subsequently reclassified to profit or loss.

The Group's financial assets were previously classified as financial assets at fair value through profit or loss, available-for-sale financial assets or loans and receivables (note 2g) under HKAS 39. The early adoption of HKFRS 9 (2009) has resulted in a change in accounting policy, the Group has reviewed and assessed all of the Group's existing financial assets as at the date of initial application of HKFRS 9 (2009). As a result:

- The Group's equity investments not held for trading that were previously measured at fair value and classified as available-for-sale have been designated as at fair value through other comprehensive income.

  Regarding the aforesaid available-for-sale financial assets as at 31st March, 2014, changes in fair value of approximately HK$8,123,000 which had been recognised in other comprehensive income during the year ended 31st March, 2014, would be reclassified as "items that will not be reclassified subsequently to profit or loss" upon designation of those financial assets at fair value through other comprehensive income.

- The Group's equity investments held for trading are continuously measured at fair value through profit or loss under HKFRS 9 (2009).

3. CHANGES IN ACCOUNTING POLICIES *(Continued)*

(b) New and amended standards early adopted by the Group *(Continued)*

- Other financial assets of the Group that were previously measured at amortised cost and classified as loans and receivables are continuously measured at amortised cost under HKFRS 9 (2009).

The effect of this change in accounting policy arising from early adoption of HKFRS 9 (2009) is summarised below:

Measurement category Financial assets	HKAS 39 Carrying amount at 31st March, 2014	Reclassification	Remeasurement	HKFRS 9 (2009) Carrying amount at 1st April, 2014	Total effect on accumulated losses at 1st April, 2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Fair value through profit or loss					
From financial assets at fair value through profit or loss (HKAS 39) (Note 41(a))	20,357	–	–	20,357	–
Total change to fair value through profit or loss	20,357	–	–	20,357	–
Fair value through other comprehensive income					
From available-for-sale financial assets (HKAS 39), which are stated at fair value (Note 41(a))	13,928	–	–	13,928	–
Total change to fair value through other comprehensive income	13,928	–	–	13,928	–
Amortised cost					
From loans and receivables (HKAS 39) (Note 41(a))	228,255	–	–	228,255	–
Total change to amortised cost	228,255	–	–	228,255	–
Total financial asset balances, reclassification and remeasurement at 1st April, 2014	262,540	–	–	262,540	–
Total change to accumulated losses at 1st April, 2014					–

3. CHANGES IN ACCOUNTING POLICIES *(Continued)*

(b) New and amended standards early adopted by the Group *(Continued)*

The effect of this change in accounting policy arising from early adoption of HKFRS 9 (2009) is summarised below: *(Continued)*

Consolidated statement of financial position

	1st April, 2014 *HK$'000*
Increase in financial assets at fair value through other comprehensive income	13,928
Decrease in available-for-sale financial assets	(13,928)
Increase/decrease in investment revaluation reserve	–
Increase/decrease in accumulated losses	–

Under HKAS 39, fair value changes on the Group's available-for-sale financial assets were recognised in other comprehensive income and accumulated in investment revaluation reserve. The amount accumulated in investment revaluation reserve was removed from equity and recognised in profit or loss on impairment or derecognition. Under HKFRS 9 (2009), such financial assets are designated by management of the Group by way of irrevocable election on instrument-by-instrument basis on these investments in equity instruments (not held for trading) as fair value through other comprehensive income and the cumulative fair value changes previously accumulated in investment revaluation reserve are not reclassified to profit or loss, but is transferred between reserves within equity when such financial assets are derecognised.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's management makes assumptions, estimates and judgements in the process of applying the Group's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with HKFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Key assumption and other key sources of estimation uncertainty

Certain key assumptions and risk factors in respect of the financial risk management are set out in note 41. 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:

(i) Estimated fair value of investment properties

The investment properties of the Group were stated at fair value. The fair value of the investment properties was determined by RHL Appraisal Limited ("RHL"), an independent qualified professional valuer. The valuations were based on certain assumptions, which were subject to uncertainty and might materially differ from the actual results.

In making the judgement, consideration had been given to assumptions that are mainly based on market conditions existing at the end of the reporting period and appropriate capitalisation rates. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(a) Key assumption and other key sources of estimation uncertainty *(Continued)*

(ii) 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.

(iii) Deferred tax assets

Deferred tax assets are recognised for all temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profits will be available in the future against which the temporary differences, the carry forward of unused tax credits and unused tax losses could be utilised. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted at the end of the reporting period and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Where the actual or expected tax positions in future are different from the original estimate, such difference will impact the recognition of deferred tax assets and income tax expense in the period in which such estimate has been changed.

(iv) 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.

(v) 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(a) Key assumption and other key sources of estimation uncertainty *(Continued)*

(vi) Fair value of financial instruments

The Directors use their judgments in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. In respect of certain derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. The estimation of fair value of unquoted investment includes some assumptions not supported by observable market prices and rates.

Fair value measurement
A number of assets and liabilities included in the consolidated financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs;

Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

For more detailed information in relation to the fair value measurement of the items above, please refer to note 41.

5. 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 store business; and (iv) property investment.

The following is an analysis of the Group's revenue and results from its continuing operations by reportable segment.

5. SEGMENT INFORMATION

(a) Business Segments

For the year ended 31st March, 2015

	Money lending HK$'000	Financial instruments and quoted shares investment HK$'000	Groceries store business HK$'000	Property investment HK$'000	Total HK$'000
Segment revenue from external customers	60,427	–	6,211	221	66,859
Investment and other income	36	1,376	5	2	1,419
Other gains and (losses), net	–	8,952	–	3,339	12,291
	60,463	10,328	6,216	3,562	80,569
Segment results before impairment losses and bad debts recovery (written off)	49,695	6,980	610	3,223	60,508
Impairment losses on loans and advances to customers, net	(1,343)	–	–	–	(1,343)
Bad debts recovery	158	–	–	–	158
Bad debt written off	–	–	(20)	–	(20)
Segment results	48,510	6,980	590	3,223	59,303
Unallocated income					103
Unallocated expenses					(15,060)
Gain on disposal of property, plant and equipment					14
Finance costs					(1,913)
Share of results of an associate	–	–	(1,605)	–	(1,605)
Profit before taxation					40,842
Taxation					79
Profit for the year					40,921

5. SEGMENT INFORMATION *(Continued)*

(a) Business Segments *(Continued)*

As at 31st March, 2015

	Money lending *HK$'000*	Financial instruments and quoted shares investment *HK$'000*	Groceries store business *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Assets					
Reportable segment assets	313,134	203,071	3,982	1,613	521,800
Unallocated corporate assets					896
Consolidated assets					522,696
Liabilities					
Reportable segment liabilities	16,287	83,904	176	–	100,367
Unallocated corporate liabilities					305
Consolidated liabilities					100,672
Other segment information for the year ended 31st March, 2015					
Interest income	5	443	–	2	450
Depreciation and amortisation	69	–	24	308	401
Unallocated portion					770
Total depreciation and amortisation					1,171
Finance costs	1,665	214	–	22	1,901
Unallocated portion					12
Total finance costs					1,913
Additions to non-current assets during the year					
– Investment in an associate	–	–	540	–	540
– Other capital expenditure	250	1,050	128	–	1,428
Total capital expenditure					1,968

5. SEGMENT INFORMATION *(Continued)*

(a) Business Segments *(Continued)*

For the year ended 31st March, 2015

	Money lending	Financial instruments and quoted shares investment	Groceries store business	Property investment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Other segment information included in segment results					
Fair value gains on financial assets at fair value through profit or loss	–	4,236	–	–	4,236
Gains on disposal of investment properties	–	–	–	3,353	3,353
Net gains on disposal of financial assets at fair value through profit or loss	–	5,012	–	–	5,012

5. SEGMENT INFORMATION *(Continued)*

(a) Business Segments *(Continued)*

For the year ended 31st March, 2014

	Money lending *HK$'000*	Financial instruments and quoted shares investment *HK$'000*	Groceries store business *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Segment revenue from external customers	33,277	–	3,948	705	37,930
Investment and other income	191	241	13	–	445
Other gains and (losses), net	2	3,185	–	(300)	2,887
	33,470	3,426	3,961	405	41,262
Segment results before loss on disposal of available-for-sale financial assets, impairment losses and bad debts recovery on loans and advances to customers	25,063	3,275	(246)	(793)	27,299
Loss on disposal of available-for-sale financial assets	–	(12,954)	–	–	(12,954)
Impairment losses on loans and advances to customers, net	(9,659)	–	–	–	(9,659)
Bad debts recovery	340	–	–	–	340
Segment results	15,744	(9,679)	(246)	(793)	5,026
Unallocated income					303
Unallocated expenses					(16,449)
Gain on disposal of property, plant and equipment					70
Finance costs					(1,100)
Share of results of an associate	–	–	(285)	–	(285)
Loss before taxation					(12,435)
Taxation					90
Loss for the year					(12,345)

5. SEGMENT INFORMATION *(Continued)*

(a) Business Segments *(Continued)*

As at 31st March, 2014

	Money lending *HK$'000*	Financial instruments and quoted shares investment *HK$'000*	Groceries store business *HK$'000*	Property investment *HK$'000*	Total *HK$'000*
Assets					
Reportable segment assets	211,616	48,385	2,300	23,277	285,578
Unallocated corporate assets					4,351
Consolidated assets					289,929
Liabilities					
Reportable segment liabilities	15,877	725	67	3,314	19,983
Unallocated corporate liabilities					1,783
Consolidated liabilities					21,766
Other segment information for the year ended 31st March, 2014					
Interest income	–	180	–	–	180
Depreciation and amortisation	14	–	11	307	332
Unallocated portion					601
Total depreciation and amortisation					933
Finance costs	1,012	17	–	71	1,100
Additions to non-current assets during the year					
– Investment in associate	–	–	1,350	–	1,350
– Other capital expenditure	–	–	38	48	86
– Unallocated portion					1,849
Total capital expenditure					3,285

5. SEGMENT INFORMATION *(Continued)*

(a) Business Segments *(Continued)*

For the year ended 31st March, 2014

	Money lending HK$'000	Financial instruments and quoted shares investment HK$'000	Groceries store business HK$'000	Property investment HK$'000	Total HK$'000
Other segment information included in segment results					
Fair value losses on investment properties	–	–	–	(300)	(300)
Fair value gain on early conversion of convertible bonds, classified as financial assets at fair value through profit or loss – held for trading	–	3,476	–	–	3,476
Fair value losses on financial assets at fair value through profit or loss	–	(868)	–	–	(868)
Net losses on disposal of financial assets at fair value through profit or loss	–	(130)	–	–	(130)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year ended 31st March, 2015 (2014: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2. 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.

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

- All assets other than unallocated corporate assets, current and deferred tax assets are allocated to reportable segments; and

- All liabilities other than unallocated corporate liabilities, current and deferred tax liabilities are allocated to reportable segments.

Information about major customers

No single customers contributed 10% or more to the Group's revenue for the years ended 31st March, 2015 and 2014.

5. SEGMENT INFORMATION *(Continued)*

(b) Geographical information

The Group's operations are located in one main geographical area. The following table provides an analysis of the Group's revenue by geographical market based on the geographical location of customers, irrespective of the origin of the goods and services.

Revenue from external customers by geographical market:

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**66,859**	37,930

As at 31st March, 2015 and 2014, the Group's non-current assets (excluding financial instruments and deferred tax assets) are located in Hong Kong.

6. REVENUE

Revenue, which is also the Group's turnover, comprised of (i) rental income based on the terms of the lease of investment properties, (ii) interest income from rendering money lending services and (iii) invoiced sales value of grocery products to customers.

	2015	2014
	HK$'000	*HK$'000*
Rental income from investment properties	**221**	705
Money lending services	**60,427**	33,277
Sales of grocery products	**6,211**	3,948
	66,859	37,930

7. INVESTMENT AND OTHER INCOME

	2015	2014
	HK$'000	*HK$'000*
Interest income from		
– listed available-for-sale financial assets	**–**	162
– bank balances	**107**	18
Interest income earned on financial assets not at fair value through profit or loss	**107**	180
Interest income from listed financial assets at fair value through profit or loss	**343**	–
Dividend income from		
– financial assets at fair value through profit or loss		
– listed equity securities	**9**	61
– unlisted investment funds	**882**	–
– financial assets at fair value through other comprehensive income		
– unlisted equity investment funds	**42**	–
Commission income	**–**	36
Rental income from letting of		
– office premises	**36**	36
– office equipment	**53**	57
Over-provision of accruals	**–**	217
Others	**36**	132
	1,508	719

8. OTHER GAINS AND (LOSSES), NET

	2015	2014
	HK$'000	*HK$'000*
Gain on disposal of property, plant and equipment	**14**	70
Gains on disposal of investment properties	**3,353**	–
Net exchange losses	**(296)**	(51)
Gain on early conversion of convertible bonds classified as financial asset at fair value through profit or loss – held for trading		
– Fair value gain (note 21)	**–**	3,476
– Rebate on early conversion	**–**	760
Fair value gains (losses) on financial assets at fair value through profit or loss (note (ii) below)	**4,236**	(868)
Fair value losses on investment properties (note 16)	**–**	(300)
Net gains (losses) on disposal of financial assets at fair value through profit or loss (note (ii) below)	**5,012**	(130)
Sundry income	**–**	30
	12,319	2,987

Notes:

(i) Gain on disposal of property, plant and equipment that was previously separately disclosed and presented on the face of the consolidated statement of comprehensive income is now included in other gains and (losses), net. Certain comparative figures have been reclassified to conform to current year's presentation.

(ii) The following is an analysis of (i) fair value gains (losses) on financial assets at fair value through profit or loss and (ii) net gains (losses) on disposal of financial assets at fair value through profit or loss:

	Fair value gains (losses) on financial assets at fair value through profit or loss		Net gains (losses) on disposal of financial assets at fair value through profit or loss	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
– Listed equity securities	**3,377**	(868)	**5,384**	(130)
– Listed bonds	**207**	–	**–**	–
– Unlisted investment funds	**(38)**	–	**(543)**	–
– Derivatives not designated as effective hedging instruments				
– Listed warrants and callable bull/bear contracts	**192**	–	**159**	–
– Foreign exchange forward contract	**483**	–	**–**	–
– Index options	**15**	–	**12**	–
	4,236	(868)	**5,012**	(130)

9. PROFIT (LOSS) BEFORE TAXATION

	2015	2014
	HK$'000	*HK$'000*
Profit (loss) before taxation is arrived at after charging (crediting):		
Auditors' remuneration	**445**	400
Bad debt written off on trade receivables (included in administrative expenses)	**20**	–
Operating leases payments in respect of land and buildings	**2,064**	1,957
Rental income net of outgoings in respect of investment properties	**(215)**	(692)
Employee benefit expenses (Note 11)	**15,552**	14,057
Depreciation of property, plant and equipment		
– Owned assets	**977**	739
– Held under a finance lease	**194**	194
	1,171	933
Carrying amount of inventories sold	**4,611**	2,736
Write-down of inventories	**9**	–
Cost of inventories recognised as expenses	**4,620**	2,736

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The remuneration paid or payable to each of the six (2014: five) directors of the Company is set out below:

	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				
Mr. SIU Yim Kwan, Sidney	**100**	**–**	**–**	**100**
Mr. TSUI Pui Hung (note (i))	**25**	**–**	**–**	**25**
Mr. Lau Gar Hung, Christopher (note (i))	**75**	**–**	**–**	**75**
Mr. KAM Tik Lun	**100**	**–**	**–**	**100**
	300	**–**	**–**	**300**
Total emoluments	**300**	**3,023**	**21**	**3,344**

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

The remuneration paid or payable to each of the six (2014: five) directors of the Company is set out below: *(Continued)*

	For the year ended 31st March, 2014			
	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	–	1,473	15	1,488
Mr. LEUNG Ge On, Andy	–	520	15	535
	–	1,993	30	2,023
Independent non-executive directors				
Mr. SIU Yim Kwan, Sidney	100	–	–	100
Mr. TSUI Pui Hung (note (i))	100	–	–	100
Mr. KAM Tik Lun	100	–	–	100
	300	–	–	300
Total emoluments	300	1,993	30	2,323

Except as disclosed above, there was no remuneration paid to other Directors of the Company for the years ended 31st March, 2015 and 2014.

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 (2014: nil).

None of the Directors of the Company has waived any emoluments during the year (2014: none).

Note:

(i) 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.

11. EMPLOYEE BENEFIT EXPENSE

(i)

	2015	2014
	HK$'000	*HK$'000*
Employee benefit expense (including directors' remuneration) (note 10)		
– Basic salaries, allowances and other benefits in kind	**15,132**	13,662
– Retirement benefit scheme contributions	**420**	395
Total employee benefit expenses	**15,552**	14,057

(ii) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, two (2014: two) were Directors of the Company whose emoluments are included in the disclosures in note 10 above. The emoluments payable to the remaining three (2014: three) individuals in which all of them (2014: all of them) were senior management during the year are as follows:

	2015	2014
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**2,314**	2,343
Retirement benefit scheme contributions	**35**	42
	2,349	2,385

The emoluments of the highest paid three (2014: three) individuals for the year fell within the following bands:

	Number of individuals	
	2015	2014
Emolument bands		
Nil – HK$1,000,000	**2**	2
HK$1,000,001 – HK$1,500,000	**1**	1
	3	3

12. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest expenses on:		
Bank loan and overdrafts		
– not wholly repayable within five years	**22**	71
– wholly repayable within five years	**201**	1
Other borrowings wholly repayable within five years	**1,678**	1,012
	1,901	1,084
Finance charge on obligation under a finance lease	**12**	16
Total interest expenses for financial liabilities that are not at fair value through profit or loss	**1,913**	1,100

13. TAXATION

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 current year's estimated assessable profits (2014: Nil).

	2015	2014
	HK$'000	*HK$'000*
Current tax:		
Hong Kong		
– Charge for the year	**–**	–
– Under-provision in prior years	**–**	30
	–	30
Deferred tax: (Note 33)		
– Credit for the year	**(79)**	(10)
– Over-provision in prior years	**–**	(110)
	(79)	(120)
Taxation credit	**(79)**	(90)

Included in other comprehensive income, no income tax expense was in relation to each component of other comprehensive income for the years ended 31st March, 2015 and 2014.

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

	2015	2014
	HK$'000	*HK$'000*
Profit (loss) before taxation	**40,842**	(12,435)
Tax on profit (loss) before taxation, calculated at the domestic income tax rate of 16.5% (2014: 16.5%)	**6,739**	(2,051)
Tax effect of non-taxable revenue	**(1,230)**	(80)
Tax effect of non-deductible expenses	**2,544**	799
Tax effect of unused tax loss not recognised	**738**	3,869
Tax effect of utilisation of tax losses previously not recognised	**(7,036)**	(3,416)
Tax effect of temporary differences not recognised	**(2,107)**	822
Tax effect of temporary differences previously not recognised	**8**	–
Tax effect of share of loss of an associate	**265**	47
Over-provision of current and deferred tax in prior years	**–**	(80)
Taxation credit	**(79)**	(90)

14. EARNINGS (LOSS) PER SHARE

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

	2015	2014
	HK$'000	*HK$'000*
Earnings (loss)		
Profit (loss) for the year attributable to owners of the Company	**40,724**	(12,259)

	2015	2014
		(restated)
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic earning (loss) per share	**98,689,000**	17,917,000

The weighted average number of ordinary shares for the purposes of calculating basis earnings (loss) per share for the year ended 31st March, 2015 has been adjusted to reflect (i) the share consolidation occurred during the year and (ii) rights issue of shares occurred during the year. The corresponding weighted average number of ordinary shares for the year ended 31st March, 2014 has been retrospectively adjusted to reflect the said share consolidation. Details of issue of shares and share consolidation are set out in note 35 to the consolidated financial statements.

Diluted earnings (loss) per share for the years ended 31st March, 2015 and 2014 were the same as the basic earnings (loss) per share as there were no potential ordinary shares outstanding for both years. The Company's outstanding share options had expired during the year ended 31st March, 2014.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Equipment under finance lease HK$'000	Total HK$'000
Cost						
At 1st April, 2013	1,501	78	464	999	971	4,013
Additions	391	130	244	1,170	–	1,935
Disposal/written off	–	–	–	(669)	–	(669)
At 31st March, 2014 and 1st April, 2014	1,892	208	708	1,500	971	5,279
Additions	–	396	364	668	–	1,428
Disposal/written off	(20)	–	–	(330)	–	(350)
At 31st March, 2015	1,872	604	1,072	1,838	971	6,357
Accumulated depreciation						
At 1st April, 2013	25	20	33	889	97	1,064
Depreciation	350	28	141	220	194	933
Reversal upon disposal/ written off	–	–	–	(669)	–	(669)
At 31st March, 2014 and 1st April, 2014	375	48	174	440	291	1,328
Depreciation	377	81	194	325	194	1,171
Reversal upon disposal/ written off	(6)	–	–	(330)	–	(336)
At 31st March, 2015	746	129	368	435	485	2,163
Carrying amounts:						
At 31st March, 2015	1,126	475	704	1,403	486	4,194
At 31st March, 2014	1,517	160	534	1,060	680	3,951

16. INVESTMENT PROPERTIES

	2015	2014
	HK$'000	*HK$'000*
Fair value		
At the beginning of year	**21,800**	22,100
Disposals during the year	**(21,800)**	–
Change in fair value recognised in profit or loss (note 8)	**–**	(300)
At the end of year	**–**	21,800

(i) 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.

(ii) The fair value of the Group's investment properties at 31st March, 2014 had been arrived at on the basis of valuation carried out on that date by RHL, an independent qualified professional valuer not connected with the Group. RHL is a member of The Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations.

The Group's management had discussion with the valuer on the valuation assumptions and valuation results when the valuation was performed at the annual reporting date.

(iii) The carrying amounts of investment properties shown above comprise:

	2015	2014
	HK$'000	*HK$'000*
In Hong Kong:		
Long term lease	**–**	16,000
Medium term lease	**–**	5,800
	–	21,800

(iv) The investment properties held by the Group were leased to third parties under operating leases. Details of the Group's total future minimum lease receipts under non-cancellable operating leases are shown in note 38(b)(ii) to the consolidated financial statements.

(v) As at 31st March 2014, one of the investment properties with carrying value of approximately HK$16,000,000 had been pledged to banks to secure the banking facilities granted to the Group (note 32 (i)).

17. FAIR VALUE MEASUREMENT OF PROPERTIES

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the three-level 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 the Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or 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

	Fair value measurement as at 31st March, 2014 categorised into			
	Level1	**Level 2**	**Level 3**	**Fair value at 31st March 2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurement				
Investment properties in Hong Kong				
– Residential	–	–	5,800	5,800
– Industrial	–	–	16,000	16,000
Total				21,800

As disclosed in note 16, the above investment properties have been disposed of during the year ended 31st March 2015.

For the year ended 31st March, 2014, there were no transfers of fair value measurements into or out of Level 3. The Group's policy was to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occurred.

17. FAIR VALUE MEASUREMENT OF PROPERTIES *(Continued)*

(ii) Information about Level 3 fair value measurement

(a) Investment properties

As at 31st March, 2014	Valuation techniques	Significant unobservable inputs	Range
– Residential	Direct comparison approach	– Premium (discount) on quality of building	1%-5%
		– Market unit sale rate (HKD per sq.feet)	HK$8,920-HK$9,426
– Industrial	Direct comparison approach	Premium (discount) on quality of building	1%-5%
		– Market unit sale rate (HKD per sq.feet)	HK$3,942-HK$4,306

The fair value of investment properties located in Hong Kong was determined using direct comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the quality and conditions of the Group's properties compared to the recent sales. The valuations took into account the characteristic of the properties which included the location, size, view, floor level, year of completion and other factors collectively. Higher premium for higher quality properties would result in a higher fair value measurement.

(b) A significant increase (decrease) in unobservable inputs would result in a significant increase (decrease) in fair value of the investment properties.

(c) There was no change to the valuation techniques during the year ended 31st March, 2014.

(d) The fair value measurement was based on the above properties' highest and best use, which did not differ from their actual use.

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

	2015	2014
	HK$'000	*HK$'000*
Investment property – Residential		
At the beginning of year	**5,800**	5,600
Change in fair value	**–**	200
Disposal during the year	**(5,800)**	–
At the end of year	**–**	5,800
Investment Property – Industrial		
At the beginning of year	**16,000**	16,500
Change in fair value	**–**	(500)
Disposal during the year	**(16,000)**	–
At the end of year	**–**	16,000
Unrealised gain on property revaluation included in profit or loss (included in other gains and (losses) (note 8))	**–**	(300)

18. INTERESTS IN ASSOCIATES

	2015	2014
	HK$'000	*HK$'000*
Unlisted shares, at cost	1,890	1,350
Share of post-acquisition losses	(1,890)	(285)
	–	1,065
Amounts due from associates (note (i))	14,644	13,100
Allowance for impairment	(12,600)	(12,600)
	2,044	500

Notes:

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

The amounts due from associates of approximately HK$12,600,000 (2014: HK$12,600,000) were impaired. The amount of allowance for impairment was approximately HK$12,600,000 as at 31st March, 2015 (2014: 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 is as follows:

	2015	2014
	HK$'000	*HK$'000*
Balance at the beginning and end of year	12,600	12,600

18. INTERESTS IN ASSOCIATES *(Continued)*

Notes: (Continued)

(iii) Particulars of the Group's interests in the associates at 31st March, 2015 and 2014 are as follows:

Name of associates	Class of shares held	Paid up issued capital	Proportion of ownership interest: Group's effective interest 2015 %	Group's effective interest 2014 %	Held by a subsidiary 2015 %	Held by a subsidiary 2014 %	Principal activities	Place of incorporation and operations
One Dollar Movies Productions Limited	Ordinary	HK$10 (2014: HK$10)	40.00	40.00	40.00	40.00	Movies production	Hong Kong
One Dollar Distribution Limited	Ordinary	HK$10,000 (2014: HK$10,000)	40.00	40.00	40.00	40.00	Movies distribution	Hong Kong
Perfect Talent Limited	Ordinary	HK$1 (2014: HK$1)	40.00	40.00	40.00	40.00	Movies production	Hong Kong
Smart Investment Development Limited	Ordinary	HK$4,140,000 (2014: HK$3,000,000)	45.65	45.00	45.65	45.00	Operation of a dispensary	Hong Kong

(iv) Aggregate financial information of individually immaterial associates that are accounted for using the equity method.

	2015 *HK$'000*	2014 *HK$'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**–**	1,065
Aggregate amounts of the Group's share of those associates'		
Loss from continuing operations for the year	**(1,605)**	(285)
Other comprehensive income for the year	**–**	–
Total comprehensive loss for the year	**(1,605)**	(285)

During the year ended 31st March, 2015, the Group has discontinued recognition of its share of losses of certain associates amounting to approximately HK$71,000 (2014: HK$688,000). As at 31st March, 2015, the accumulated losses of these associates not recognised by the Group amounted to approximately HK$1,079,000 (2014: HK$1,008,000).

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 *HK$'000*	2014 *HK$'000*
Listed equity securities:		
– listed in Hong Kong (note (i))	**–**	12,773
Equity investment funds		
– unlisted (note (ii))	**–**	1,155
Total	**–**	13,928

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS *(Continued)*

Notes:

(i) As at 31st March, 2014, the Company had a total of 77,881,758 ordinary shares of China 3D Digital Entertainment Limited ("China 3D"), a listed entity in Hong Kong with limited liability representing approximately 11.60% of the entire issued share capital of China 3D. The fair values of the above listed equity securities were determined based on the quoted market bid prices available on the stock exchange.

(ii) The equity investment funds represent the Group's unlisted investment in equity instruments in China Real Estate Development II Fund, which invest in private equity real estate development projects in the People's Republic of China through CapitaLand China Development Fund II Limited, managed by CapitaLand China Development Fund Management PTE Ltd. The fair value of the investment was determined by reference to the fund net asset values at the end of the reporting period.

(iii) Certain listed equity securities with the aggregate fair value of approximately HK$11,141,000 as at 31st March, 2014 were pledged as collateral to securities brokers for margin financing granted to the Group. As at 31st March, 2014, no margin financing was utilised by the Group.

(iv) Following early adoption of HKFRS 9 (2009) on 1st April, 2014, all extant available-for-sale financial assets were classified as financial assets at fair value through other comprehensive income (note 20).

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2015	2014
	HK$'000	*HK$'000*
Listed equity securities:		
– listed in Hong Kong (notes (i) and (ii) (a))	**2,279**	–
Equity investment funds		
– unlisted (notes (i) and (ii) (b))	**1,078**	–
Total	**3,357**	–

Notes:

(i) Following early adoption of HKFRS 9 (2009) on 1st April, 2014, all extant available-for-sale financial assets were classified as financial assets at fair value through other comprehensive income. Details of them are set out in note 19 to the financial statements.

(ii) (a) As at 31st March, 2015, the Group hold 17,133,986 of the issued ordinary shares of China 3D. These shares represent 2.60% of the entire issued share capital of China 3D, which has undergone capital reorganisation and shares consolidation during the year. 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, 2015, 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 HK$542,490 as at 31st March, 2015 and 2014.

(c) Management of the Group therefore believes that designating the above financial assets as at fair value through other comprehensive income will provide a more meaningful presentation of its medium to long term interest in the above investments.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME *(Continued)*

Notes: (Continued)

(iii) Changes in fair values arising from financial assets at fair value through other comprehensive income are recognised in other comprehensive income and accumulated in "investment revaluation reserves" in the consolidated statement of change in equity.

(iv) 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 fund is based on the fund net asset value as reported from the fund at the end of reporting period.

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

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015	2014
	HK$'000	*HK$'000*
Listed equity securities held for trading		
– Hong Kong (note (vii) and (viii))	**40,216**	20,331
– Overseas	**–**	26
Total listed equity securities held for trading	**40,216**	20,357
Bonds held for trading (notes (iii) and (viii))		
– Listed in Hong Kong	**23,944**	–
– Listed outside Hong Kong	**1,558**	–
	25,502	–
Unlisted investment funds held for trading (notes (iv) and (viii))	**2,289**	–
Derivatives that not designated as effective hedging instruments		
– Foreign exchange forward contract (notes (v) and (viii))	**483**	–
– Investment in index options (note (vi))	**16**	–
– Investment in listed warrants (note (viii))	**751**	–
– Investment in listed callable bull/bear contracts	**64**	–
Total derivatives that not designated as effective hedging instruments	**1,314**	–
Total financial assets at fair value through profit or loss	**69,321**	20,357

Notes:

(i) Changes in fair value of financial assets at fair value through profit or loss are recorded in "other gains and (losses), net" in the consolidated statement of comprehensive income.

(ii) The fair values of these 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.

(iii) 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 have the objective 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.

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

Notes: (Continued)

(iv) 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.

(v) The notional principal amount of the outstanding foreign exchange forward contract as at 31st March, 2015 and 2014 is as follows:

	2015	2014
	HK$'000	*HK$'000*
Sell United States Dollars for Renminbi	**15,465**	–

(vi) In the course of the Group's normal trading in derivatives, margin deposit of cash is held by the Group's securities broker. As at 31st March, 2015, the amount of the margin deposit was approximately HK$81,000 (2014:Nil).

(vii) For the year ended 31st March 2014, the Group acquired the zero coupon convertible bonds issued by a listed entity, Crosby Capital Limited, in an aggregate principal amount of HK$19,000,000 at a consideration of HK$14,250,000. The convertible bonds were classified as financial assets at fair value through profit or loss – held for trading initially. In October, 2013, after acceptance of an offer of redemption rebate as given by the listed entity amounting to HK$760.000, the Group early converted the convertible bonds into the listed equity securities of the listed entity. A fair value gain of approximately HK$3,476,000 was recognised in profit or loss upon early conversion of the convertible bonds at the date of conversion. On the same date, the fair value of listed equity securities as converted from the convertible bonds was recognised as financial assets at fair value through profit or loss – held for trading accordingly. At as 31st March, 2014, fair value of these listed equity securities of approximately HK$17,294,000 was included in the Group's financial assets at fair value through profit or loss.

During the current year, such listed equity securities were disposed of at a consideration of approximately HK$19.4 million. Details of the transactions were set out in the announcement of the Company dated 11th April, 2014.

(viii) (a) Bonds, investment funds together with foreign exchange forward contract, whose aggregate fair value as at 31st March, 2015 was approximately HK$28,274,000 (2014: Nil), were pledged to a bank to secure general banking facilities granted to the Group.

(b) Certain listed equity securities and warrants, whose aggregate fair value as at 31st March, 2015 was approximately HK$40,371,000 (2014: HK$15,341,000), were pledged as collateral to securities brokers for margin financing granted to the Group. As at 31st March, 2015 and 2014, no margin financing was utilised by the Group.

22. TRADE RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Trade receivables	**544**	107

The Group maintains credit terms of cash on delivery for both years 2015 and 2014. At the end of the reporting period, the ageing analysis of the trade receivables based on the invoiced dates is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within three months	**528**	101
Over three months	**16**	6
	544	107

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.

22. TRADE RECEIVABLES *(Continued)*

The ageing analysis of the Group's trade receivables that were past due as at the end of the reporting period but not impaired, based on due date is as follows:

	2015	2014
	HK$'000	*HK$'000*
Within three months past due	**528**	101
Over three months but within six months past due	**–**	6
Over six months and within 1 year	**16**	–
	544	107

Trade receivables disclosed above include amounts which are past due at the end of the reporting period for which the Group has not recognised allowance for impairment of doubtful debts because in the opinion of the directors, the amounts are still considered recoverable.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Prepayments	**647**	315
Deposits (note (i))	**1,014**	7,047
Other receivables	**231**	763
Share application money paid (note (iv))	**57,120**	–
	59,012	8,125

Notes:

(i) (a) As at 31st March, 2014, included in deposits was a deposit of HK$6,000,000 paid by the Group to an independent third party for providing financial information and advice, making investment referrals and providing relating investment analysis to the Group. The deposit was refunded to the Group upon termination of services during the year ended 31st March, 2015.

(b) As at 31st March, 2015, included in the deposit was a margin deposit of approximately HK$81,000 (2014: Nil) placed with securities broker for trading of derivatives.

(ii) As at 31st March, 2015 and 2014, the amount of prepayments, deposits and other receivables that were expected to be recovered within twelve months from the end of the reporting period were classified as current assets.

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

(iv) 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"). Subsequent to the end of the reporting period, 42,000 IPO shares with the 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 32).

24. LOANS AND ADVANCES TO CUSTOMERS

	2015	2014
	HK$'000	*HK$'000*
Loans and advances to customers	**295,340**	219,623
Allowance for impairment	**(6,899)**	(11,656)
	288,441	207,967
Analysed for reporting purpose as:		
Current portion	**177,695**	141,703
Non-current portion	**110,746**	66,264
	288,441	207,967

At 31st March, 2015, certain loans and advances to customers of approximately HK$118,294,000 (2014: HK$83,274,000) are secured by the customers' pledged properties. As at 31st March, 2015, total value of the customers' pledged properties as collaterals for these loans and advances to customers was approximately HK$446,900,000 (2014: HK$365,150,000) 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 dollars. The loans and advances to customers carry fixed effective interest ranging from 5% to 48% (2014: 5% to 42%) 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. An ageing analysis of loans and advances to customers net of allowance for impairment loss at the end of reporting period, based on the repayment terms is as follows:

(a) Ageing analysis of loans and advances to customers:

	2015	2014
	HK$'000	*HK$'000*
Within one year	**177,695**	141,703
Over one year but within five years	**32,524**	31,167
Over five years	**78,222**	35,097
	288,441	207,967

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

	2015	2014
	HK$'000	*HK$'000*
Balance at the beginning of year	**11,656**	4,687
Impairment losses charged to profit or loss	**2,074**	10,233
Impairment losses reversed to profit or loss	**(731)**	(574)
Uncollectible amounts written off	**(6,100)**	(2,690)
Balance at the end of year	**6,899**	11,656
Recovery of loans and advances to customers directly written off in previous years	**(158)**	(340)

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

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

At 31st March, 2015, loans and advances to customers of approximately HK$6,899,000 (2014: HK$12,256,000) were impaired. The amount of allowance for impairment was HK$6,899,000 (2014: HK$11,656,000). The impaired loans and advances relate to customers that were in financial difficulties and the recovery of these receivables is remote. Accordingly, the Directors of the Company consider that allowance for impairment of loans and advances to customers would be made on loans outstanding over 60 days.

(c) Loans and advances to customers disclosed in note (a) above include amounts HK$31,298,000 (2014: HK$21,089,000) which are not impaired but past due.

Loans and advances to customers past due but not impaired:

	2015	2014
	HK$'000	*HK$'000*
Past due within 6 months	**27,790**	21,089
Past due 6 to 12 months	**3,508**	–
	31,298	21,089

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 neither past due nor impaired loans and advances to customers of approximately HK$257,143,000 (2014: HK$186,278,000) 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.

25. INVENTORIES

	2015	2014
	HK$'000	*HK$'000*
Merchandise, at cost	**223**	258

26. AMOUNT DUE FROM A RELATED COMPANY

Particulars of the amount due from a related company are as follows:

Name	**Balance at 01.04.2013** *HK$'000*	**Balance at 01.04.2014 and 31.3.2014** *HK$'000*	**Balance at 31.3.2015** *HK$'000*	**Maximum balance outstanding during 2015** *HK$'000*	**Maximum balance outstanding during 2014** *HK$'000*
One Dollar Productions Limited	262	262	262	262	262

Notes:

(i) 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) In the opinion of the directors, the amount due from a related company is neither past due nor impaired.

27. PLEDGED BANK DEPOSITS

The pledged bank deposits of approximately HK$28,895,000 (2014: Nil) carry interest at the rates ranging from 0.36% to 3.5% (2014: Nil) per annum with maturity period from one to three months (2014: Nil). As at 31st March, 2015, the above bank deposits have been pledged to banks to secure short term bank borrowings (note 32), bank guarantee (note 40(ii)) and other general banking facilities granted to the Group.

28. CASH AND CASH EQUIVALENTS

(a)

	2015	2014
	HK$'000	*HK$'000*
Short-term bank deposit	**10,000**	–
Cash held by securities brokers	**40,433**	752
Cash at banks	**15,854**	10,830
Cash on hand	**116**	27
	66,403	11,609

Note:

(i) Short-term bank deposit carries interest at the rate of 0.78% (2014: Nil) per annum with a maturity of 60 days (2014: Nil).

(b) Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	2015	2014
	HK$'000	*HK$'000*
Short-term bank deposit	**10,000**	–
Cash held by securities brokers	**40,433**	752
Cash at banks	**15,854**	10,830
Cash on hand	**116**	27
Bank overdrafts – secured	**(12,473)**	–
	53,930	11,609

29. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**60**	–
Accruals	**1,634**	1,510
Receipts in advance	**277**	198
Deposits received and other payables	**431**	538
	2,402	2,246

The following is an analysis of trade payables by age based on the invoiced date.

	2015	2014
	HK$'000	*HK$'000*
0 – 60 days	**60**	–
61 – 90 days	**–**	–
	60	–

The credit term on purchases of goods is cash on delivery.

30. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

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

31. AMOUNTS DUE TO RELATED PARTIES

Amounts due to related parties are unsecured, bearing interest at the rate of 10% (2014: 10%) per annum and repayable within twelve months.

32. BORROWINGS

	2015	2014
	HK$'000	*HK$'000*
Bank overdrafts secured (notes (i) and (ii))	**12,473**	–
Bank loan – secured (notes (i) to (iii))		
– Portion of bank loan repayable within one year	**15,611**	385
– Portion of bank loan that not repayable within one year from the end of reporting period which contain a repayment on demand clause (note (iii))	**–**	2,635
	28,084	3,020
IPO loan from securities broker (note (iv))	**54,264**	–
Other loan – unsecured		
– Repayable within one year (note (v))	**7,000**	4,000
	89,348	7,020
Amounts shown as current liabilities	**(89,348)**	(7,020)
Amounts shown as non-current liabilities	**–**	–

32. BORROWINGS *(Continued)*

Notes:

(i) (a) 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 21) and iii) certain pledged bank deposits of approximately HK$15,661,000 (note 27).

(b) As at 31st March, 2014, the bank loan of approximately HK$3,020,000 was secured by the charge over the Group's investment properties (note 16) and corporate guarantees executed by the Company (note 39).

During the year ended 31st March, 2015, the bank loan has been fully repaid and the charge over the investment properties together with the corporate guarantee has also been released.

(ii) For the year ended 31st March, 2015, the Group's bank borrowings are bearing interest at the rate ranging from 1.28% to 4% (2014: 2.2% to 2.21%) per annum.

(iii) The aggregate carrying amount of the Group's bank borrowings as at 31st March, 2015 (that is repayable more than one year after the end of the reporting period but contain a repayment on demand clause) that has been reclassified as current liabilities is Nil (2014: approximately HK$2,635,000).

Bank borrowings are callable by the lender, but management of the Group does not expect the lender to exercise its right to demand for repayment in normal circumstances.

(iv) The IPO loan from securities broker amounted to approximately HK$54,264,000 for financing an application of an entity's IPO shares (note 23(iv)). The IPO loan carried interest at the rate of 1.2% per annum, and was unsecured and repaid on 9th April, 2015.

(v) The other loan is denominated in HK dollars and is borrowed from independent third parties. The loan is unsecured, interest-bearing at the rate of 10% (2014: 10%) per annum and repayable within one year.

(vi) The maturity profile of the borrowings is as follows:

	2015	2014
	HK$'000	HK$'000
Bank overdrafts and bank loan:		
Within one year	**28,084**	385
After one year but within two years	**–**	394
After two years but within five years	**–**	1,235
After five years	**–**	1,006
	28,084	3,020
IPO loan from securities broker:		
Within one year	**54,264**	–
Other loan:		
Within one year	**7,000**	4,000
	89,348	7,020

Note:

(a) The above amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause as set out in the loan agreements.

33. 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, 2013	(770)	571	(199)
Credited (charged) to consolidated statement of comprehensive income (note 13)	229	(109)	120
At 31st March, 2014 and 1st April, 2014	(541)	462	(79)
Credited (charged) to consolidated statement of comprehensive income (note 13)	541	(462)	79
At 31st March, 2015	–	–	–

At the end of the reporting period, the Group has unused tax losses of approximately HK$64,670,000 (2014: HK$100,249,000) available for offset against future profits that may be carried forward indefinitely. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

34. OBLIGATION UNDER A FINANCE LEASE

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

	2015			2014		
	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	**203**	**8**	**211**	199	12	211
After one year but within five years	**312**	**5**	**317**	515	13	528
	515	**13**	**528**	714	25	739

The Group leased office equipment under finance lease arrangement. The lease term was five years (2014: 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.

Financial lease obligation is denominated in HK dollars.

35. SHARE CAPITAL

	Notes	**Number of shares**	*HK$'000*
Authorised:			
At 1st April, 2013		30,000,000,000	300,000
Ordinary shares of HK$0.01 each			
Share consolidation	(iii)(a)	(28,500,000,000)	–
Ordinary shares of HK$0.20 each			
Capital reduction	(iii)(b)	–	(285,000)
Ordinary shares of HK$0.01 each			
Capital increase	(iii)(c)	28,500,000,000	285,000
At 31st March, 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			
Ordinary shares of HK$0.01 each		30,000,000,000	300,000
Issued and fully paid:			
At 1st April, 2013		2,097,592,629	20,975
Ordinary shares of HK$0.01 each			
Share consolidation	(iii)(a)	(1,992,712,998)	–
Ordinary shares of HK$0.2 each			
Capital reduction	(iii)(b)	–	(19,927)
Ordinary shares of HK$0.01 each			
Issue of shares upon placing	(iv)	20,960,000	210
Issue of shares upon open offer	(v)	503,358,524	5,034
At 31st March, 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			
Ordinary shares of HK$0.01 each		220,219,354	2,202

35. SHARE CAPITAL *(Continued)*

Notes:

For the year ended 31st March, 2015

(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 2,202,193,540 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.

For the year ended 31st March, 2014

(iii) By a special resolution dated 17th June, 2013, the Company had the capital reorganisation which was composed of:

(a) Shares consolidation:
The consolidation of every twenty 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$0.20 each;

(b) Capital reduction:
Immediately upon the share consolidation becoming effective, (i) the issued share capital of the Company was reduced by cancelling the paid-up capital of the Company to the extent of HK$0.19 on each of the then issued consolidated shares such that the par value of each issued consolidated share was reduced from HK$0.20 to HK$0.01 (the "Issued Share Capital Reduction"); and (ii) the authorised share capital of the Company was reduced by reducing the par value of all consolidated shares from HK$0.20 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 1,500,000,000 consolidated shares to HK$15,000,000 divided into 1,500,000,000 adjusted shares of par value HK$0.01 each; and

The credit arising from the Issued Share Capital Reduction of approximately HK$19,927,000 was credited to the contributed surplus account of the Company.

(c) Capital increase:
Immediately upon the capital reduction becoming effective, the authorised share capital of the Company was increased from HK$15,000,000 divided into 1,500,000,000 adjusted shares to HK$300,000,000 divided into 30,000,000,000 adjusted shares.

35. SHARE CAPITAL *(Continued)*

Notes: (Continued)

(iv) On 7th August, 2013, 20,960,000 ordinary shares of the Company of HK$0.01 each were allotted at a price of HK$0.225 by way of placing of new shares under general mandate. The net proceeds were approximately HK$4.4 million for general working capital of the Group.

(v) By ordinary resolution dated 13th January, 2014, there was an open offer to the qualifying shareholders on the basis of four offer shares for every ordinary share of HK$0.01 each at a price of HK$0.1 per offer share. On 14th February, 2014, 503,358,524 offer shares were allotted of which 248,634,125 offer shares had underwritten by underwriter. The net proceeds were approximately HK$48.1 million for general working capital of the Group.

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.

36. SHARE-BASED EMPLOYEE COMPENSATION

The shareholders of the Company approved a share option scheme (the "2001 Share Option Scheme") under which its Board of the 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 (ii) 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 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 he 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 emplyees 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.

36. 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, which 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.

Share options and respective exercise prices are as follows for the reporting periods presented:

For the year ended 31st March, 2014

Type grantee	At 1st April, 2013	Granted	Exercised	Outstanding* adjustment share consolidation and open offer	Expired	At 31st March, 2014	Date of of grant	Exercise period of the share options	Exercise* price per share *(HK$)*
Employees									
In aggregate	4,007,142	–	–	(3,624,921)	(382,221)	–	23 February, 2011	23 February, 2011 to 22 February, 2014	2.009*
Other eligible person									
In aggregate	1,020,000	–	–	(922,708)	(97,292)	–	15 February, 2011	15 February, 2011 to 14 February, 2014	2.218*
Total	5,027,142	–	–	(4,547,629)	(479,513)	–			
Weighted average exercise price (HK$)	0.1957	–	–	–	2.0512	–			

* This reflects that adjusted exercise prices and number of share options which had been granted and remained outstanding after the completion of share consolidation and open offer in June 2013 and February 2014 respectively.

No option was granted, exercised and/or cancelled during the year ended 31st March, 2014. All options expired during the year ended 31st March, 2014 and there was no option outstanding at 31st March 2014. The corresponding share option reserve of approximately HK$732,000 was transferred to accumulated losses upon the expiry of the share options during the year ended 31st March, 2014.

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

For the years ended 31st March, 2015 and 2014, 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.

37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(i) The Group had significant transactions with the following related parties during the year, together with the balances with them as at 31st March, 2015, details of which are as follows:

Related party relationship	Type of transaction	*Notes*	Transaction amount 2015	2014	Balance due to (from) the Group 2015	2014
			HK$'000	*HK$'000*	**HK$'000**	*HK$'000*
Directors	Sales of grocery	(c)	**4**	17	**–**	–
	Interest expenses	(c)	**48**	–	–	–
	Loan advanced to the Group	(e)	**1,000**	–	–	–
	Repayment to the Group	(e)	**(1,000)**	–	–	–
Companies controlled or jointly controlled by the directors or their close family members	Handling fee income	(c)	**184**	189	**–**	–
	Sales of grocery	(c)	**24**	55	**–**	–
	Rental income from letting					
	– office premises	(c)	**36**	36	**–**	–
	– office equipment	(c)	**53**	57	**–**	–
	Transaction costs attributable to issue of shares upon open offer	(c)	**–**	579	**–**	–
	Balance due to the Group	(b)(ii)	**–**	–	**262**	262
Family members of an executive director	Balances due from Group	(b)(i), (e)	**–**	–	**(8,200)**	(11,500)
	Interest expenses	(c)	**1,036**	389	**–**	–
	Sales of grocery	(c)	**65**	77	**–**	–
	Share of rental expenses	(d)	**1,320**	1,210	**–**	–
	Loan advanced to the Group	(e)	**13,700**	16,900	**–**	–
	Repayment to the Group	(e)	**(17,000)**	(5,400)	**–**	–
Associate	Balance due to the Group – non-trade	(b)(ii)	**–**	–	**2,044**	500
	– trade		**–**	–	**510**	–
	Sales of grocery	(c)	**559**	–	**–**	–
Non-controlling interests	Balance due from the Group	(b)(ii)	**–**	–	(150)	(150)

Notes:

(a) 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.

(b) (i) The balances due to certain family members of an executive director of the Company are unsecured, interest bearing and repayable on demand. Details of which are set out in note 31 to the consolidated financial statements.

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

(c) Connected transactions are exempted from the reporting, announcement and independent shareholders' approval as the transactions are on normal commercial terms, all applicable percentage ratios are less than 5% and the amounts are below the threshold of HK$3 million under Rules 20.74(1)(c) of the GEM listing Rules.

(d) Continued connected transactions, details of them are set out in the announcement dated 9th October, 2012 and the auditor's letter on continuing connected transaction on pages 21 and 22.

(e) Connected transactions are exempted from reporting, announcement and independent shareholders' approval requirement, which are financial assistance as defined under GEM Listing Rule, the transactions are for the benefit of the Company on normal commercial terms and no security over the assets of the Company is granted in respect of such financial assistance.

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

(ii) Key management compensation

During both years, compensation of key management personnel represents directors' remuneration and those of senior staff as stated in notes 10 and 11 respectively. The directors' remuneration is determined by the remuneration committee having regard to the performance, responsibilities and experience of individuals and market trends.

(iii) The Director of the Company, Mr. Shiu Yeuk Yuen, has provided all monies guarantee (note 32) to a bank to secure general banking facilities granted to the Group.

(iv) 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.

38. COMMITMENTS

(a) Capital commitments

Saved as those disclosed in note 20, the Group does not have any other significant capital commitments as at 31st March, 2015 and 2014.

(b) Operating lease commitments

(i) where the Group is the lessee

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

	2015	2014
	HK$'000	*HK$'000*
Within one year	**3,550**	5,164
In the second to fifth years, inclusive	**822**	3,598
	4,372	8,762

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.

(ii) where the Group is the lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease receipts under non-cancellable operating leases receivable as follows:

	2015	2014
	HK$'000	*HK$'000*
Within one year	**–**	691
In the second to fifth years, inclusive	**–**	88
	–	779

All investment properties have been disposed of during the year and the Group does not have any contract with tenants as at 31st March, 2015.

For the year ended 31st March, 2014, the properties were expected to generate weighted average effective rental yield of 3.09%, of which the operating lease arrangements ran for an average term of two years with an options for renewal one of the leases. The terms of the leases required the tenants to pay security deposits. No contingent rental was incorporated in the leasing arrangements.

39. CORPORATE GUARANTEES

As at 31st March, 2014, the Company had issued corporate guarantees to secure general banking facilities granted to certain subsidiaries of the Company. In the opinion of the Directors of the Company, no material liabilities would arise from the above guarantees which arose in the ordinary course of business and the fair value of the corporate guarantees granted by the Company is immaterial. Details of them are set out in note 40(i) and (ii) to the financial statements.

During the year ended 31st March, 2015, the above corporate guarantee has been released. No other corporate guarantee has been issued by the Group during the year or as at 31st March, 2015.

40. CONTINGENT LIABILITIES

(i) As at 31st March, 2014, the Company had provided an unlimited corporate guarantee to a bank for general banking facilities granted to an indirect wholly owned subsidiary of the Company. As at 31st March, 2014, banking facilities of approximately HK$3,020,000 had been utilised by the subsidiary.

During the year ended 31st March, 2015, the above corporate guarantee has been released upon settlement of the relevant bank borrowing.

(ii) As at 31st March, 2014, the Company had provided a corporate guarantee up to a maximum amount of HK$25,000,000 to secure a letter of guarantee issued by a bank to the extent of approximately HK$679,000.

During the year ended 31st March, 2015, the above corporate guarantee has been replaced by a pledge bank deposit of approximately HK$679,000 (note 27) to secure the aforesaid bank guarantee.

(iii) On 9th October, 2012, a tenancy agreement was jointly entered into between Wit Way Enterprise Limited, as the landlord, and Top Euro Limited, an indirect wholly-owned subsidiary of the Company, and Mark Glory International Enterprise Limited, an indirect wholly-owned subsidiary of China 3D Digital Entertainment Limited, both as tenants, in relation to the lease of an office premises. The duration of the tenancy agreement is for three years commencing from 1st November, 2012 with a monthly rental of HK$220,000 inclusive of management charges (equivalent to HK$2,640,000 per annum), but exclusive of government rates and all other outgoings.

The rent, government rates and all outgoings of the office premises shall be paid by the Tenants in equal share. 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$1,320,000 per annum. The taking-up of the contingent rental liability constitutes a provision of financial assistance under the GEM Listing Rules.

During the year, the operating lease payments made by the Group under this operating lease amounted to HK$1,320,000 (2014: HK$1,210,000). The other tenant, Mark Glory International Enterprise Limited, has also properly made the operating lease payment under the lease. No outstanding contingent rental liability is required to be paid by the Group under the lease for both of the years 2015 and 2014.

41. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2015 *HK$'000*	2014 *HK$'000*
Financial assets as per consolidated statement of financial position		
Financial assets		
Available-for-sale financial assets (note 19)	**–**	13,928
Financial assets at fair value through other comprehensive income (note 20)	**3,357**	–
Financial assets at fair value through profit or loss (note 21)	**69,321**	20,357
Financial assets at amortised costs (2014: loans and receivables)		
– Trade receivables	**544**	107
– Deposits and other receivables	**58,365**	7,810
– Loans and advances to customers	**288,441**	207,967
– Amount due from a related company	**262**	262
– Amounts due from associates	**2,044**	500
– Pledged bank deposits	**28,895**	–
– Cash and cash equivalents	**66,403**	11,609
	444,954	228,255
Total	**517,632**	262,540

	2015 *HK$'000*	2014 *HK$'000*
Financial liabilities as per consolidated statement of financial position		
Financial liabilities at amortised cost		
– Trade and other payables	**2,125**	2,048
– Amounts due to non-controlling interests	**150**	150
– Amounts due to related parties	**8,200**	11,500
– Borrowings	**89,348**	7,020
– Obligation under a finance lease	**515**	714
Total	**100,338**	21,432

41. 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, 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.

Summary of exposure

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

	As at 31st March, 2015			As at 31st March, 2014		
	United States Dollars	**Renminbi**	**Japanese Yen**	United States Dollars	Renminbi	Japanese Yen
	HK'000	***HK'000***	***HK'000***	***HK'000***	***HK'000***	***HK'000***
Available-for-sale financial assets	**–**	**–**	**–**	1,155	–	–
Financial assets at fair value through other comprehensive income	**1,078**	**–**	**–**	–	–	–
Financial assets at fair value through profit or loss	**28,274**	**–**	**–**	26	–	–
Other receivables	**227**	**–**	**–**	–	–	–
Pledged bank deposits	**15,661**	**12,554**	**–**	–	–	–
Cash and cash equivalents	**195**	**20**	**14**	93	20	17
Other payables	**(128)**	**(97)**	**–**	–	–	–
Bank loan	**–**	**(15,611)**	**–**	–	–	–
Bank overdrafts	**(6,187)**	**–**	**–**	–	–	–
Overall net exposure	**39,120**	**(3,134)**	**14**	1,274	20	17

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

(b) Financial risk factors *(Continued)*

(a) Market risk (Continued)

(i) Foreign currency risk *(Continued)*

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.

At 31st March, 2015, the Group's sensitivity to a 3% (2014: 3%) and 3% (2014: 3%) increase and decrease in HKD against JPY and RMB respectively. With all other variable held constant, the effect on profit (loss) for the year is immaterial.

(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 certain financial instruments, bank deposits and borrowings. Borrowings bearing variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk. The Group has not used any interest rate swaps in order 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.

Sensitivity analysis

The following table illustrates the sensitivity of the Group's profit (loss) after taxation and other components of equity to a possible change in interest rates of +/- 0.5% (2014: +/- 0.5%) higher lower, with effect from the beginning of the year. The calculations are based on the Group's financial assets and liabilities held at the end of the reporting period. All other variables are held constant.

Year ended 31 March, 2015			Year ended 31 March, 2014		
Higher (lower) in interest rate	**Increase (decrease) in profit after tax**	**Increase (decrease) in equity**	Higher (lower) in interest rate	Increase (decrease) in loss after tax	Increase (decrease) in equity
%	***HK$'000***	***HK$'000***	*%*	*HK$'000*	*HK$'000*
0.5	**226**	**226**	0.5	(43)	43
(0.5)	**(226)**	**(226)**	(0.5)	43	(43)

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

(b) Financial risk factors *(Continued)*

(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 21) and financial assets at fair value through other comprehensive income (note 20) (2014: available-for-sale financial assets (note 19)) at 31st March, 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 (2014: available-for-sale financial assets) 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 (loss) 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, 2015			31st March, 2014		
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 loss after taxation	Effect on other components of equity
%	***HK$'000***	***HK$'000***	*%*	*HK$'000*	*HK$'000*
10	**5,513**	**228**	10	(2,036)	1,393
(10)	**(5,513)**	**(228)**	(10)	2,036	(1,393)

41. 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 41(a).

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 exposures of credit risk arising from loans and advance to customers is set out in note 24.

For the years ended 31st March, 2015 and 2014, 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 22 to the consolidated financial statements.

41. 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, 2015 and 2014. 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 in 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, 2015	Weighted average effective interest rate	On demand	Within one year	Over one year	Total contractual undiscounted cash flows	Carrying amount
	%	*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 i)	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	317	528	515
Total		30,359	70,569	317	101,245	100,338

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

(b) Financial risk factors *(Continued)*

(c) *Liquidity risk (Continued)*

At 31st March, 2014	Weighted average effective interest rate	On demand	Within one year	Over one year	Total contractual undiscounted cash flows	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-derivative financial instruments						
Trade and other payables	–	2,048	–	–	2,048	2,048
Amounts due to non-controlling interests	–	150	–	–	150	150
Amounts due to related parties	10	–	12,410	–	12,410	11,500
Borrowings						
– Bank loan (note i)	2	3,020	–	–	3,020	3,020
– Other loan	10	–	4,291	–	4,291	4,000
Obligation under a finance lease	1.92	–	211	528	739	714
Total		5,218	16,912	528	22,658	21,432

Note (i):

Although bank loan contains a repayment on demand clause, management of the Group believe that such bank loan will be repaid in accordance with the scheduled repayment dates set out in the loan agreements, which is 1 month (2014: 7 years) after the end of the reporting period. At 31st March, 2015, the aggregate principal and interest cash outflows of bank loan would amount to approximately HK$15,668,000 (2014: HK$3,285,000).

(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 2014, was to continue to monitors 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.

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

	2015	2014
	HK$'000	*HK$'000*
Borrowings (note (i))	**89,348**	7,020
Amounts due to related parties (note (i))	**8,200**	11,500
Obligation under a finance lease (note (i))	**515**	714
Cash and cash equivalents	**(66,403)**	(11,609)
Net debt	**31,660**	7,625
Total equity (note (ii))	**422,024**	268,163
Net debt to equity ratio	**7.5%**	2.8%

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

(c) Capital risk management *(Continued)*

Notes:

(i) Amounts due to related parties, borrowings and obligation under a finance lease are detailed in notes 31, 32 and 34 respectively.

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

The Group is not 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.

41. 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, 2015 categorised into		
	Fair value	**Level 1**	**Level 2**	**Level 3**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Recurring fair value measurement				
Assets:				
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**

		Fair value measurement as at 31st March, 2014 categorised into		
	Fair value	Level 1	Level 2	Level 3
	HK$'000	HK$'000	HK$'000	HK$'000
Recurring fair value measurement				
Assets:				
Available-for-sale financial assets				
– Listed equity securities	12,773	12,773	–	–
– Unlisted equity investment funds	1,155	–	1,155	–
Financial assets at fair value through profit or loss				
– Listed equity securities	20,357	20,357	–	–
	34,285	33,130	1,155	–

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 (2014: available-for-sale financial assets) 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.

41. 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 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 reply 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 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.

During the years ended 31st March, 2015 and 2014, 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, 2014. 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.

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

Financial assets fair value through other comprehensive income (2014: Available-for-sale financial assets)

	Unlisted equity investment funds	
	2015	2014
	HK$'000	*HK$'000*
At the beginning of year	**–**	–
Transfer (see explanation in above)	**1,155**	–
Unrealised loss		
– Change in fair value recognised in other comprehensive income	**(77)**	–
At the end of year	**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, 2015 and 2014.

42. DIVIDEND

No dividend was paid or proposed during the year ended 31st March, 2015 nor has any dividend been proposed since the end of reporting period (2014: Nil).

43. COMPARATIVE FIGURES

Certain comparative figures as set out in the consolidated financial statements and the related notes thereto have been reclassified to conform to the current year's presentation. Details of them are set out in note 8 to the consolidated financial statements.

44. FINANCIAL INFORMATION OF THE COMPANY

Financial information of the Company at the end of the reporting period includes:

	Notes	2015 HK$'000	2014 HK$'000
ASSETS			
Non-current assets			
Investment in a subsidiary	(i)	**1,097**	1,097
Financial assets at fair value through other comprehensive income		**2,279**	–
Available-for-sale financial assets		**–**	12,773
		3,376	13,870
Current assets			
Amounts due from subsidiaries	(i)	**393,503**	270,511
Amount due from a related company		**262**	262
Prepayments, deposits and other receivables		**57,516**	1,072
Financial assets at fair value through profit or loss		**41,047**	20,071
Cash and cash equivalents		**40,544**	2,497
		532,872	294,413
LIABILITIES			
Current liabilities			
Other payables		**208**	524
Amounts due to subsidiaries	(i)	**–**	40,621
Amount due to a related company		**–**	12
Borrowing		**54,264**	–
Provision for tax		**57**	57
		54,529	41,214
Net current assets		**478,343**	253,199
Net assets		**481,719**	267,069
EQUITY			
Equity attributable to owners of the Company			
Share capital		**2,202**	6,292
Reserves	(iv)	**479,517**	260,777
Total equity		**481,719**	267,069

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

Notes:

(i) Interests in subsidiaries

	2015	2014
	HK$'000	*HK$'000*
Investment at cost, unlisted shares	**1,097**	1,097

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

(ii) 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.

(iii) Particulars of the principal subsidiaries of the Company at 31st March, 2015 and 2014 are set out in note 45(i).

(iv) **RESERVES**

	Share premium	Capital redemption reserve	Accumulated losses	Investment revaluation reserve	Share option reserve	Contributed surplus *(note (i))*	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1st April, 2013	198,800	278	(175,659)	(4,580)	732	181,291	200,862
Loss for the year (note (c) below)	–	–	(1,819)	–	–	–	(1,819)
Other comprehensive income (loss):							
Available-for-sales financial assets							
– Changes in fair value	–	–	–	(7,961)	–	–	(7,961)
– Reclassified to profit or loss upon disposal of available-for-sales financial assets	–	–	–	2,442	–	–	2,442
Total comprehensive loss for the year	–	–	(1,819)	(5,519)	–	–	(7,338)
Capital reduction	–	–	–	–	–	19,927	19,927
Issue of shares upon placing	4,506	–	–	–	–	–	4,506
Transaction costs attributable to issue of shares upon placing	(274)	–	–	–	–	–	(274)
Issue of shares upon open offer	45,302	–	–	–	–	–	45,302
Transaction costs attributable to issue of shares upon open offer	(2,208)	–	–	–	–	–	(2,208)
Release of share option reserve upon expiry of share options	–	–	732	–	(732)	–	–
Balance at 31st March, 2014	246,126	278	(176,746)	(10,099)	–	201,218	260,777

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

Notes: (Continued)

(iv) **RESERVES** *(Continued)*

	Share premium	Capital redemption reserve	Accumulated losses	Investment revaluation reserve	Share option reserve	Contributed surplus *(note (i))*	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balances at 1st April, 2014	246,126	278	(176,746)	(10,099)	–	201,218	260,777
Profit for the year (note (c) below)	–	–	101,633	–	–	–	101,633
Other comprehensive loss:							
Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	(10,494)	–	–	(10,494)
Total comprehensive income (loss) for the year	–	–	101,633	(10,494)	–	–	91,139
Capital reduction	–	–	–	–	–	19,820	19,820
Rights issue of shares	110,110	–	–	–	–	–	110,110
Transaction costs attributable to rights issue of shares	(2,329)	–	–	–	–	–	(2,329)
Balance at 31st March, 2015	**353,907**	**278**	**(75,113)**	**(20,593)**	**–**	**221,038**	**479,517**

Notes:

(a) Pursuant to a special resolution passed at the special general meeting of the Company on 23rd March, 2015 (2014: 17th June, 2013), the Company reduced its issued share capital by an amount of approximately HK$19,820,000 (2014: HK$19,927,000) (note 35) and transferred the same amount to the contributed surplus account of the Company.

(b) (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) Investment revaluation reserve
The investment revaluation reserve represents to the cumulative net change in fair value of financial assets at fair value through other comprehensive income (2014: available-for-sale financial assets) since initial recognition.

(iv) The Company's contribution surplus account may be distributed under certain circumstances as specified in the Company Act 1981 of Bermuda. Details of the circumstances are set out in the consolidated statement of changes in equity on page 29 of the annual report.

(c) Profit for the year attributable to the owners of the Company is dealt with in the financial statements of the Company to the extent of approximately HK$101,633,000 (2014: Loss for the year attributable to the owners of the Company had been dealt with in the financial statements of the Company to the extent of approximately HK$1,819,000).

45. GENERAL INFORMATION OF SUBSIDIARIES

(i) Details of the principal subsidiaries held by the Company directly and indirectly as at 31st March, 2015 and 2014 are as follows:

Name of subsidiaries	Place of incorporation and kind of legal entity	Class of shares held	Paid up issued/ registered capital	Proportion of ownership interest as at 31st March, 2015 and 2014: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities and place of operations
Rainbow Cosmetic (BVI) Limited	British Virgin Island, limited liability company	Ordinary	2015: USD50,000 (2014: USD50,000)	100%	100%	–	Investment holding, Hong Kong
Basic Wholesale Limited (Formerly "International Pharmaceutical Wholesale Company Limited	Hong Kong, limited liability company	Ordinary	2015: HK$10,000 (2014: Nil)	100%	–	100%	Dormant
Be Cool Limited	Hong Kong, limited liability company	Ordinary	2015: HK$250,000,000 (2014: HK$1)	100%	–	100%	Securities investment, Hong Kong
Bright Zone Corporation Limited	Hong Kong, limited liability company	Ordinary	2015: HK$90 (2014: HK$90)	66.67%	–	66.67%	Sales of grocery products, Hong Kong
Perfect Top Corporation Limited	Hong Kong, limited liability company	Ordinary	2015: HK$1 (2014: HK$1)	100%	–	100%	Property investment, Hong Kong
Nutriplus (Asia) Limited	Hong Kong, limited liability company	Ordinary	2015: HK$10,000 (2014: HK$10,000)	100%	–	100%	Provision of management services to the Group, Hong Kong
Thailand (HK) Plastic Surgery Service Limited	Hong Kong, limited liability company	Ordinary	2015: HK$1 (2014: HK$1)	100%	–	100%	Property investment, Hong Kong
Top Empire Limited	Hong Kong, limited liability company	Ordinary	2015: HK$1,000 (2014: HK$1,000)	100%	–	100%	Investment holding, Hong Kong
Top Euro Limited	Hong Kong, limited liability company	Ordinary	2015: HK$1 (2014: HK$1)	100%	–	100%	Investment holding, Hong Kong
Top Legend Investment Limited	Hong Kong, limited liability company	Ordinary	2015: HK$1 (2014: HK$1)	100%	–	100%	Securities investment, Hong Kong
Power In Investments Limited	Hong Kong, limited liability company	Ordinary	2015: HK$100 (2014: HK$100)	100%	–	100%	Securities investment, Hong Kong
Yvonne Credit Service Co., Limited	Hong Kong, limited liability company	Ordinary	2015: HK$10,000 (2014: HK$10,000)	100%	–	100%	Provision of money lending business, Hong Kong
Century Forever Limited	Hong Kong, limited liability company	Ordinary	2015: HK$1 (2014: Nil)	100%	–	100%	Wholesale business

45. GENERAL INFORMATION OF SUBSIDIARIES *(Continued)*

(i) Details of the principal subsidiaries held by the Company directly and indirectly as at 31st March, 2015 and 2014 are as follows: *(Continued)*

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.

(ii) Disposal of subsidiaries

Release upon disposal of subsidiaries represents the cumulative effect of non-controlling interests arising from disposal of subsidiaries in prior periods before 1st April, 2012 which had not yet been released to accumulated losses. In the opinion of the directors, it is impracticable to determine the period-specific effect arising from disposal of these subsidiaries in prior periods for each prior period concerned as the Company has undergone several group restructuring in the past. The impact of the cumulative effect arising from release upon disposal of these subsidiaries in prior periods is minimal on the Group's financial performance and position for the years ended 31st March, 2014 and 2013, and balances as at 1st April, 2012, therefore, the adjustment was made prospectively and no prior period adjustment has been made.

46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Up to the date of issue of these consolidated financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the year ended 31st March, 2015 and which have not been adopted in these financial statements:

		Effective for accounting periods beginning on or after
Amendments to HKAS 1	Presentation of financial statements – disclosure initiative	1st January, 2016
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1st January, 2016
Amendments to HKAS 27	Equity method in separate financial statements	1st January, 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception	1st January, 2016
Amendments to HKFRS 11	Accounting for acquisition of interests in joint operations	1st January, 2016
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and and its associate or joint venture	1st January 2016
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle	1st July, 2014
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle	1st July, 2014
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle	1st January, 2016
HKFRS 9 (2014)	Financial instruments	1st January, 2018
HKFRS 14	Regulatory deferral accounts	*1st January, 2016
HKFRS 15	Revenue from contracts with customers	1st January, 2017

* Effective for first annual HKFRS financial statements beginning on or after 1st January, 2016.

46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE *(Continued)*

The Group is assessing the impact of these amendments, interpretations and new standards on its consolidated financial statements. In the opinion of Directors, the Group does not anticipate that except as described below, the application of the above new and revised HKFRSs will result in any material impact on the Group's results of operations and financial position.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets which has been early adopted by the Group with the date of initial application on 1st April, 2014. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

Certain key requirements of HKFRS 9 (2014), other than those relating to classification and measurement of financial assets covered in HKFRS 9 (2009) which has been early adopted by the Group, are described below:

- In addition to the requirements of HKFRS 9 (2009), debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount of outstanding, are measured at FVTOCI.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of the financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 (2014) requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future (excluding the scope of HKFRS 9 (2009) that has been adopted by the Group with the date of initial application on 1st April, 2014) may have impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.