金榜集團控股有限公司

GOLDBOND GROUP HOLDINGS LIMITED

Stock Code: 00172

Annual Report 2014/15

金榜

This annual report is printed on environmentally friendly paper

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Jun *(Chairman)*
Mr. Wong Yu Lung, Charles
(Deputy Chairman)
Mr. Ding Chung Keung, Vincent
(Chief Executive Officer)
Ms. Wong, Michelle Yatyee

Independent non-executive Directors

Mr. Ma Ho Fai SBS JP
Mr. Cheng Yuk Wo
Mr. Ng Chi Keung MH

AUDIT COMMITTEE

Mr. Cheng Yuk Wo *(Chairman)*
Mr. Ma Ho Fai SBS JP
Mr. Ng Chi Keung MH

REMUNERATION COMMITTEE

Mr. Cheng Yuk Wo *(Chairman)*
Mr. Ma Ho Fai SBS JP
Mr. Ding Chung Keung, Vincent

NOMINATION COMMITTEE

Mr. Ng Chi Keung MH *(Chairman)*
Mr. Cheng Yuk Wo
Mr. Ding Chung Keung, Vincent

SECRETARY

Ms. Li Yu Lian, Kelly

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

STOCK CODE

00172

REGISTERED OFFICE

Unit 3901, 39/F
Tower One, Lippo Centre
89 Queensway
Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-16
17th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISER

Iu, Lai & Li
JTC Solicitors

PRINCIPAL BANKERS

Bank of Communications Co., Ltd., Hong Kong Branch
China Construction Bank (Asia) Corporation Limited
China CITIC Bank International Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

WEBSITES

http://www.goldbondgroup.com
http://www.irasia.com/listco/hk/goldbondgroup/

RESULTS

	Year ended 31 March				
	2015 HK$ Million	2014 HK$ Million	2013 HK$ Million	2012 HK$ Million	2011 HK$ Million
Revenue	**67.3**	115.4	237.5	265.2	286.8
Profit before taxation	**117.2**	150.5	175.6	*555.7	131.2
Taxation	**1.0**	(5.6)	(22.2)	(33.3)	(39.8)
Profit for the year	**118.2**	144.9	153.4	522.4	91.4
Other comprehensive income	**–**	43.6	–	55.3	79.4
Total comprehensive income for the year	**118.2**	188.5	153.4	577.7	170.8
Profit for the year attributable to:					
Owners of the Company	**118.2**	135.7	119.9	500.8	64.7
Non-controlling interests	**–**	9.2	33.5	21.6	26.7
	118.2	144.9	153.4	522.4	91.4
Total comprehensive income for the year attributable to:					
Owners of the Company	**118.2**	173.6	119.9	550.0	137.1
Non-controlling interests	**–**	14.9	33.5	27.7	33.7
	118.2	188.5	153.4	577.7	170.8
Dividend per Share (HK cents)	**1.5**	1.5	1.5	–	2.0

* Included a gain on disposal of subsidiaries, net of tax, of HK$501.6 million.

ASSETS AND LIABILITIES

	As at 31 March				
	2015 HK$ Million	2014 HK$ Million	2013 HK$ Million	2012 HK$ Million	2011 HK$ Million
Total assets	**2,742.1**	2,610.5	4,107.2	3,593.1	2,573.4
Total liabilities	**(408.8)**	(358.2)	(1,770.4)	(1,414.9)	(958.9)
Non-controlling interest	**–**	–	(220.7)	(187.2)	(154.0)
Equity attributable to owners of the Company	**2,333.3**	2,252.3	2,116.1	1,991.0	1,460.5
Net asset value per Share (HK cents)	**85.0**	82.1	77.1	72.5	52.9

On behalf of the board of Directors (the "Board") of Goldbond Group Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2015 (the "Year").

In 2013, we took a major leap forward to bring "Goldbond" brand to the People's Republic of China ("China"). Adhering to the needs of small and medium sized enterprises ("SMEs"), we established a lending platform in Yancheng, Jiangsu Province, China ("Yancheng"). This Year, the Group continued to expedite the development of financial service capability by expanding into factoring and related services through our factoring headquarters in Nanjing, Jiangsu Province, China. As we are allowed to carry out factoring and related services in all parts of China, our service capability to serve diverse financing needs of SMEs has been greatly enhanced. The factoring company achieved satisfactory growth, including entering into a factoring facilities agreement in the maximum principal amount of RMB120 million. The revenue source of the Group became more diversified and the Group has stronger capability to serve the needs of the SMEs.

During the year, we made good progress in expanding financing channels and has obtained over RMB68.9 million bank borrowings in China, thereby satisfied the funding requirements for the factoring business of the Group. Meanwhile, the Group constantly manages cash flows and liabilities to avoid potential liquidity risk. The Group will proactively expand its financing channels in accordance with its development requirement.

As at 31 March 2015, the equity attributable to the owners of the Company was HK$2,333.3 million, increased by 4% from the beginning of the year. Profit for the Year attributable to the owners of the Company was HK$118.2 million, representing a decrease of 13%.

In the year to come, China's economic growth is likely to decelerate from its high pace as a result of implementation of reform measures. Certain SMEs will continue to face pressure on liquidity with the tightening of credit policies by suppliers and difficulties in collecting receivables. However, the benefits of reform measures are likely to emerge in the future, and provide business opportunities for the SMEs in a more stable and healthy environment. With opportunities and challenges, the Group will strive to enhance asset security, financial service capability and resources allocation capability in order to improve profitability, facilitate healthy development of the Group and create greater value for all shareholders.

As the global economy continues to improve, especially in the more developed countries like the United States of America, the Company intends to establish and participate in a real estate fund so as to capture and benefit from the opportunities in the recovering real estate markets in those countries. Apart from solely investing into the real estate fund, the Company also intends to hold a significant interest in the manager of the fund in order to ensure proper implementation of the investment strategies and benefit from the long term economic interest generated (by way of management fees and performance fees) by, and equity value created in respect of, the manager in the event that the fund continues to generate favorable returns.

The Company believes that by participating in the fund and holding a significant interest in the manager of the fund, the Company could diversify its profit stream, take advantage of real estate growth opportunities in geographically diverse developed economies with satisfactory capital gain and/or income producing potential, optimise the treasury, broaden its investment scope, and further enhance its strategic position.

Finally, on behalf of the Board and our management team, I would like to thank every shareholders, business partners and customers for their continued support and encouragement.

Wong Yu Lung, Charles
Deputy Chairman

Hong Kong, 17 June 2015

Mr. Wang Jun, aged 74, is the Chairman and executive Director of the Company since April 2007. He was the former Chairman of CITIC Group in Beijing. Mr. Wang graduated from Harbin Engineering Institute in China.

Mr. Wang is currently an independent non-executive director of China Communications Services Corporation Limited, a Company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Mr. Wong Yu Lung, Charles, aged 65, is the Deputy Chairman of the Company. He joined the Company in January 2003 and is responsible for corporate strategic planning of the Group. Mr. Wong has over thirty-three years of worldwide experience in the procurement and logistics of consumer products. He is an international entrepreneur of repute and was the president of Pacific Resources Export Limited ("Pacific Resources"). Pacific Resources had been the worldwide exclusive procurement agent for Wal-mart for twelve years until 2002, with annual turnover reaching approximately US$6.5 billion. Throughout his years in operating Pacific Resources and twenty-nine branch offices spreading over the world including the United States of America ("U.S.A."), South America, Central America, Indian Subcontinent, Middle East, Asia and Europe, Mr. Wong has accumulated valuable experience and profound knowledge, in particular, market mechanism and demand, manufacturing industry, financial market, capital investment and asset management.

Mr. Wong is the father of Ms. Wong, Michelle Yatyee, an executive Director of the Company.

As at the date of this report, Mr. Wong is also a director of Ace Solomon Investments Limited, Aceyork Investment Limited, Allied Golden Investment Limited and Allied Luck Trading Limited, all being companies which had interests in the shares of the Company which would fall to be disclosed to the Company under the provisions of the Securities and Futures Ordinance ("substantial shareholders' discloseable interests").

Mr. Ding Chung Keung, Vincent, aged 45, is the Chief Executive Officer of the Company. He joined the Company in January 2004 and oversees all business operations of the Group. He is also a member of the Company's nomination committee. Mr. Ding is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants. He has been in the investment, audit and finance industries for more than twenty years. Mr. Ding holds a bachelor degree in business administration from The Chinese University of Hong Kong.

Prior to joining the Company, Mr. Ding was the managing director of Cheung Tai Hong Holdings Limited (now known as ITC Properties Group Limited) and Capital Estate Limited, the issued shares of all the aforesaid companies are listed on the Main Board of the Stock Exchange.

Ms. Wong, Michelle Yatyee, aged 34, an executive Director since February 2007. She graduated from University of Southern California, California, the United States of America with a bachelor degree of arts in political science and holds a juris doctorate in law from Whittier Law School, California, the U.S.A.

Ms. Wong is the daughter of Mr. Wong, the Deputy Chairman of the Company.

As at the date of this report, Ms. Wong is also a director of Ace Solomon Investment Limited, Aceyork Investment Limited, Allied Golden Investment Limited and Allied Luck Trading Limited, all being companies which had substantial shareholders' discloseable interests.

Mr. Ma Ho Fai SBS JP, aged 63, joined the Company as an independent non-executive Director in February 2003. He is a member of both the Company's audit committee and the remuneration committee. Mr. Ma is a partner of Woo, Kwan, Lee & Lo and was admitted as a solicitor in Hong Kong, England and Wales, Australian Capital Territory and Singapore. He is also a China-Appointed Attesting Officer in Hong Kong. In addition, he is a Deputy to the 11th National People's Congress of China and a member of the 10th Yunnan Provincial Committee of the Chinese People Political Consultative Conference.

Mr. Cheng Yuk Wo, aged 54, joined the Company as an independent non-executive Director in November 2007. He is also the Chairman of both the Company's audit committee and the remuneration committee and a member of the Company's nomination committee. Mr. Cheng is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Professional Accountants of Canada. Mr. Cheng holds a Master of Science (Economics) degree in Accounting and Finance and a Bachelor of Arts (Honour) degree in Accounting.

Mr. Cheng is currently an independent non-executive director of Chong Hing Bank Limited, C.P. Lotus Corporation, CPMC Holdings Limited, CSI Properties Limited, HKC (Holdings) Limited, Imagi International Holdings Limited, Liu Chong Hing Investment Limited and Top Spring International Holdings Limited, all being companies listed on the Stock Exchange.

Mr. Ng Chi Keung MH, aged 52, was appointed as an independent non-executive Director on 2 December 2011. He is the Chairman of the Company's nomination committee and a member of the Company's audit committee. Mr. Ng holds a Bachelor Degree in Social Sciences from The University of Hong Kong and an Executive Master Degree in Business Administration from The Chinese University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the Institute of Chartered Secretaries and Administrators.

Prior to joining the Company, Mr. Ng had been working in an international accounting firm for 26 years, during which he was admitted as a partner and was in the position of acting as the deputy managing partner for the National Audit function of their practice in China prior to his retirement. Mr. Ng was a past president of the Association of Chartered Certified Accountants and is currently serving as the Deputy Chairman of the Hong Kong Productivity Council, the vice president of Diabetes Hongkong and a director of Nano and Advanced Materials Institute Limited.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders. Save as disclosed below, the Company has applied the principles and complied with all code provisions of the Corporate Governance Code ("CG Code") during the Year as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). In respect of code provision E.1.2 of the CG Code, the Company's Chairman was unable to attend the annual general meeting of the Company held on 26 August 2014 (the "2014 AGM") due to other prior business engagement.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

BOARD OF DIRECTORS

– **Composition of the Board**

Executive Directors	:	Mr. Wang Jun *(Chairman)* Mr. Wong Yu Lung, Charles *(Deputy Chairman)* Mr. Ding Chung Keung, Vincent *(Chief Executive Officer)* Ms. Wong, Michelle Yatyee Mr. Melvin Jitsumi Shiraki (resigned on 1 January 2015)
Independent Non-executive Directors	:	Mr. Ma Ho Fai SBS JP Mr. Cheng Yuk Wo Mr. Ng Chi Keung MH

Mr. Wong Yu Lung, Charles ("Mr. Wong") is the father of Ms. Wong, Michelle Yatyee ("Ms. Michelle Wong"). Save as disclosed, there is no relationship (including financial, business, family or other material relationship) among members of the Board.

Each independent non-executive Director has given an annual confirmation of his independence to the Company, and the Company considers them to be independent under Rule 3.13 of the Listing Rules.

– **Responsibilities of the Board**

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorising the development plan and budget; monitoring financial and operating performance; reviewing the effectiveness of the internal control system; supervising and managing management's performance of the Group; and setting the Group's values and standards. The Board delegates the day-to-day management, administration and operation of the Group to management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group.

BOARD OF DIRECTORS (continued)

– Attendance at Board and General Meeting

During the Year, a total of four Board meetings and one annual general meeting (i.e. the 2014 AGM) were held and the attendance of each director is set out as follows:

Name of Director during the Year	Number of meetings attended/ held during the Year: Regular Board meetings	2014 AGM
Mr. Wang Jun *(Chairman)*	1/4	0/1
Mr. Wong *(Deputy Chairman)*	4/4	1/1
Mr. Ding Chung Keung, Vincent *(Chief Executive Officer)*	4/4	1/1
Ms. Michelle Wong	4/4	1/1
Mr. Ma Ho Fai SBS JP	4/4	1/1
Mr. Cheng Yuk Wo	4/4	1/1
Mr. Ng Chi Keung MH	4/4	1/1
Mr. Melvin Jitsumi Shiraki (resigned on 1 January 2015)	3/3	1/1

Though the Chairman was unable to attend the 2014 AGM due to other business engagement, the Deputy Chairman, the Chief Executive Officer and the auditor had attended the meeting to answer questions at the meeting.

– Continuing Professional Development

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has continuously provided relevant materials to the Directors. Directors participated in courses or seminars or read relevant materials relating to roles, functions and duties of a listed company director or further enhancement of their professional development. All Directors had provided the Company their training records for the year under review.

The individual training record of each director received for the Year is summarized below:

Name of Director during the Year	Attending seminar(s)/ programme(s)/conference(s)/ reading materials relevant to the business or directors' duties
Mr. Wang Jun *(Chairman)*	✓
Mr. Wong *(Deputy Chairman)*	✓
Mr. Ding Chung Keung, Vincent *(Chief Executive Officer)*	✓
Ms. Michelle Wong	✓
Mr. Ma Ho Fai SBS JP	✓
Mr. Cheng Yuk Wo	✓
Mr. Ng Chi Keung MH	✓
Mr. Melvin Jitsumi Shiraki (resigned on 1 January 2015)	✓

BOARD OF DIRECTORS (continued)

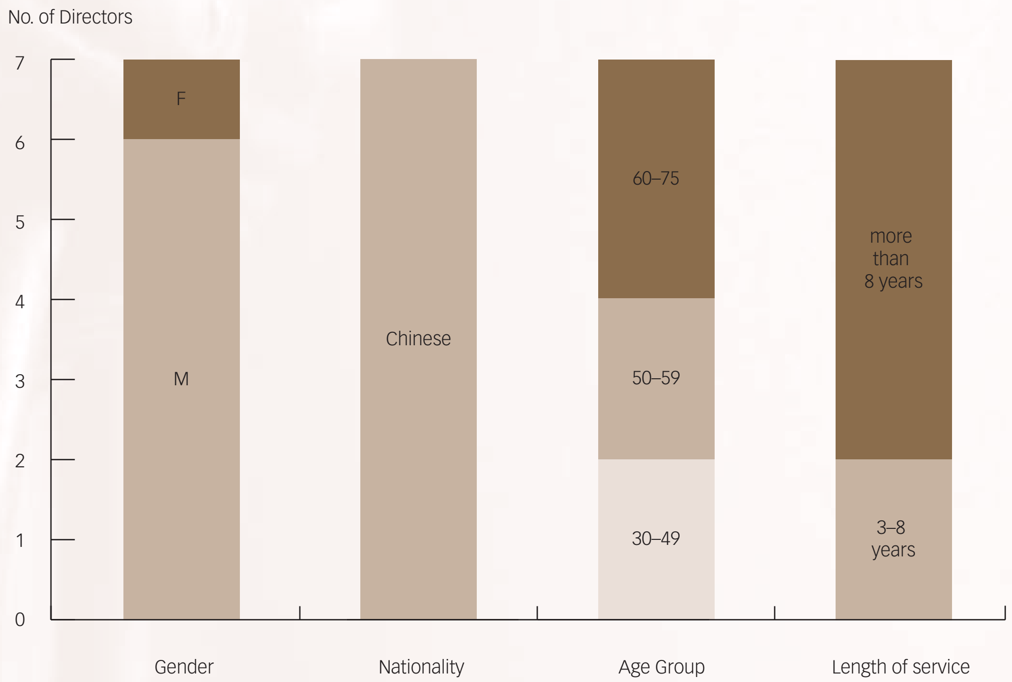
All the Directors also understand the importance of continuous professional development and are committed to participating any suitable training to develop and refresh their knowledge and skills.

The directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the directors and officers of the Company. The directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy on 1 September 2013 which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.



CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Wang Jun is the Chairman of the Company and Mr. Ding Chung Keung, Vincent is the Chief Executive Officer of the Company. There is segregation of duties between Chairman and Chief Executive Officer. The segregation of duties ensures balance of power between the Board and the Group's management as well as their independence and accountability.

The Chairman is the leader of the Board and he oversees the Board so that it acts in the best interests of the Group. The Chairman is responsible for deciding the agenda of each Board meeting, taking into account, where appropriate, matters proposed by other directors for inclusion in the agenda. The Chairman has overall responsibility for providing leadership, vision and direction in the development of the business of the Company.

The Chief Executive Officer is responsible for the day-to-day management of the business of the Group, attends to formulation and successful implementation of policies, and assumes full accountability to the Board for all operations of the Group. Working with the Chairman and the executive management team of each core business division, he ensures smooth operations and development of the Group. He maintains continuing dialogue with the Chairman and all directors to keep them fully informed of all major business developments and issues. He is also responsible for building and maintaining an effective executive team to support him in his role.

NON-EXECUTIVE DIRECTORS

All independent non-executive Directors are appointed for a specific term which may be extended as each and the Company may agree.

The current articles of association of the Company (the "Articles") provide that at each annual general meeting, one-third of the directors for the time being, or if their number is not a multiple of three then the nearest number to but not less than one-third of the directors, shall retire from office. A retiring director shall be eligible for re-election.

BOARD COMMITTEES

– **Audit Committee**

The audit committee comprises three independent non-executive Directors, namely Mr. Cheng Yuk Wo, Mr. Ma Ho Fai SBS JP and Mr. Ng Chi Keung MH.

The primary duties of the audit committee are to review the interim and annual financial information of the Company and to provide supervision over the financial reporting system and internal control procedure of the Company.

The audit committee convened two meetings during the Year and reviewed the financial results and statements, financial reporting and compliance procedures, review and processes of risk management. The following table sets out the attendance of each member of the audit committee at the audit committee meetings held during the Year:

Name of Director	Attendance/No. of times of audit committee meetings held
Mr. Cheng Yuk Wo *(Chairman)*	2/2
Mr. Ma Ho Fai SBS JP	2/2
Mr. Ng Chi Keung MH	2/2

The audit committee has reviewed the audited results of the Group of the Year and proposed adoption of the same by the Directors.

BOARD COMMITTEES (continued)

– **Remuneration Committee**

The remuneration committee comprises two independent non-executive Directors, namely Mr. Cheng Yuk Wo and Mr. Ma Ho Fai SBS JP and one executive Director, namely Mr. Ding Chung Keung, Vincent.

The primary objectives of the remuneration committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the directors. The remuneration committee is also responsible for establishing formal and transparent procedures for developing such remuneration policy and structure.

The remuneration committee convened one meeting during the Year and reviewed the remuneration package of the Board. The following table sets out the attendance of each member of the remuneration committee at the remuneration committee meetings held during the Year:

Name of Director	Attendance/No. of times of remuneration committee meeting held
Mr. Cheng Yuk Wo *(Chairman)*	1/1
Mr. Ma Ho Fai SBS JP	1/1
Mr. Ding Chung Keung, Vincent	1/1

The remuneration committee made recommendations to the Board on the remuneration packages of individual executive Directors.

– **Nomination Committee**

The nomination committee comprises two independent non-executive Directors, namely Mr. Ng Chi Keung MH and Mr. Cheng Yuk Wo and one executive Director, namely Mr. Ding Chung Keung, Vincent.

The primary objectives of the nomination committee are to review the size, structure and composition of the Board, identify suitably qualified individual for appointment to the Board, assess the independence of independent non-executive Directors and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

The nomination committee convened one meeting during the Year and reviewed structure, size and composition of the Board. The following table sets out the attendance of each member of the nomination committee at the nomination committee meeting held during the Year:

Name of Director	Attendance/No. of times of nomination committee meeting held
Mr. Ng Chi Keung MH *(Chairman)*	1/1
Mr. Cheng Yuk Wo	1/1
Mr. Ding Chung Keung, Vincent	1/1

BOARD COMMITTEES (continued)

– Corporate Governance Functions

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and continuous professional development of directors, the Company's policies and practices on compliance with legal and regulatory requirements, etc.

The Board held meetings from time to time whenever necessary. At least 14 days notice of regular Board meetings is given to all directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the directors to review the documents.

Minutes of every Board meeting are circulated to all directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary of the Company (the "Company Secretary") with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

AUDITOR'S REMUNERATION

During the Year, the Company has appointed Deloitte Touche Tohmatsu ("DTT") as the Company's external auditor. During the Year, the remuneration paid to DTT in relation to the audit and non-audit services are as follows:

	Fee paid HK$'000
Audit services	475
Non-audit services	515

– Director's Responsibilities in Respect of Financial Statements

The directors are responsible for overseeing the preparation of financial statements for each financial period with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. The Company's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that the judgment and estimates made are prudent and reasonable.

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

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of this annual report.

AUDITOR'S REMUNERATION (continued)

– **Internal Controls**

The Board acknowledges its responsibility in maintaining sound and effective internal control system for the Group to safeguard investments of the shareholders and the Company's assets. The system of internal controls aims to help achieving the Group's business objectives, safeguarding assets and maintaining proper accounting records for provision of reliable financial information. The design of the system is to provide reasonable, but not absolute, assurance against material misstatement in the financial statements or loss of assets and to manage rather than eliminate risks of failure when business objectives are being sought.

The management reviews the internal control system and evaluates its adequacy, effectiveness and compliance. It has reported to the audit committee from time to time during the Year, in conjunction with key findings identified by the external auditor, findings and actions or measures taken in addressing those internal controls. The audit committee in turn reports any material issues to the Board. The Board, also reviews plan and progress on continuous improvement work of the Company's internal control system on a periodic basis.

COMPANY SECRETARY

The Company Secretary, Ms. Li Yu Lian, Kelly has taken no less than 15 hours of relevant professional training during the Year.

COMMUNICATION WITH SHAREHOLDERS

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, various notices, announcements and circulars.

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its shareholders. The Company shall provide shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Articles and the Listing Rules. The information provided shall be reasonably necessary to enable shareholders to make an informed decision on the proposed resolution(s). At the 2014 AGM, separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including re-election of directors.

SHAREHOLDER'S RIGHTS

– **Procedures for shareholders to convene a general meeting**

Pursuant to Section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"), shareholder(s) representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company can make a request to call a general meeting.

The request:

(i) must state the general nature of the business to be dealt with at the general meeting;

(ii) may include the text of a resolution that may properly be moved and is intended to be moved at the general meeting;

SHAREHOLDER'S RIGHTS (continued)

(iii) may consist of several documents in like form;

(iv) may be sent in hard copy form (to the Company's registered office, which is situated at Unit 3901, 39/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong for the attention of the Company Secretary) or in electronic form (via email at kellyli@goldbondgroup.com); and

(v) must be authenticated by the person or persons making it.

Pursuant to Section 567 of the Companies Ordinance. Directors must call a general meeting within 21 days after the date on which they become subject to the requirement and the general meeting so called must be held on a date not more than 28 days after the date of the notice convening the general meeting.

Pursuant to Section 568 of the Companies Ordinance, if the Directors do not do so, the shareholders who requested the general meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a general meeting. The general meeting must be called for a date not more than 3 months after the date on which the Directors become subject to the requirement to call a general meeting. The Company must reimburse any reasonable expenses incurred by the shareholders requesting the general meeting by reason of the failure of the Directors duly to call the general meeting.

– **Procedures for shareholders to request circulation of resolution for annual general meeting ("AGM")**

Pursuant to Section 615 of the Companies Ordinance, shareholder(s) can make a request to circulate a notice of a resolution that may properly be moved and is intended to be moved at an AGM. The request must be made by:

(i) shareholder(s) representing at least 2.5% of the total voting rights of all shareholders who have a right to vote on the resolution at the AGM to which the request relates; or

(ii) at least 50 shareholders who have a right to vote on the resolution at the AGM to which the request relates.

The request:

(i) may be sent in hard copy form (to the Company's registered office, which is situated at Unit 3901, 39/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong for the attention of the Company Secretary) or in electronic form (via email at kellyli@goldbondgroup.com);

(ii) must identify the resolution of which notice is to be given;

(iii) must be authenticated by the person or persons making it; and

(iv) must be received by the Company not later than 6 weeks before the AGM to which the request relates or if later, the time at which notice is given of that AGM.

SHAREHOLDER'S RIGHTS (continued)

– **Procedures to Propose a Person for Election as a Director of the Company**

Pursuant to Article 119 of the Articles, no person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a shareholder (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the registered office of the Company. The minimum length of the period during which such notices are given shall be at least seven (7) days and the period for lodgement of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

– **Procedures for Sending Enquiries to the Board**

Shareholders may send written enquiries to the Company, for the attention of the Company Secretary, by email: kellyli@goldbondgroup.com, fax: (852) 2826 9289, or mail to the registered office of the Company.

Shareholders may also make enquiries with the Board at the general meetings of the Company.

INVESTOR RELATIONS

The Company maintains a website at http://www.irasia.com/listco/hk/goldbondgroup where information and updates on the list of directors and their roles and functions, constitutional documents, terms of reference of the Board committees, procedures for nomination of directors for election, announcements, circulars and reports released to the Stock Exchange and other information are posted. Information on the Company's designated website will be updated from time to time.

At the 2014 AGM, Shareholders passed a special resolution to dispense with the memorandum of association of the Company and to amend certain Articles so as to align them with some of the new provisions under the Companies Ordinance.

The Directors submit their report together with the audited consolidated financial statements of the Group for the Year.

PLACE OF INCORPORATION OF THE COMPANY AND PRINCIPAL ACTIVITIES OF THE GROUP

The Company is an investment holding company incorporated in Hong Kong. The principal activities and other particulars of its subsidiaries are set out in Note 35 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the Year and the state of the Group's and the Company's affairs as at 31 March 2015 are set out in the consolidated financial statements on pages 36 to 96.

The Directors recommend the payment of a final dividend in respect of the Year of HK1.5 cents (2014: HK1.5 cents) per share to the shareholders on the register of members of the Company on 4 September 2015, estimated to be approximately HK$41.18 million (2014: HK$41.18 million). The recommended final dividend will be voted by the shareholders of the Company at the 2015 AGM.

SEGMENT INFORMATION

The Group's revenue and profit from operating activities for the Year were derived from provision of financial services in China. Segment analysis is set out in Note 6 to the consolidated financial statements.

FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 3 of this annual report.

EQUIPMENT

Details of movements in equipment of the Group are set out in Note 15 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Movement during the Year in the reserves of the Group is set out in the consolidated statement of changes in equity on page 39 of this annual report and movement in the reserves of the Company is set out in Note 23 to the consolidated financial statements.

As at 31 March 2015, the Company had, before dividends, approximately HK$824.770 million (2014: HK$849.765 million) distributable reserves.

BANK BORROWING

Particulars of bank borrowing of the Group as at 31 March 2015 are set out in Note 20 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company during the Year are set out in Note 22 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the five largest customers of the Group, including the Group's joint venture, accounted for approximately 92% (2014: 87%) of the Group's revenue and the largest customer, being the Group's joint venture, accounted for approximately 70% (2014: 77%) of the Group's revenue.

Due to the nature of the activities of the Group, there is no major supplier contributed significantly in the Group's purchases.

RETIREMENT BENEFIT SCHEME

The Group operates a mandatory provident fund scheme. Particulars of which are set out in Note 33 to the consolidated financial statements.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2015, the Group had 33 staff located in both Hong Kong and China. The Group remunerates these employees based on their performance, experience and prevailing industry practices. Other benefits offered to these employees include medical insurance, retirement scheme and training subsidies. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.

SUBSIDIARIES

The name of every person who was a director of the Company's subsidiaries ("the Subsidiaries") during the Year and up to the date of the report and the principal activities of the Subsidiaries were disclosed below:

Name of the Subsidiary	Names of Directors	Principal Activities
Birdsong Management Limited	Perfect Honour Limited Solomon Glory Limited	Dormant
Expert Link Investments Limited	Wong Yu Lung, Charles Ding Chung Keung Wong, Michelle Yatyee Melvin Jitsumi Shiraki (resigned on 1 January 2015)	Investment holdings
Evergold Global Group Limited	Wong Yu Lung, Charles Ding Chung Keung	Investment holdings
Genuine Glory Investments Limited	Wong Yu Lung, Charles Wong, Michelle Yatyee	Provision of company secretarial service to the Group
Glorious Triumph Limited	Ding Chung Keung Wong, Emilie Hoi Yan	Investment holdings
Gold Magic Global Limited	Wong Yu Lung, Charles Ding Chung Keung	Investment holdings
Goldbond Investment Group Limited	Wong Yu Lung, Charles Ding Chung Keung	Investment holdings

SUBSIDIARIES (continued)

Name of the Subsidiary	Names of Directors	Principal Activities
Goldbond Investments Group Holdings Limited	Wong Yu Lung, Charles Ding Chung Keung	Investment holdings
Golden Amour Limited	Ding Chung Keung Wong, Emilie Hoi Yan Chiu, Lo	Investment holdings
Perfect Honour Limited	Ding Chung Keung Wong, Emilie Hoi Yan	Investment holdings
Regal Dragon Investment Limited	Ding Chung Keung Wong, Emilie Hoi Yan Chiu, Lo	Investment holdings
Royal Fortune Investment Limited	Ding Chung Keung Wong, Emilie Hoi Yan	Investment holdings
Solomon Glory Limited	Ding Chung Keung Wong, Emilie Hoi Yan Li Yu Lian, Kelly	Provision of financing service
Jiangsu Goldbond Factoring Co. Ltd. * 江蘇金榜商業保理有限公司	Ding Chung Keung Wong, Emilie Hoi Yan Zhao Jiong	Provision of factoring service
Nanjing Excellent Link Consultancy Co. Ltd. * 南京卓領信息諮詢有限公司	Wong, Charles Yu Lung Ding Chung Keung Wong, Emilie Hoi Yan	Provision of management service
Yancheng Goldbond Technology Small Loan Company Limited * 鹽城市金榜科技小額貸款有限公司	Wong, Charles Yu Lung Ding Chung Keung Wong, Emilie Hoi Yan	Provision of financing service

* English translated name is for identification purpose only.

BUSINESS REVIEW

BUSINESS OVERVIEW

The Group principally engages in the provision of non-bank financial services to SMEs in China. The Group together with its joint ventures offer wide spectrum of services including financing, financial leasing and factoring services.

Financing

– Small loan financing

In view of the large demand for financing channels from SMEs, the Group established a small loan lending platform in Yancheng. The Group had a competitive advantage in both operational scale and flexibility to cater different financing needs of SMEs, as the approved registered capital of our operating entity, which directly related to the total capital available for granting loans and the maximum size of individual loan, amounted to US$30 million.

The comprehensive products range and transparent and efficient loan approval process appeal to SMEs. However, due to continuingly sluggish macro-economy, SMEs in Yancheng continued to face constant pressure from deteriorating business environments, insufficient market demands, intensified competitions and difficult financing situations. Coupled with high capital leverage, some of the SMEs became vulnerable to external economic fluctuations. In view of the changes in external environment, the Group timely adjusted its operating strategy. Over the past one year, the Group prudently promoted the small loan financing business among high quality customers for stable return and ensure that the newly released loans were effectively safeguarded. As a result, the average interest rate of our loan portfolio and the revenue from the small loan financing business decreased. The income from small loan financing for the Year was HK$8.5 million, and representing a decrease of 44% from previous year.

– Loan to Rongzhong Group Limited ("Rongzhong Group")

The Group granted a revolving loan facility to Rongzhong Group for the development of its financing service business in China and details of the loan were disclosed in the circular of the Company dated 23 September 2011. As at 31 March 2015, the loan to Rongzhong Group with carrying value of HK$510.6 million (2014: HK$466.6 million), bearing a fixed interest rate of 5% per annum, was unsecured. The interest income realised from the loans was HK$47.0 million, slightly decreased by HK$2.3 million compared with that of the year ending 31 March 2014.

– Interests in joint ventures: Rongzhong Group

Rongzhong Group and its subsidiaries ("Rongzhong Group Companies") engage principally in the business of financing, loan guarantee and financial consulting services in China. With business operation for more than one decade, Rongzhong Group Companies have developed strong and cohesive business relationship with numerous SMEs and banks in China. Rongzhong Group Companies achieved healthy growth in its results with the increase in revenue. The revenue and profit of Rongzhong Group Companies for the Year was HK$824.1 million and HK$237.7 million, respectively (2014: HK$558.7 million and HK$89.0 million, respectively). The share of profit of Rongzhong Group for the Year was HK$92.3 million, representing an increase of HK$64.1 million or 228% from previous year.

BUSINESS REVIEW (continued)

BUSINESS OVERVIEW (continued)

Financial leasing

– Interests in joint ventures: Rongzhong Capital Holdings Limited ("Rongzhong Capital")

Rongzhong Capital and its subsidiaries ("Rongzhong Capital Group") engage in the business of provision of financial leasing services, such as direct leasing, sales and leaseback, leveraged leasing, lease with buy-back undertaking and other related consultancy services to SMEs over various provinces and cities in China.

In June 2013, our equity interest in Rongzhong Capital was diluted to approximately 47.94% as a result of by Rongzhong Capital's issuance of new shares to key management. Rongzhong Capital was then accounted for as a joint venture using equity method in the consolidated financial statements and its performance was separately disclosed in the notes to the consolidated financial statements.

The revenue and profit of Rongzhong Capital Group for the Year was HK$226.9 million and HK$65.6 million, respectively (corresponding year from the date of Completion (as defined below) to 31 March 2014: HK$169.3 million and HK$51.8 million, respectively). As a result, we shared HK$31.4 million (corresponding year from the date of Completion to 31 March 2014: HK$24.8 million) of the profit of Rongzhong Capital for the Year.

Rongzhong Capital is considering the possibility of a potential capital markets/fund raising exercise.

Factoring

During the Year, we established our factoring headquarters in Nanjing, Jiangsu Province, China with the approval from Ministry of Commerce of China. The operating vehicle, with registered capital of RMB50 million, is authorised to offer factoring and related advisory services in all parts of China. During the Year, the factoring service segment achieved satisfactory growth, recorded total advances provided to customers of HK$151.9 million as at 31 March 2015 and realised revenue of HK$11.8 million, accounted for 18% of the total revenue. The revenue source of the Group became more diversified and the Group has stronger capability to resist fluctuation in single product market.

FINANCIAL REVIEW

Revenue

The Group realised revenue for the Year of HK$67.3 million, representing a growth of 5% from HK$64.3 million as recorded in the previous year. The income from the financing segment was HK$55.5 million, accounted from 82% of the total revenue, and representing a decrease of 14% from previous year. This was mainly due to the Group prudently promoting lower margin loans among high quality customers for stable return and better safeguard of asset as the China economy slows down. During the Year, the Group proactively promoted factoring business and realised revenue of HK$11.8 million for the Year, accounted for 18% of the total revenue.

Staff costs

Staff costs of the Group amounted to HK$28.1 million, which decreased by HK$0.5 million or 2% compared to previous year. Such decrease is mainly attributable to the decrease in the performance related bonuses, which was partially offset by the increase in the headcount of full-time staffs.

BUSINESS REVIEW (continued)

FINANCIAL REVIEW (continued)

Other operating expenses

Other operating expenses were HK$29.9 million, which increased by HK$3.3 million or 13% compared to previous year. The increase in other operating expenses was mainly due to (i) the increase in provision for bad debts of HK$5.4 million and (ii) the increase in office expenses resulting from establishment of factoring headquarters (rental expenses and depreciation expenses of office equipment the Group for the Year amounted to HK$4.8 million, representing an increase of HK$1.4 million from previous year), which was partially offset by the decrease in exchange loss arising on the translation of non-Renminbi denominated net asset.

– Impairment loss on advances provided to customers

The impairment on advances provided to customers of the Group was HK$18.3 million, which increased by HK$5.4 million or 42% from the previous year. This was primarily due to some of the debtors default or delinquency in interest or principal payments which indicating that there is a measurable decrease in the estimated future cash flows.

Direct finance costs

Direct finance costs were HK$2.0 million, which represented the interest expenses for bank loans raised for the factoring business.

Share of profit of joint ventures

Share of profit composed of share of profit of the Company's 47.94% owned joint venture – Rongzhong Capital and 40% owned joint venture – Rongzhong Group. Share of profit of joint ventures for the Year amounted to HK$123.8 million, representing a growth of 133% from HK$53.0 million as recorded in the previous year.

Profit for the year from discontinued operations

On 21 June 2013, Rongzhong Capital completed an issuance of new shares to its key management ("Completion"), details of which were set out in the circular of the Company dated 24 May 2013. Upon Completion, the Company's equity interest in Rongzhong Capital was reduced to approximately 47.94%, and Rongzhong Capital ceased to be a subsidiary of the Company. The consolidated financial results and position of Rongzhong Capital Group were deconsolidated from, and then accounted for as a joint venture using equity method in the consolidated financial statements of the Group thereafter.

As a result of the share issuance, the Group recognised a non-recurring profit from discontinued operations of HK$47.2 million for the year ended 31 March 2014, which composed of profit from financial leasing and financing operations of Rongzhong Capital Group prior to the date of Completion of HK$18.4 million and gain on deemed disposal of subsidiaries of HK$28.8 million.

Profit for the year attributable to the owners of the company

Based on the above discussion and analysis, together with a negative financial impact on the change in fair value of financial liabilities arising from shareholders' agreements of joint ventures of HK$27.8 million (2014: HK$10.0 million), profit for the Year attributable to the owners of the Company was HK$118.2 million, which decreased by HK$17.5 million or 13% from the previous year. Excluding the effect of last year's reversal of impairment loss on loans receivable of HK$29.3 million and non-recurring gain on deemed disposal of subsidiaries of HK$28.8 million, profit for the Year attributable to the owners of the Company increased by HK$40.6 million or 52%, reflecting a good improvement in performance of the Group.

BUSINESS REVIEW (continued)

FINANCIAL REVIEW (continued)

Liquidity, financial resources and capital structure

The Group always maintains healthy liquid position and sufficient capital for business development. The Group generally financed its operations through its internal resources and bank facilities provided by banks. As at 31 March 2015, the aggregate sum of cash, bank balances and short term bank deposits amounted to HK$320.9 million (2014: HK$514.9 million). The working capital (current assets less current liabilities) and the total equity of the Group were HK$700.6 million (2014: HK$597.9 million) and HK$2,333.3 million (2014: HK$2,252.3 million) respectively.

As at 31 March 2015, the Group's short-term bank borrowing was HK$32.3 million (2014: nil), which was mainly used to support the expansion of the factoring service business in China. It carried fixed interest rate of 6% per annum. The bank borrowing was denominated in Renminbi which was the functional currency of the relevant operating entity. The Group has not entered into any hedging instruments to reduce interest rate risk exposure.

Charges on group assets

As at 31 March 2015, there was no charge on the Group's assets.

Contingent liabilities

The Company had given a guarantee to 47.94% for the loan facilities granted by a bank to a joint venture of the Group. As at 31 March 2015, the banking facilities utilised by the relevant joint venture amounted to RMB45.2 million (equivalent to approximately HK$57.2 million), which decreased by RMB37.4 million (equivalent to approximately HK$47.3 million) from previous year due to partial repayment.

PRINCIPAL RISKS AND UNCERTAINTIES

Business risk

(i) Funding cost and interest income

The Group and our joint ventures principally engage in the provision of non-bank financial services to SMEs in China. The revenue, funding cost and financial condition are linked with the deposit and lending interest rates set by the People's Bank of China ("PBOC Benchmark Rate").

PBOC Benchmark Rate may fluctuate due to changes in the government's monetary policy. The financing business is subject to a restriction that the interest rates charged cannot exceed four times the PBOC Benchmark Rate. If we have to reduce the interest rates to reflect the decrease of the PBOC Benchmark Rate, the revenue of the financing business may decline.

In addition, if there is a change in lending interest rate and the Group and our joint ventures are unable to timely adjust the interest rate charged to the customers, the earnings and financial conditions of the Group and our joint ventures may be negatively affected because of the narrowing interest rate spread.

(ii) Credit Risk of SMEs in China

Credit risk refers to the risk that a customer may default on the repayment of any outstanding loan balance. Our SMEs customers generally have fewer financial resources in terms of capital or borrowing capacity than larger entities and may have fewer financial resources to weather a downturn in the economy. Such customers expose the Group and our joint ventures to greater credit risks than lenders lending to larger, better-capitalised businesses. If, in a subsequent period, conditions such as inflation, economic downturn, policy change, adjustment of industrial structure and other factors affects the repayment status of the customers and the estimation of future cash flows of the loans, a loss may arise.

BUSINESS REVIEW (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Business risk (continued)

(ii) Credit Risk of SMEs in China (continued)

For the secured loans, the value of collateral may fluctuate and decline. In addition, the procedures for realising the value of collateral of customers in China may be protracted or ultimately unsuccessful, and the enforcement process in China may be difficult for legal and practical reasons. Management may update the assumptions used in estimating the cash flows of the loans in the regular review and the loss estimates may be revised in subsequent period.

(iii) Exposure to fluctuations in exchange rates

The Group reports its operating result in Hong Kong dollar but major operations of the Group are carried out in China, transacted and recorded in Renminbi with some monetary assets and liabilities denominated in other foreign currencies. The Group is, thus, exposed to the fluctuation in exchange rates between Renminbi, Hong Kong dollar and other currencies. At present, the Group has not entered into any hedging or other instrument to reduce currency risks. However, the management will closely monitor the Group's exposure to the fluctuation of exchange rates and take appropriate measures as necessary to minimise any adverse impact that may be caused by such fluctuation.

Risk Associated with Financial Instruments of the Group

There are certain risks associated with the financial instruments of the Group. Details of the risks policies on how to mitigate these risks are set out Note 27 to the consolidated financial statements.

Key Sources of Estimation Uncertainty

Details of the key sources of estimation uncertainty as at 31 March 2015 are set out in Note 4 to the consolidated financial statements.

EVENT AFTER THE REPORTING PERIOD

Details of the event after the reporting period are set out in Note 36 to the consolidated financial statements.

FUTURE DEVELOPMENT OF THE BUSINESS

In the year to come, China's economic growth is likely to decelerate from its high pace as a result of implementation of reform measures. Certain SMEs will continue to face pressure on liquidity with the tightening of credit policies by suppliers and difficulties in collecting receivables. However, the benefits of reform measures are likely to emerge in the future, and provide business opportunities for the SMEs in a more stable and healthy environment. With opportunities and challenges, the Group will strive to enhance asset security, financial service capability and resources allocation capability in order to improve profitability, facilitate healthy development of the Group and create greater value for all shareholders.

As the global economy continues to improve, especially in the more developed countries like the United States of America, the Company intends to establish and participate in a real estate fund so as to capture and benefit from the opportunities in the recovering real estate markets in those countries. Apart from solely investing into the real estate fund, the Company also intends to hold a significant interest in the manager of the fund in order to ensure proper implementation of the investment strategies and benefit from the long term economic interest generated (by way of management fees and performance fees) by, and equity value created in respect of, the manager in the event that the fund continues to generate favorable returns.

BUSINESS REVIEW (continued)

FUTURE DEVELOPMENT OF THE BUSINESS (continued)

The Company believes that by participating in the fund and holding a significant interest in the manager of the fund, the Company could diversify its profit stream, take advantage of real estate growth opportunities in geographically diverse developed economies with satisfactory capital gain and/or income producing potential, optimise the treasury, broaden its investment scope, and further enhance its strategic position.

KEY FINANCIAL RATIO

Net asset value per share

	2015	2014
Net asset value per share (HK cents)	**85.0**	82.1

Our net asset value per share increased from 2014 to 2015 mainly as a result of the continued growth of our business and profit.

Gearing ratio

	2015	2014
Gearing Ratio[1]	**1.4%**	–

[1] Gearing Ratio = total bank borrowings/total equity

During the Year, the Group made use of capital leverage for our factoring operations while at the same time closely managed the Group's gearing ratio to avoid potential liquidity risk. As at 31 March 2015, the gearing ratio, which was maintained at a healthy level of 1.4%.

CORPORATE SOCIAL RESPONSIBILITY

Workplace Quality

Staff is the valuable wealth of the Company and the foundation for the development of the Company and we treat our staff with fairness and respect. The Company will employ staff with strict compliance with the laws and will never harm the interests of employees. Meanwhile, the Company also pays close attention to the interests of staff and creates favorable working environment for them to realise their full potential, contribute to the Company and achieve good development.

The Company adheres to the principle to put efficiency as top priority while giving consideration to fairness and equality, and builds a compensation system which links compensation with position, capability and performance.

In accordance with the requirements of the laws in Hong Kong and the PRC, regulations and related policies, the Company provides and maintains statutory benefits for its staff, including but not limited to mandatory provident fund, basic medical insurance, work injury insurance, etc. Staff is entitled to day-off on public holidays, wedding leave, funeral leave and maternity leave.

For years, the Group supports our staff to continuously enhance their professional development by enrolling training courses/seminars so as to upgrade their technical and practical know-how.

BUSINESS REVIEW (continued)

CORPORATE SOCIAL RESPONSIBILITY (continued)

Environmental Protection

The Company aims to minimize the impact of our activities on the environment and will remind our staff to adhere the same policy. Although the quantities of our corporate documents or information in hard copy form to be sent to the members of the Company are not large (around one thousands two hundred copies every time), we have started to use environmentally friendly paper to print some documents (including the annual report) recently.

Operating Practices

The Company's whistle-blowing policy provides staff with the proper procedures and a safe environment to report existing or perceived violations and wrongdoings. During the Year, we received no reports under the whistle-blowing policy.

Social Philanthropy

During the Year, the Group promotes the practices of being graceful and repaying back to society. Since 2013, the Group set up a caring team consist of our staffs in Hong Kong to join the Walk for Diabetes organized by the Diabetes Hongkong. During the Year, the Group continuously encouraged our staffs in Hong Kong to join and/or donate to the Walk for Diabetes 2014 held on 9 November 2014. According to the Diabetes Hongkong, the fund raised from this event would be used to serve people with diabetes and to promote diabetes awareness and prevention.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has adopted internal control to monitor the on-going compliance with relevant laws and regulations.

Small loan industry

A small loan company shall comply with requirements in the regulatory policies when operating its business. Key capital requirements and lending restrictions applicable to the small loan company of the Group are listed as follows:

– the funds obtained by a small loan company from banking financial institutions may not exceed 50% of its net capital;

– a small loan company shall not engage in any form of illegal fund-raising;

– the balance of loans of a single borrower may not exceed 5% of the net capital of a small loan company;

– each of loans shall not be granted at an interest rate exceeding four times the PBOC Benchmark Rate; and

– a small loan company shall not operate beyond its authorised region.

BUSINESS REVIEW (continued)

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS (continued)

Factoring industry

A factoring company shall comply with requirements in the regulatory policies when operating its business. Key capital requirements and lending restrictions applicable to the factoring company of the Group are listed as follows:

– a factoring company shall not engage in any form of illegal fund-raising; and

– each of loans shall not be granted at an interest rate exceeding four times the PBOC Benchmark Rate.

During the Year, the operating entity engaged in small loan business and factoring business had complied with the above key statutory capital requirements and lending restrictions.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that the directors and senior management are instrumental to the success of the Group and that their industry knowledge and understanding of the market will enable the Group to maintain the competitiveness in the market. Therefore, a new share option scheme was adopted for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operation.

The Group places effort to build up and maintain good relationships with various commercial banks and financial institutions as the businesses of the Group are capital intensive nature and require on-going funding to maintain continuous growth.

The Group maintains good relationships with existing and potential customers as understanding of the market trends and the diverse needs and requirement of the SMEs would enable the Group to monitor and review the credit quality of the customers, solicit returned customers and timely adjust its operating strategies, which are crucial to the development and success of the Group.

DIRECTORS AND SERVICE CONTRACTS

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

Executive Directors

Mr. Wang Jun
Mr. Wong Yu Lung, Charles
Mr. Ding Chung Keung, Vincent
Ms. Wong, Michelle Yatyee
Mr. Melvin Jitsumi Shiraki (resigned on 1 January 2015)

Independent Non-Executive Directors

Mr. Ma Ho Fai SBS JP
Mr. Cheng Yuk Wo
Mr. Ng Chi Keung MH

Pursuant to Articles 117 and 118 of the Articles, Messrs. Wong Yu Lung, Charles, Cheng Yuk Wo and Ng Chi Keung MH shall retire from the Board at the forthcoming annual general meeting (the "2015 AGM"). All retiring Directors, being eligible, offer themselves for re-election at the 2015 AGM. Details of the retiring Directors standing for re-election are set out in the circular to the Company's shareholders sent together with this report.

No Director being proposed for re-election at the 2015 AGM has a service contract with the Company or any of its subsidiaries which are not determinable by the Group within one year without payment of compensation other than normal statutory obligations.

BIOGRAPHICAL DETAILS OF DIRECTORS

Brief biographical details of the Directors are set out on pages 5 to 6 of this annual report.

DIRECTORS' REMUNERATION

Particulars of the Directors' remuneration are set out in Note 10 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 31 March 2015, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("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 recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Long positions in shares ("Shares")/underlying Shares of the Company

		Number of Shares/underlying Shares				
Name of Director	Capacity	Personal Interest	Corporate Interest	Other Interest	Total	Approximate % of Shareholding
Mr. Wong Yu Lung, Charles ("Mr. Wong")	Beneficial owner, founder & trustee of a discretionary trust	103,000,000 (Note 1)	–	855,808,725 (Note 2)	958,808,725	34.93%
Ms. Wong, Michelle Yatyee ("Ms. Michelle Wong")	Beneficial owner, interest of controlled corporations & beneficiary of a trust	13,000,000 (Note 3)	715,846,792 (Note 4)	855,808,725 (Note 2)	1,584,655,517	57.73%
Mr. Wang Jun ("Mr. Wang")	Beneficial owner & interest of controlled corporations	25,000,000 (Notes 5)	101,251,300 (Note 6)	–	126,251,300	4.60%
Mr. Ding Chung Keung ("Mr. Ding")	Beneficial owner	124,230,000 (Note 7)	–	–	124,230,000	4.53%
Mr. Ma Ho Fai SBS JP ("Mr. Ma")	Beneficial owner	2,700,000 (Note 8)	–	–	2,700,000	0.10%
Mr. Cheng Yuk Wo ("Mr. Cheng")	Beneficial owner	4,200,000 (Note 9)	–	–	4,200,000	0.15%
Mr. Ng Chi Keung MH ("Mr. Ng")	Beneficial owner	2,600,000 (Note 10)	–	–	2,600,000	0.09%

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS (continued)

Notes:

1. Such interests are underlying Shares derived from share options granted to Mr. Wong under the 2002 Scheme and the 2012 Scheme (as defined under the paragraph "SHARE OPTION SCHEMES" on page 32 of this report).

2. The two references to 855,808,725 Shares relate to the same block of Shares held by Allied Luck Trading Limited ("Allied Luck"). Mr. Wong and his spouse, Mrs. Wong Fang Pik Chun ("Mrs. Wong"), are the settlors and the trustees of a discretionary trust (the "Trust") and the property of the Trust includes the issued shares of Allied Luck. The discretionary beneficiaries of the Trust are Ms. Michelle Wong and Miss Wong, Jacqueline Yue Yee ("Miss Jacqueline Wong"), together with, in certain circumstances, their issue. By virtue of the above, both Mr. Wong and Ms. Michelle Wong are taken to have a duty of disclosure in relation to these Shares held by Allied Luck under the SFO as Directors of the Company.

3. Such interests are underlying Shares derived from share options granted to Ms. Michelle Wong under the 2002 Scheme.

4. Such Shares are held by Ace Solomon Investments Limited, which was owned as to 50% by Aceyork Investment Limited (a company wholly-owned by Ms. Michelle Wong) and as to 50% by Allied Golden Investment Limited (a company wholly owned by Miss Jacqueline Wong). By virtue of the above, Ms. Michelle Wong is taken to have a duty of disclosure in relation to the said Shares under the SFO.

5. Such interests are underlying Shares derived from share options granted to Mr. Wang under the 2002 Scheme.

6. Such Shares are held by a company of which Mr. Wang is interested in the entire issued share capital.

7. Such interests include 21,230,000 Shares and 103,000,000 underlying Shares derived from share options granted to Mr. Ding under the 2002 Scheme and the 2012 Scheme.

8. Such interests include 1,200,000 Shares and 1,500,000 underlying Shares derived from share options granted to Mr. Ma under the 2002 Scheme.

9. Such interests are underlying Shares derived from share options granted to Mr. Cheng under the 2002 Scheme.

10. Such interests are underlying Shares derived from share options granted to Mr. Ng under the 2012 Scheme.

Save as disclosed above, as at 31 March 2015, none of the Directors or chief executive of the Company or any of their respective associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to any Director or chief executive of the Company, as at 31 March 2015, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the Shares/underlying Shares of the Company

Name of substantial shareholder	Capacity	Number of Shares/ underlying Shares	Total	Approximate % of Shareholding
Mrs. Wong	(i) Interest of spouse	103,000,000 (Note 1)		
	(ii) Trustee	855,808,725 (Note 2)		
			958,808,725	34.93%
Miss Jacqueline Wong	(i) Interest in controlled corporation	715,846,792 (Note 3)		
	(ii) Beneficiary of a trust	855,808,725 (Note 2)		
			1,571,655,517	57.25%
Mr. Kwok Wing-Sien ("Mr. Kwok")	Interest of spouse	1,584,655,517 (Note 4)		57.73%
Allied Luck Trading Limited ("Allied Luck")	Beneficial owner	855,808,725 (Note 2)		31.18%
Ace Solomon Investments Limited ("Ace Solomon")	Beneficial owner	715,846,792 (Note 3)		26.08%
Aceyork Investment Limited ("Aceyork")	Interest in controlled corporation	715,846,792 (Note 3)		26.08%
Allied Golden Investment Limited ("Allied Golden")	Interest in controlled corporation	715,846,792 (Note 3)		26.08%

Notes:

1. Mrs. Wong is deemed to be interested in these underlying Shares held by Mr. Wong, her spouse, for the purpose of the SFO.

2. The three references to 855,808,725 Shares relate to the same block of Shares held by Allied Luck. Please refer to Note 2 on page 29 of this report for further details. By virtue of the above, both Mrs. Wong and Miss Jacqueline Wong are taken to have a duty of disclosure in relation to these Shares held by Allied Luck.

3. The four references to 715,846,792 Shares relate to the same block of Shares held by Ace Solomon. Please refer to Note 4 on page 29 of this report for further details. By virtue of the above, Miss Jacqueline Wong, Aceyork and Allied Golden are taken to have a duty of disclosure in relation to these Shares held by Ace Solomon.

4. Mr. Kwok is deemed to be interested in these Shares/underlying Shares held by Ms. Michelle Wong, his spouse, for the purpose of the SFO.

Save as disclosed above, as at 31 March 2015, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

CONTINUING CONNECTED TRANSACTION

The Group had the following continuing connected transaction ("CCT") which was subject to annual review requirement during the Year pursuant to Chapter 14A of the Listing Rules:

On 19 April 2013, the Company, as tenant, and Wah Link Investments Limited ("Wah Link"), as landlord, executed a tenancy agreement whereby the Company agreed to lease certain areas located at Unit 1901 and portion of Units 1902-3, 19th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong (the "Lease") for a term of three years commencing from 1 May 2013 at a monthly rental of HK$219,009 (exclusive of management fees, rate, government rent and operating expenses).

Wah Link is wholly owned by a discretionary trust whereby Mr. Wong is a member of the board of trustees of the discretionary trust and the discretionary beneficiaries of such trust are Ms. Michelle Wong and Miss Jacqueline Wong, together with, in certain circumstances, their issue. As Wah Link is regarded as a connected person of the Company according to the Listing Rules, the Lease constituted a continuing connected transaction for the Company. Details of which were announced on 19 April 2013.

The above CCT had been reviewed by the independent non-executive Directors who had confirmed that it was entered into:

(a) in the ordinary and usual course of business of the Company;

(b) on normal commercial terms; and

(c) in accordance with the agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The external auditor of the Company had also confirmed in writing that the above CCT:

(a) has received the approval of the Board;

(b) has been entered into in accordance with the agreement governing the transaction; and

(c) has not exceeded the cap disclosed in the relevant announcement.

The above CCT has been ceased on 31 January 2015 for the Company changed its registered office to Unit 3901, 39/F., Tower One, Lippo Centre, 89 Queensway, Hong Kong on 23 January 2015.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in Note 34 to the consolidated financial statements. Other than the transaction disclosed in the section headed "Continuing Connected Transaction" above, none constitutes a discloseable connected transaction as defined under the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed under the paragraph headed "Continuing Connected Transaction" and in Note 34 to the consolidated financial statements in connection with the related party transactions, no contracts of significance in relation to the Group's business to which the Company and any of its subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly subsisted at the year-end or at any time during the Year.

SHARE OPTION SCHEMES

On 31 August 2012, the Company terminated the old share option scheme (the "2002 Scheme") which was adopted on 18 September 2002, and adopted a new share option scheme (the "2012 Scheme") on the same date with similar terms for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. No further share options will be granted under the 2002 Scheme, but the provisions of the 2002 Scheme remain in full force and effect to the extent necessary to give effect to the exercise of the share options (to the extent not already exercised) granted prior to its termination.

Details of the movements of share options under the 2002 Scheme during the Year were as follows:

Grantee	Date of grant	Exercise price (HK$)	Exercise period (Note 2)	Outstanding at 31/3/14	Lapsed during the Year	Outstanding at 31/3/15
Directors						
Mr. Wang	17/8/2007	1.014	17/8/2010 – 16/8/2017	25,000,000	–	25,000,000
Mr. Wong	17/8/2007	1.014	17/8/2010 – 16/8/2017	25,000,000	–	25,000,000
	13/10/2009	0.500	13/10/2012 – 12/10/2019	26,000,000	–	26,000,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	26,000,000	–	26,000,000
Mr. Ding	17/8/2007	1.014	17/8/2010 – 16/8/2017	25,000,000	–	25,000,000
	13/10/2009	0.500	13/10/2012 – 12/10/2019	26,000,000	–	26,000,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	26,000,000	–	26,000,000
Ms. Michelle Wong	1/2/2011	0.410	1/2/2014 – 31/1/2021	13,000,000	–	13,000,000
Mr. Ma	1/2/2011	0.410	1/2/2014 – 31/1/2021	1,500,000	–	1,500,000
Mr. Cheng	23/5/2008	0.692	23/5/2011 – 22/5/2018	1,600,000	–	1,600,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	2,600,000	–	2,600,000
Mr. Melvin Jitsumi Shiraki (resigned on 1/1/2015)	1/2/2011	0.410	1/2/2014 – 31/1/2021	1,500,000	(1,500,000)	–
Eligible employees						
(in aggregate)	29/3/2007	0.256	29/3/2010 – 28/3/2017	16,000,000	–	16,000,000
	17/8/2007	1.014	17/8/2010 – 16/8/2017	15,300,000	–	15,300,000
	23/5/2008	0.692	23/5/2011 – 22/5/2018	3,000,000	–	3,000,000
	13/3/2009	0.360	13/9/2011 – 12/3/2019	1,000,000	–	1,000,000
	13/3/2009	0.360	13/3/2012 – 12/3/2019	1,900,000	–	1,900,000
	13/10/2009	0.500	13/10/2012 – 12/10/2019	250,000	–	250,000
	1/2/2011	0.410	1/2/2014 – 31/1/2021	12,750,000	(1,500,000)	11,250,000
				249,400,000	(3,000,000)	246,400,000

SHARE OPTION SCHEMES (continued)

Details of the movements of share options under the 2012 Scheme during the Year were as follows:

Grantee	Date of grant	Exercise price (HK$)	Exercise period (Note 2)	Outstanding at 31/3/14	Granted during the Year	Lapsed during the Year	Outstanding at 31/3/15
Director							
Mr. Wong	14/10/2014	0.360	14/10/2016 – 13/10/2024	–	26,000,000	–	26,000,000
Mr. Ding	14/10/2014	0.360	14/10/2016 – 13/10/2024	–	26,000,000	–	26,000,000
Mr. Ng	28/6/2013	0.295	28/6/2015 – 27/6/2023	2,600,000	–	–	2,600,000
Eligible employees (in aggregate)	28/6/2013	0.295	28/6/2015 – 27/6/2023	28,800,000	–	(1,500,000)	27,300,000
	14/10/2014	0.360	14/10/2016 – 13/10/2024	–	40,000,000	–	40,000,000
				31,400,000	92,000,000	(1,500,000)	121,900,000

Notes:

1. During the Year, no share options were granted, exercised or cancelled under the 2002 Scheme and no share options were exercised or cancelled under the 2012 Scheme; and

2. The vesting period of the share options is from the date of grant until the commencement of the exercise period.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the Year, save for the share options which were outstanding under the 2002 Scheme and the 2012 Scheme disclosed in this annual report.

CHANGE IN INFORMATION OF DIRECTORS

Save as listed below, up to the date of this annual report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

Name of Director	Details of change
Ms. Michelle Wong	Monthly remuneration revised to HK$90,000 with effect from 1 February 2015

DIRECTORS' INDEMNITIES AND INSURANCE

In accordance with Article 162, subject to the Companies Ordinance, but without prejudice to any indemnity to which a Director may otherwise be entitled, the Managing Directors, Directors, auditors, secretary and other officers for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by them or any of them as the holder of any such office or appointment in defending any proceedings, whether civil or criminal, in which judgment is given in their favour or in which they are acquitted or in connection with any application under the Companies Ordinance in which relief is granted by the Court.

Also, the Directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company complied with CG Code as set out in Appendix 14 to the Listing Rules during the Year, except for the following deviation:

Pursuant to Code E.1.2 of the CG Code, the Chairman should attend the annual general meetings of the Company. Mr. Wang, the Company's Chairman, was unable to attend the 2014 AGM due to other prior business engagement.

Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in this annual report.

CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transaction by the Directors. Having made specific enquiry, all Directors confirmed that they fully complied with the Model Code throughout the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there is sufficient public float of more than 25% of the Shares in the market as required under the Listing Rules.

AUDITOR

Messrs. Deloitte Touche Tohmatsu retire and, being eligible, offer themselves for re-appointment at the 2015 AGM. A resolution will be submitted to the 2015 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Wong Yu Lung, Charles
Deputy Chairman

Hong Kong
17 June 2015

Deloitte.
德勤

TO THE MEMBERS OF GOLDBOND GROUP HOLDINGS LIMITED
金榜集團控股有限公司
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Goldbond Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 96, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and 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 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 and to report our opinion solely to you, as a body, in accordance with the Hong Kong Companies Ordinance, 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 judgment, 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 31 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 Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
17 June 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	NOTES	2015 HK$'000	2014 HK$'000
Continuing operations			
Revenue	5	**67,270**	64,346
Other income		**14,519**	15,907
Staff costs	9	**(28,115)**	(28,597)
Other operating expenses		**(29,879)**	(26,544)
Reversal of impairment loss on loans receivable	29	**–**	29,329
Change in fair values of financial liabilities	21, 27	**(27,750)**	(9,967)
Direct finance costs	7	**(2,000)**	–
Other finance costs	8	**(547)**	(476)
Share of profit of joint ventures	16	**123,753**	53,024
Profit before taxation	9	**117,251**	97,022
Taxation	11	**958**	663
Profit for the year from continuing operations		**118,209**	97,685
Discontinued operations			
Profit for the year from discontinued operations	12	**–**	47,188
Profit for the year		**118,209**	144,873
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Exchange differences arising on translation		**–**	28,726
Share of other comprehensive income of joint ventures	16	**–**	14,904
Other comprehensive income for the year		**–**	43,630
Total comprehensive income for the year		**118,209**	188,503
Profit for the year attributable to:			
Owners of the Company		**118,209**	135,668
Non-controlling interests		**–**	9,205
		118,209	144,873
Total comprehensive income for the year attributable to:			
Owners of the Company		**118,209**	173,625
Non-controlling interests		**–**	14,878
		118,209	188,503
Earnings per share	14		
From continuing and discontinued operations			
– Basic		**HK 4.31 cents**	HK 4.94 cents
– Diluted		**HK 4.29 cents**	HK 4.94 cents
From continuing operations			
– Basic		**HK 4.31 cents**	HK 3.56 cents
– Diluted		**HK 4.29 cents**	HK 3.55 cents

	NOTES	2015 HK$'000	2014 HK$'000
Non-current assets			
Equipment	15	**4,520**	3,101
Interests in joint ventures	16	**1,606,016**	1,482,263
Loan to a joint venture	16	**–**	466,588
Club debentures	17	**18,639**	18,639
Deferred tax asset	25	**7,780**	3,212
		1,636,955	1,973,803
Current assets			
Loan to a joint venture	16	**510,600**	–
Advances provided to customers	18	**269,887**	116,804
Prepayments, deposits and other receivables		**3,741**	5,001
Short term bank deposits	19		
– with original maturity within three months		**72,151**	229,578
– with original maturity more than three months		**240,415**	102,992
Bank balances and cash	19	**8,342**	182,308
		1,105,136	636,683
Current liabilities			
Other payables and accrued charges		**22,496**	34,569
Taxation		**2,758**	650
Bank borrowing	20	**32,278**	–
Liabilities under shareholders' agreements	21	**347,052**	3,606
		404,584	38,825
Net current assets		**700,552**	597,858
Total assets less current liabilities		**2,337,507**	2,571,661

Consolidated Statement of Financial Position

As at 31 March 2015

	NOTES	2015 HK$'000	2014 HK$'000
Capital and reserves			
Share capital	22	**822,433**	822,433
Reserves		**1,510,877**	1,429,882
Total equity		**2,333,310**	2,252,315
Non-current liabilities			
Liabilities under shareholders' agreements	21	**–**	315,696
Redeemable convertible preference shares	24	**4,197**	3,650
		4,197	319,346
		2,337,507	2,571,661

The consolidated financial statements on pages 36 to 96 were approved and authorised for issue by the Board of Directors on 17 June 2015 and are signed on its behalf by:

Wong Yu Lung, Charles
Director

Ding Chung Keung, Vincent
Director

	Attributable to owners of the Company											
	Share capital HK$'000	Share premium HK$'000	Investment revaluation reserve HK$'000	Employee share-based compensation reserve HK$'000	General reserve HK$'000	Capital reserve HK$'000	Statutory surplus reserve HK$'000 (Note)	Translation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2013	274,501	547,932	3,000	54,372	6,000	35,035	5,707	111,690	1,077,891	2,116,128	220,721	2,336,849
Exchange differences arising on translation	–	–	–	–	–	–	–	23,053	–	23,053	5,673	28,726
Share of other comprehensive income of joint ventures	–	–	–	–	–	–	–	14,904	–	14,904	–	14,904
Profit for the year	–	–	–	–	–	–	–	–	135,668	135,668	9,205	144,873
Total comprehensive income for the year	–	–	–	–	–	–	–	37,957	135,668	173,625	14,878	188,503
Dividends recognised as distribution (Note 13)	–	–	–	–	–	–	–	–	(41,175)	(41,175)	–	(41,175)
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance (Note 22)	547,932	(547,932)	–	–	–	–	–	–	–	–	–	–
Derecognised upon deemed disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	(235,599)	(235,599)
Realisation of reserve upon deemed disposal of subsidiaries	–	–	–	–	–	(35,035)	(5,707)	(6,093)	46,835	–	–	–
Realisation of reserve upon disposal of a subsidiary	–	–	–	–	–	–	–	(2,218)	2,218	–	–	–
Recognition of equity-settled share-based payments	–	–	–	3,737	–	–	–	–	–	3,737	–	3,737
Transferred to statutory surplus reserve	–	–	–	–	–	–	466	–	(466)	–	–	–
At 31 March 2014	822,433	–	3,000	58,109	6,000	–	466	141,336	1,220,971	2,252,315	–	2,252,315
Profit and total comprehensive income for the year	–	–	–	–	–	–	–	–	118,209	118,209	–	118,209
Dividends recognised as distribution (Note 13)	–	–	–	–	–	–	–	–	(41,175)	(41,175)	–	(41,175)
Lapse of share options	–	–	–	(413)	–	–	–	–	413	–	–	–
Recognition of equity-settled share-based payments	–	–	–	3,961	–	–	–	–	–	3,961	–	3,961
Transferred to statutory surplus reserve	–	–	–	–	–	–	356	–	(356)	–	–	–
At 31 March 2015	**822,433**	**–**	**3,000**	**61,657**	**6,000**	**–**	**822**	**141,336**	**1,298,062**	**2,333,310**	**–**	**2,333,310**

Note: Pursuant to the articles of association of the group companies established in the People's Republic of China ("China"), the group companies are required to appropriate 10% or an amount to be determined by the directors of their respective profits after taxation in accordance with the relevant accounting rules and financial regulations of China before any distribution of dividends to owners each year to the statutory surplus reserve until their balances reach 50% of their respective registered capital.

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
Operating activities		
Profit for the year	**118,209**	144,873
Adjustments for:		
Taxation	**(958)**	5,586
Depreciation of equipment	**1,352**	923
Equity-settled share-based payment expenses	**3,961**	3,737
Change in fair values of financial liabilities	**27,750**	9,967
Finance costs	**2,547**	25,394
Gain on disposal of equipment	**(380)**	(254)
Reversal of impairment loss on loans receivable	**–**	(29,329)
Impairment losses on advances provided to customers	**18,271**	12,847
Gain on deemed disposal of subsidiaries	**–**	(28,758)
Interest income from bank deposits	**(13,328)**	(15,392)
Share of profit of joint ventures	**(123,753)**	(53,024)
Effect of foreign exchange rate changes	**–**	3,227
Operating cash flows before movements in working capital	**33,671**	79,797
(Increase) decrease in loan to a joint venture	**(44,012)**	32,773
Increase in amount due from a joint venture	**–**	(1,305)
Increase in advances provided to customers	**(171,354)**	(129,651)
Decrease in finance leases receivable	**–**	31,901
Decrease (increase) in prepayments, deposits and other receivables	**1,260**	(2,454)
Decrease in security deposits	**–**	15,567
(Decrease) increase in other payables and accrued charges	**(12,073)**	9,642
Decrease in deferred income	**–**	(2,463)
Increase in deposits from finance lease customers	**–**	9,917
Cash (used in) generated from operations	**(192,508)**	43,724
Enterprise Income Tax paid in China	**(1,502)**	(6,814)
Net cash (used in) from operating activities	**(194,010)**	36,910

	NOTES	2015 HK$'000	2014 HK$'000
Investing activities			
Placement of short term bank deposits with original maturity more than three months		**(208,523)**	(34,599)
Release of short term bank deposits with original maturity more than three months		**71,100**	189,873
Interest received from bank deposits		**13,328**	15,392
Proceeds from disposal of equipment		**400**	254
Purchase of equipment		**(2,791)**	(2,304)
Net cash inflow from recovery of loans receivable	29	**–**	29,329
Net cash outflow from deemed disposal of subsidiaries	30	**–**	(10,164)
Net cash (used in) from investing activities		**(126,486)**	187,781
Financing activities			
Bank loans raised		**87,184**	41,728
Repayment of bank loans		**(54,906)**	(143,378)
Interest paid		**(2,000)**	(18,420)
Dividends paid	13	**(41,175)**	(41,175)
Net cash used in financing activities		**(10,897)**	(161,245)
Net (decrease) increase in cash and cash equivalents		**(331,393)**	63,446
Cash and cash equivalents at the beginning of the year		**411,886**	340,022
Effect of foreign exchange rate changes		**–**	8,418
Cash and cash equivalents at the end of the year		**80,493**	411,886
Analysis of balances of cash and cash equivalents			
Bank balances and cash		**8,342**	182,308
Short term bank deposits with original maturity within three months		**72,151**	229,578
		80,493	411,886

1. GENERAL

The Company is a public limited company incorporated in Hong Kong with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Unit 3901, 39/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

The Company is an investment holding company. The principal activity of the Group is provision of financial services.

The consolidated financial statements are presented in Hong Kong dollar while the functional currency of the Company is Renminbi ("RMB"). The reason for selecting Hong Kong dollar as the presentation currency is because the Company is a public company with its shares listed on the Stock Exchange, where most of its investors are located in Hong Kong.

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

Application of new and revised HKFRSs

In the current year, the Group has applied a number of revised HKFRSs and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are mandatorily effective for 2015 financial year end.

The application of the 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 these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[2]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[4]
Amendments to HKAS 1	Disclosure initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[4]
Amendments to HKAS 27	Equity method in separate financial statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 July 2014
4 Effective for annual periods beginning on or after 1 January 2016
5 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

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

HKFRS 15 Revenue from contracts with customers

In July 2014, HKFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue and the related Interpretations when it becomes effective.

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

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

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

The directors of the Company anticipate that the application of HKFRS 15 in the future will not have a material impact on the amounts reported and disclosures made in the consolidated financial statements.

The application of the other new and revised HKFRSs is not expected to have a material impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services.

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

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

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the proportionate share of net assets attributable to the non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

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

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

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture is included in the determination of the gain or loss on disposal of the joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that joint venture on the same basis as would be required if that joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in joint ventures (continued)

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

Revenue recognition

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

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

Handling fee income from factoring services is recognised when the relevant services have been rendered.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Equipment

Equipment is stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in term of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group entities are translated into the presentation currency of the Group (i.e. Hong Kong dollar) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

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

Retirement benefit costs

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Taxation

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

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated financial statements when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified into two categories: loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including advances provided to customers, loan to a joint venture, amounts due from subsidiaries, other receivables, deposits, short term bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses. (See accounting policy on impairment of financial assets below).

Available-for-sale financial assets

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

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see accounting policy on impairment of financial assets below).

Impairment of financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

For an available-for-sale investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

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

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

Individual impairment allowances are assessed by a discounted cash flow method for advances provided to customers that are individually significant and have objective evidence of impairment. The individual impairment allowances are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

For certain categories of financial asset, such as advance provided to customers, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of advances provided to customers, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When these financial assets are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset 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 which the impairment takes place.

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

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in the investment revaluation reserve. For available-for-sale debt investments, impairment loss are subsequently reversed through profit or loss if an increase in fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

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

Equity instruments

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

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.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at FVTPL when the financial liabilities are either held for trading or those designated at FVTPL on initial recognition. The Group classified call option as held for trading and designated other liabilities under shareholders' agreements as financial liabilities at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities at fair value through profit or loss (continued)

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

Financial liabilities

Financial liabilities include amounts due to subsidiaries, other payables and bank borrowing. These are subsequently measured at amortised cost, using the effective interest method.

Convertible notes containing liability and equity components

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the notes into equity, is included in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Convertible notes containing liability and equity components (continued)

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The equity component, representing by the option to convert the liability component into ordinary shares of the Company, will remain in the convertible notes reserve until the embedded option is exercised (in which case the balance stated in the convertible notes reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes reserve will be released to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

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

Redeemable convertible preference shares

Preference shares that are redeemable at the option of the holder are accounted for as described in the accounting policy for convertible notes.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

Derecognition

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (employee share-based compensation 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 estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share-based compensation reserve.

At the time when the share options are exercised, the amount previously recognised in the employee share-based compensation reserve will be transferred to share capital. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the employee share-based compensation reserve will be transferred to retained profits.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Estimated impairment of advances provided to customers

When there is objective evidence of impairment loss, the Group takes into consideration an estimation of future cash flows. The amount of the impairment loss is measured as 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 (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2015, the total carrying amount of advances provided to customers is HK$269,887,000 (2014: HK$116,804,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Fair value of liabilities under shareholders' agreements

The directors of the Company use their judgement in selecting an appropriate valuation technique for measuring liabilities under shareholders' agreements not quoted in an active market. Valuation technique of discounted cash flow analysis is used based on management's assumptions. In arriving at the expectation on the probability of the occurrence of the relevant triggering event, the Group have considered, amongst others (i) whether the financial performance and business operations of Rongzhong Group and/or Rongzhong Capital are suitable for listing on a recognised stock exchange; (ii) the future business development plan of Rongzhong Group and/or Rongzhong Capital; (iii) the expected changes in the economic and political environment in China; and (iv) the possibility of the occurrence of events which are out of the control of the Rongzhong Group and/or Rongzhong Capital and would lead to the completion of listing of Rongzhong Group and/or Rongzhong Capital by 31 December 2015 not practicable. The Group expected that the triggering event in relation to Rongzhong Group would occur as Rongzhong Group has not made definite timetable in relation to the possibility of a potential listing. Details of the assumptions used are disclosed in Note 21. Where the estimations differ from actual events, the fair value of liabilities under shareholders' agreements may not be adequate to cover the actual losses and a material loss may arise. The directors believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of financial instruments. The fair value of liabilities under shareholders' agreements as at 31 March 2015 was HK$347,052,000 (2014: HK$319,302,000).

Income taxes

As at 31 March 2015, no deferred tax asset (2014: nil) in relation to estimated unused tax losses of HK$182,055,000 (2014: HK$201,762,000) was recognised in the Group's consolidated statement of financial position because of the unpredictability of future profit streams as disclosed in Note 25. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future.

Estimated impairment of interests in joint ventures

Determining whether interests in joint ventures are impaired requires an estimation of the recoverable amount of joint ventures, which is based on the higher of value in use and fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the joint ventures and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2015, the carrying amount of interests in joint ventures is HK$1,606,016,000 (2014: HK$1,482,263,000). Details of the impairment review are disclosed in Note 16.

5. REVENUE

Revenue for the year from continuing operations represents income received and receivable from the provision of financing service and factoring service. It also represents the turnover of the Group.

	2015 **HK$'000**	2014 HK$'000
Financing service income	**55,471**	64,346
Factoring service income	**11,799**	–
	67,270	64,346

6. SEGMENT INFORMATION

The Group's operating segments, identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess performance, are summarised as follows:

(a) financing service segment: provision of financing services through subsidiaries and provision of financing services and loan guarantee services through a joint venture;

(b) factoring service segment: provision of factoring services; and

(c) financial leasing service segment: provision of financial leasing services through a joint venture.

The segment information in respect of continuing operations is reported below.

Segment revenue and results

An analysis of the Group's revenue and results from continuing operations by reportable and operating segments is as follows:

For the year ended 31 March 2015
Continuing operations

	Financing service HK$'000	Factoring service HK$'000 (Note)	Financial leasing service HK$'000	Total HK$'000
Revenue from customers	55,471	11,799	–	67,270
Share of profit of joint ventures	92,325	–	31,428	123,753
	147,796	11,799	31,428	191,023
Segment results	123,313	8,292	31,428	163,033
Unallocated other income				13,328
Change in fair values of financial liabilities				(27,750)
Central administration costs				(30,813)
Other finance costs				(547)
Profit before taxation (continuing operations)				117,251

6. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the year ended 31 March 2014
Continuing operations

	Financing service HK$'000	Factoring service HK$'000 (Note)	Financial leasing service HK$'000	Total HK$'000
Revenue from customers	64,346	–	–	64,346
Share of profit of joint ventures	28,185	–	24,839	53,024
	92,531	–	24,839	117,370
Segment results	76,734	–	24,839	101,573
Unallocated other income				15,353
Reversal of impairment loss on loans receivable				29,329
Change in fair values of financial liabilities				(9,967)
Central administration costs				(34,215)
Net exchange loss				(4,575)
Other finance costs				(476)
Profit before taxation (continuing operations)				97,022

Segment results represent the profit earned by each segment and share of profit of joint ventures without allocation of central administration costs, other income (primarily bank interest income), reversal of impairment loss on loans receivable, change in fair values of financial liabilities, net exchange loss and other finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Note: Included in segment results are direct finance costs of HK$2,000,000 (2014: nil) attributable to the factoring service business.

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable segments is as follows:

As at 31 March 2015

	Financing service HK$'000	Factoring service HK$'000	Financial leasing service HK$'000	Total HK$'000
Assets				
Segment assets	**1,915,065**	**151,970**	**321,064**	**2,388,099**
Unallocated assets				**353,992**
Total assets				**2,742,091**
Liabilities				
Segment liabilities	**153**	**32,502**	**–**	**32,655**
Unallocated liabilities				**376,126**
Total liabilities				**408,781**

As at 31 March 2014

	Financing service HK$'000	Factoring service HK$'000	Financial leasing service HK$'000	Total HK$'000
Assets				
Segment assets	1,778,301	–	289,636	2,067,937
Unallocated assets				542,549
Total assets				2,610,486
Liabilities				
Segment liabilities	846	–	–	846
Unallocated liabilities				357,325
Total liabilities				358,171

6. SEGMENT INFORMATION (continued)

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than club debentures, deferred tax asset, short term bank deposits, bank balances and cash, and certain corporate assets for central administrative uses. All liabilities are allocated to reportable segments other than taxation payable, liabilities under shareholders' agreements, redeemable convertible preference shares and certain corporate liabilities incurred for central administrative purpose.

Other segment information

An analysis of the Group's other amounts included in the measure of segment profit or loss or segment assets by reportable segments is as follows:

For the year ended 31 March 2015

	Financing service HK$'000	**Factoring service HK$'000**	**Financial leasing service HK$'000**	**Unallocated HK$'000**	**Total HK$'000**
Expenditure for reportable segment non-current assets	**5**	**424**	**–**	**2,362**	**2,791**
Impairment losses on advances provided to customers	**18,271**	**–**	**–**	**–**	**18,271**
Depreciation of equipment	**159**	**383**	**–**	**810**	**1,352**

For the year ended 31 March 2014

	Financing service HK$'000	Factoring service HK$'000	Financial leasing service HK$'000	Unallocated HK$'000	Total HK$'000
Expenditure for reportable segment non-current assets	24	1,051	–	1,121	2,196
Impairment loss on advances provided to customers	12,847	–	–	–	12,847
Depreciation of equipment	153	5	–	623	781

6. SEGMENT INFORMATION (continued)

Geographical information

Revenue from continuing operations reported above represents income generated from external customers in China of HK$20,258,000 (2014: HK$15,056,000) and income generated from a joint venture in China of HK$47,012,000 (2014: HK$49,290,000).

As at 31 March 2015, non-current assets other than financial instruments, deferred tax asset and interests in joint ventures of HK$1,521,000 (2014: HK$1,634,000) were located in China. The remaining non-current assets other than financial instruments and interests in joint ventures of HK$2,999,000 (2014: HK$1,467,000) were located in Hong Kong.

Information about major customers

The Group's revenue from customers which accounted for 10% or more of its total revenue from continuing operations are as follows:

	2015 **HK$'000**	2014 HK$'000
Customer A in the financing service segment	**47,012**	49,290
Customer B in the factoring service segment	**8,539**	–

7. DIRECT FINANCE COSTS

Continuing operations

	2015 **HK$'000**	2014 HK$'000
Interest on borrowing wholly repayable within one year	**2,000**	–

8. OTHER FINANCE COSTS

Continuing operations

	2015 **HK$'000**	2014 HK$'000
Imputed interest on redeemable convertible preference shares	**547**	476

9. PROFIT BEFORE TAXATION

Continuing operations

	2015 HK$'000	2014 HK$'000
Profit before taxation has been arrived at after charging:		
Salaries, allowances and other benefits	23,561	24,683
Retirement benefit scheme contributions	593	177
Equity-settled share-based payment expenses	3,961	3,737
Total staff costs (including directors' remuneration)	28,115	28,597
Impairment losses on advances provided to customers	18,271	12,847
Auditor's remuneration	974	1,023
Depreciation of equipment	1,352	781
Operating lease rentals in respect of properties	3,486	2,635
Net exchange loss (included in other operating expenses)	–	4,575
and after crediting:		
Interest income from bank deposits (included in other income)	13,328	15,353
Gain on disposal of equipment (included in other income)	380	254

10. DIRECTORS' AND EMPLOYEES' REMUNERATION

The remuneration of each director for the year ended 31 March 2015 is set out below:

	Directors' fees HK$'000	Salaries, allowances and benefits HK$'000	Retirement benefit scheme contributions HK$'000	Discretionary bonus HK$'000	Share-based payments HK$'000	Total HK$'000
Executive directors						
Mr. Wang Jun	–	1,440	–	1,000	–	2,440
Mr. Wong Yu Lung, Charles	–	1,656	17	138	811	2,622
Mr. Ding Chung Keung, Vincent	–	1,590	17	7,300	811	9,718
Ms. Wong, Michelle Yatyee	–	980	18	1,000	–	1,998
Mr. Melvin Jitsumi Shiraki (Note a)	–	720	–	80	–	800
Independent non-executive directors						
Mr. Cheng Yuk Wo	240	–	–	–	–	240
Mr. Ma Ho Fai SBS JP	240	–	–	–	–	240
Mr. Ng Chi Keung MH	240	–	–	–	134	374
Total	720	6,386	52	9,518	1,756	18,432

10. DIRECTORS' AND EMPLOYEES' REMUNERATION (continued)

The remuneration of each director of the year ended 31 March 2014 is set out below:

	Directors' fees HK$'000	Salaries, allowances and benefits HK$'000	Retirement benefit scheme contributions HK$'000	Discretionary bonus HK$'000	Share-based payments HK$'000	Total HK$'000
Executive directors						
Mr. Wang Jun	–	1,440	–	1,000	–	2,440
Mr. Wong Yu Lung, Charles	–	1,656	15	138	891	2,700
Mr. Ding Chung Keung, Vincent	–	1,590	15	6,000	892	8,497
Ms. Wong, Michelle Yatyee	–	960	15	1,000	446	2,421
Mr. Melvin Jitsumi Shiraki	–	960	–	80	60	1,100
Independent non-executive directors						
Mr. Cheng Yuk Wo	210	–	–	–	104	314
Mr. Ma Ho Fai SBS JP	210	–	–	–	60	270
Mr. Ng Chi Keung MH	210	–	–	–	102	312
Total	630	6,606	45	8,218	2,555	18,054

Notes:

(a) Mr. Melvin Jitsumi Shiraki resigned from executive director of the Company with effect from 1 January 2015.

(b) The discretionary bonus is determined with reference to the operating results and the individual's performance in each year.

(c) No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

Employees' emoluments

Of the five highest paid individuals in the Group, four (2014: four) were directors of the Company whose emoluments are included in the disclosures in Note 10 above. The emolument of the remaining individual was as follows:

	2015 HK$'000	2014 HK$'000
Salaries, allowances and other benefits	**760**	–
Contributions to retirement benefit scheme	**18**	–
Equity-settled share-based payment expenses	**212**	196
Discretionary bonus	**155**	3,500
	1,145	3,696

11. TAXATION

Continuing operations

	2015 HK$'000	2014 HK$'000
The charge (credit) comprises:		
Current tax		
Enterprise Income Tax in China		
– Provision for the current year	**3,511**	2,108
– Underprovision in prior year	**99**	441
	3,610	2,549
Deferred taxation (Note 25)	**(4,568)**	(3,212)
	(958)	(663)

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group's operation in Hong Kong had no assessable income during both years.

Under the Enterprise Income Tax Law of China (the "EIT Law") and the Implementation Regulation of the EIT Law, all subsidiaries in China are subject to the tax rate of 25% during both years.

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

	2015 HK$'000	2014 HK$'000
Profit before taxation (from continuing operations)	**117,251**	97,022
Tax at the domestic income tax rate in China of 25% (2014: 25%)	**29,313**	24,255
Tax effect of share of profit of joint ventures	**(30,938)**	(13,256)
Tax effect of income not taxable for tax purposes	**(15,246)**	(23,059)
Tax effect of expenses not deductible for tax purposes	**13,853**	4,401
Tax effect of tax losses not recognised	**1,208**	6,444
Underprovision in prior year	**99**	441
Others	**753**	111
Taxation for the year (relating to continuing operations)	**(958)**	(663)

12. DISCONTINUED OPERATIONS

On 2 May 2013, Rongzhong Capital Holdings Limited ("Rongzhong Capital"), entered into the subscription agreement with the subscribers, pursuant to which the subscribers conditionally agreed to subscribe for and Rongzhong Capital conditionally agreed to allot and issue the subscription shares, being 4,422 Rongzhong Capital's new shares, at an aggregate consideration of US$3.0 million (equivalent to approximately HK$23.4 million).

Details of the subscription were disclosed in the circular dated 24 May 2013 issued by the Company.

On 21 June 2013, upon completion of the above transaction, the Company's equity interest in Rongzhong Capital and its subsidiaries (collectively the "Disposal Group") was reduced to approximately 47.94% and Rongzhong Capital was ceased to be a subsidiary of the Company. The financial results and position of the Disposal Group were deconsolidated from, and accounted for as a joint venture using equity method in the consolidated financial statements of the Group thereafter.

The operations regarding financial leasing and financing services carried out by the Disposal Group had been treated as discontinued operations.

Profit for the year from discontinued operations

	For the period from 1 April 2013 to 21 June 2013 HK$'000
Revenue	51,093
Other income	39
Staff costs	(626)
Other operating expenses	(909)
Finance costs	(24,918)
Profit before taxation	24,679
Taxation	(6,249)
Profit from financial leasing and financing service operations	18,430
Gain on deemed disposal of subsidiaries (Note 30)	28,758
Profit for the year from discontinued operations	47,188
Profit for the year from discontinued operations attributable to:	
Owners of the Company (Note 14)	37,983
Non-controlling interests	9,205
	47,188

12. DISCONTINUED OPERATIONS (continued)

Profit for the year from discontinued operations (continued)

	For the period from 1 April 2013 to 21 June 2013 HK$'000
Profit for the year from discontinued operations included the following:	
Interest on bank borrowings	18,420
Auditor's remuneration	100
Directors' remuneration	–
Depreciation of equipment	142
Interest income from bank deposits	(39)
Operating lease rentals in respect of properties	155
Net exchange loss	82

Cash flows from discontinued operations

	For the period from 1 April 2013 to 21 June 2013 HK$'000
Net cash from operating activities	95,568
Net cash used in investing activities	(69)
Net cash used in financing activities	(120,070)
Net cash outflows	(24,571)

The carrying amounts of the assets and liabilities of the Disposal Group on the date of disposal are disclosed in Note 30.

13. DIVIDENDS

	2015 HK$'000	2014 HK$'000
Dividends recognised as distribution and paid during the year:		
Final dividends of HK1.5 cents per share in respect of the year ended 31 March 2014 (2014: In respect of the year ended 31 March 2013 of HK1.5 cents per share)	**41,175**	41,175

Subsequent to the end of the reporting period, a final dividend of HK1.5 cents (2014: HK1.5 cents) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting of the Company.

14. EARNINGS PER SHARE

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

	2015 HK$'000	2014 HK$'000
Earnings:		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	118,209	135,668
Number of shares:	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,745,013	2,745,013
Effect of dilutive potential ordinary shares:		
Share options	8,706	3,372
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,753,719	2,748,385

From continuing operations

The calculation of basic and diluted earnings per share from continuing operations attributable to the owners of the Company was based on the following data:

	2015 HK$'000	2014 HK$'000
Earnings figures are calculated as follows:		
Profit for the year attributable to owners of the Company	118,209	135,668
Less: Profit for the year from discontinued operations attributable to owners of the Company (Note 12)	–	(37,983)
Earnings for the purpose of basic and diluted earnings per share from continuing operations	118,209	97,685

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing and discontinued operations.

From discontinued operations

For the year ended 31 March 2014, basic and diluted earnings per share for discontinued operations was HK1.38 cents per share, based on the profit for the year from discontinued operations attributable to owners of the Company of HK$37,983,000 and the denominators detailed above for both basic and diluted earnings per share.

15. EQUIPMENT

	Furniture, fixtures and other fixed assets	
	2015	2014
	HK$'000	HK$'000
COST		
At the beginning of the year	**7,309**	7,913
Exchange adjustments	**–**	205
Additions	**2,791**	2,304
Disposals	**(2,020)**	(957)
Derecognised upon deemed disposal of subsidiaries (Note 30)	**–**	(2,156)
At the end of the year	**8,080**	7,309
ACCUMULATED DEPRECIATION		
At the beginning of the year	**4,208**	5,658
Exchange adjustments	**–**	122
Charge for the year	**1,352**	923
Eliminated on disposals	**(2,000)**	(957)
Derecognised upon deemed disposal of subsidiaries (Note 30)	**–**	(1,538)
At the end of the year	**3,560**	4,208
NET CARRYING VALUES		
At the end of the year	**4,520**	3,101

The above items of equipment are depreciated on a straight line basis at the rates of 20% to 33 1/3% per annum.

16. INTERESTS IN JOINT VENTURES/LOAN TO A JOINT VENTURE

	2015	2014
	HK$'000	HK$'000
Cost of investments in joint ventures, unlisted	**1,316,317**	1,316,317
Share of post acquisition profit and other comprehensive income, net of dividends received	**289,699**	165,946
	1,606,016	1,482,263

16. INTERESTS IN JOINT VENTURES/LOAN TO A JOINT VENTURE (continued)

Particulars of the joint ventures as at 31 March 2015 and 2014 are as follows:

Name of joint venture	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital		Effective ownership interest indirectly held by the Group		Proportion of voting power held		Principal activities
			2015	2014	**2015**	2014	**2015**	2014	
Rongzhong Group Limited ("Rongzhong Group")	Limited	British Virgin Islands/China	**US$34,275,000**	US$34,275,000	**40%**	40%	**40%**	40%	Provision for financing and loan guarantee services
Rongzhong Capital (Note 12)	Limited	British Virgin Islands/China	**US$104,422**	US$104,422	**47.94%**	47.94%	**47.94%**	47.94%	Provision for financial leasing service

Note: Based on the legal form and terms of the contractual arrangements, the interests in Rongzhong Group and Rongzhong Capital are classified as joint ventures as major decisions require the unanimous consent among the shareholders.

Summarised financial information of the joint ventures

The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with HKFRSs.

These joint ventures are accounted for using the equity method in the consolidated financial statements.

Rongzhong Group

	2015 HK$'000	2014 HK$'000
Current assets	**4,229,057**	3,010,769
Non-current assets	**171,051**	109,700
Current liabilities	**(1,560,209)**	(813,996)
Non-current liabilities	**(983,479)**	(687,761)

The above amounts of assets and liabilities include the following:

	2015 HK$'000	2014 HK$'000
Cash and cash equivalents	**28,326**	24,195
Current financial liabilities (excluding payables and provisions)	**(1,208,182)**	(578,965)
Non-current financial liabilities	**(983,479)**	(687,761)

16. INTERESTS IN JOINT VENTURES/LOAN TO A JOINT VENTURE (continued)

Summarised financial information of the joint ventures (continued)

Rongzhong Group (continued)

	2015 HK$'000	2014 HK$'000
Revenue	**824,092**	558,688
Profit for the year	**237,708**	88,958
Other comprehensive income for the year	**–**	37,459
Total comprehensive income for the year	**237,708**	126,417

The above profit for the year include the following:

	2015 HK$'000	2014 HK$'000
Depreciation and amortisation	**(3,268)**	(4,690)
Interest income from bank deposits	**4,515**	6,948
Interest expense	**(157,814)**	(70,176)
Income tax expense	**(107,883)**	(40,305)

16. INTERESTS IN JOINT VENTURES/LOAN TO A JOINT VENTURE (continued)

Summarised financial information of the joint ventures (continued)

Rongzhong Group (continued)

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

	2015 HK$'000	2014 HK$'000
Net assets of Rongzhong Group	1,856,420	1,618,712
Proportion of the Group's ownership interest in Rongzhong Group	40%	40%
Goodwill	249,067	249,067
Trademark	285,976	285,976
Net intangible assets	4,329	7,087
Others	3,012	3,012
Carrying amount of the Group's interest in Rongzhong Group	1,284,952	1,192,627

Rongzhong Capital

	2015 HK$'000	2014 HK$'000
Current assets	1,476,400	905,198
Non-current assets	605,713	1,094,185
Current liabilities	(771,015)	(589,957)
Non-current liabilities	(701,712)	(865,602)

The above amounts of assets and liabilities include the following:

	2015 HK$'000	2014 HK$'000
Cash and cash equivalents	18,512	37,801
Current financial liabilities (excluding other payables)	(736,757)	(501,679)
Non-current financial liabilities	(693,177)	(851,321)

16. INTERESTS IN JOINT VENTURES/LOAN TO A JOINT VENTURE (continued)

Summarised financial information of the joint ventures (continued)

Rongzhong Capital (continued)

	2015 HK$'000	2014 HK$'000
Revenue	**226,943**	169,283*
Profit for the year	**65,563**	51,818*
Other comprehensive income for the year	**–**	(166)*
Total comprehensive income for the year	**65,563**	51,652*

The above profit for the year include the following:

	2015 HK$'000	2014 HK$'000
Depreciation and amortisation	**(433)**	(438)*
Interest income	**5,816**	3,738*
Interest expense	**(105,235)**	(75,332)*
Income tax expense	**(26,201)**	(18,004)*

* Included the results of Rongzhong Capital from the date it became a joint venture of the Group up to 31 March 2014.

16. INTERESTS IN JOINT VENTURES/LOAN TO A JOINT VENTURE (continued)

Summarised financial information of the joint ventures (continued)

Rongzhong Capital (continued)

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

	2015 HK$'000	2014 HK$'000
Net assets of Rongzhong Capital	609,386	543,823
Proportion of the Group's ownership interest in Rongzhong Capital	47.94%	47.94%
Goodwill	28,953	28,953
Carrying amount of the Group's interest in Rongzhong Capital	321,064	289,636

As at 31 March 2015, the unsecured loan to a joint venture, Rongzhong Group, of HK$510,600,000 (2014: HK$466,588,000) bearing a fixed interest rate of 5% per annum, which was reduced from 10% per annum on 26 October 2011 pursuant to the terms of the introduction (the "Introduction") with details disclosed in the circular dated 23 September 2011 (the "2011 Circular"), was expected to be repaid within one year.

At 31 March 2015, the management of the Group carried out impairment review on the carrying amount of its interests in the joint ventures by comparing their recoverable amounts using value in use with their carrying amounts. In determining the value in use of the respective investments, the Group estimated the present value of the estimated future cash flows expected to be generated by each of the joint ventures, including cash flows from the operations of the respective joint ventures and proceeds on the ultimate disposal of the respective investments at a discount rate of 17% (2014: 18%) for Rongzhong Group and 18% (2014: 18%) for Rongzhong Capital. Based on the assessments, the recoverable amount of the interests in the joint ventures exceeded their entire carrying amount respectively. Hence, no impairment on the interests in the joint ventures is considered necessary.

17. CLUB DEBENTURES

The club debentures are classified as available-for-sale financial assets. The fair values of the club debentures were determined by reference to recent market prices for similar debentures.

18. ADVANCES PROVIDED TO CUSTOMERS

	2015 HK$'000	2014 HK$'000
Advances provided to customers	301,005	129,651
Less: Impairment allowances	(31,118)	(12,847)
	269,887	116,804

As at 31 March 2015, the advances provided to customers, which bore fixed coupon interest at a rate of not more than 16.8% per annum, were repayable according to the loan agreements and factoring facility agreements. The balances were secured by assets such as properties, bank's acceptance bills, and equity interests in certain private entities in China where applicable.

18. ADVANCES PROVIDED TO CUSTOMERS (continued)

For risk management purpose, there was credit team responsible for the evaluation of customers' credit rating, financial background and repayment abilities. Management had set up the credit limits and any further extension of credit beyond these approval limits had to be approved by management. The credit team was also required to take follow-up action where customers had defaulted on the repayment of loans. Management considered the receivable that was neither past due nor impaired to be of good credit quality.

The following is a credit quality analysis of advances provided to customers:

	2015 HK$'000	2014 HK$'000
Neither past due nor impaired	**238,933**	103,513
Past due but not impaired	**3,695**	13,291
Impaired	**58,377**	12,847
Subtotal	**301,005**	129,651
Less: Impairment allowances	**(31,118)**	(12,847)
Advances provided to customers	**269,887**	116,804

The following is an ageing analysis of advances provided to customers which were past due but not impaired:

	2015 HK$'000	2014 HK$'000
More than one month but less than three months	**3,695**	–
More than six months	**–**	13,291

Management reviewed and assessed impairment individually based on customers' repayment history and the values of assets pledged. As at 31 March 2015, an aggregate carrying amount of HK$3,695,000 (2014: HK$13,291,000) was past due but the Group had not provided for impairment loss as these customers were considered to be of good quality. Included in the balances, an aggregate amount of HK$3,695,000 (2014: HK$13,291,000) was secured by assets pledged by customers.

Movement in the impairment allowances

	2015 HK$'000	2014 HK$'000
Balance at beginning of the year	**12,847**	–
Impairment losses recognised	**18,271**	12,847
Balance at end of the year	**31,118**	12,847

19. SHORT TERM BANK DEPOSITS/BANK BALANCES AND CASH

All bank deposits of the Group carry interest at prevailing market rates ranging from 0.001% to 4.17% (2014: 0.001% to 4.10%) per annum respectively.

Included in short term bank deposits and bank balances and cash are the following amounts denominated in currencies other than the functional currencies of the group entities:

	Currency	2015 HK$'000	2014 HK$'000
Hong Kong dollar	HKD	**21,600**	88,916
United States dollar	USD	**6**	6

20. BANK BORROWING

	2015 HK$'000	2014 HK$'000
Secured bank loan repayable within one year	**32,278**	–

As at 31 March 2015, the Group's bank borrowing carried fixed interest of 6% per annum. The Group's bank borrowing was granted by a bank in China and secured by bank's acceptance bills.

The Group's bank borrowing is denominated in RMB which is the functional currency of the relevant group entity.

21. LIABILITIES UNDER SHAREHOLDERS' AGREEMENTS

	2015 HK$'000	2014 HK$'000
Current		
Call option	**3,589**	3,606
Provision for share subscription	**312,000**	–
Estimated liability	**31,463**	–
	347,052	3,606
Non-current		
Provision for share subscription	**–**	297,640
Estimated liability	**–**	18,056
	–	315,696
Total	**347,052**	319,302

As a result of the Introduction, Perfect Honour Limited ("Perfect Honour"), a wholly owned subsidiary of the Company, on 26 October 2011, entered into two shareholders' agreements pursuant to which the following financial instruments were recognised. Definitions of the capitalised terms and other details are set forth in the 2011 Circular.

21. LIABILITIES UNDER SHAREHOLDERS' AGREEMENTS (continued)

Call option

Pursuant to the terms of the shareholders' agreements, a call option (the "Call Option") was granted to Mr. Xie Xiao Qing ("Mr. Xie"), a former executive director of the Company, to purchase 342,500 shares of Rongzhong Group from Perfect Honour before completion of a proposed event, but in any event no later than 31 December 2015, at a price per share equal to (I) the price per share of Rongzhong Group under the Xie's S&P agreement plus (II) an interest of 6% per annum, compounded annually, on the price per share of Rongzhong Group under the Xie's S&P agreement from 26 October 2011 to the exercise date.

As at 31 March 2015, the fair value of the Call Option was derived at after taking into consideration the expected completion date of a proposed event, the underlying business value of Rongzhong Group and the adoption of the Black-Scholes model with the following details.

Date of valuation	**31 March 2015**	31 March 2014
Fair value at measurement dates (HK$)	**3,589,000**	3,606,000
Exercise price (HK$)	**82.03**	82.03
Expected volatility	**38.093%**	41.419%
Expected dividends	**–**	–
Risk-free interest rate (based on Hong Kong Exchange Fund Notes)	**0.0703%**	0.393%

Provision for share subscription

Pursuant to the terms of the shareholders' agreements, Perfect Honour has undertaken to, subject to the happening of any one of the two triggering events as set forth in the 2011 Circular, subscribe additional shares of Rongzhong Group at a subscription price of HK$315,240,000 (the "Share Subscription").

As at 31 March 2015, the fair value of the provision for the Share Subscription was measured based on the discounted cash flow method with the following details:

Date of valuation	**31 March 2015**	31 March 2014
Fair value at measurement dates (HK$)	**312,000,000**	297,640,000
Expected date of a triggering event to occur	**31 December 2015**	31 December 2015
Subscription price (HK$)	**315,240,000**	315,240,000
Discount rate (prevailing market lending rate in Hong Kong)	**4.218%**	4.703%

Estimated liability

Pursuant to the terms of the shareholders' agreements, Silver Creation Investments Limited ("Silver Creation") may, subject to the happening of a triggering event as set forth in the 2011 Circular by 31 December 2015, request Perfect Honour, Yong Hua International Limited ("Yonghua"), Legend Crown International Limited ("Legend Crown") and Plenty Boom Investments Limited ("Plenty Boom") either (I) to immediately fulfill their respective obligations for the Share Subscription; or (II) at their sole and absolute discretion jointly elect to either purchase or procure Rongzhong Group and/or Rongzhong Capital to redeem all their respective shares of Rongzhong Group and/or Rongzhong Capital owned by the Silver Creation resulting from the Introduction at a price equal to the Silver Creation's investment cost plus the higher of (a) 12% on such investment cost and (b) the undistributed profits of Rongzhong Group and Rongzhong Capital attributable to the Silver Creation, and, in the case of redemption of shares of Rongzhong Group, minus the consideration paid, if any, by Mr. Xie to the Silver Creation as a result of the exercise of a call option granted by the Silver Creation to Mr. Xie under the shareholders' agreements.

21. LIABILITIES UNDER SHAREHOLDERS' AGREEMENTS (continued)

Estimated liability (continued)

The fair value of estimated liability with respect to (I) was included in the provision for share subscription. As at 31 March 2015, the fair value of the estimated liability attributable to the Group with respect to (II) was measured based on the discounted cash flow method with the management's assumptions on estimated liability, probability of occurrence of the triggering event, discount rate and time to extinguishment of the estimated liability.

The discount rate is the sum of risk-free interest rate, credit spread and liquidity risk premium as at the date of valuation.

If the unobservable input regarding the probability of the triggering event to occur to the valuation model was 5% higher/lower while all the other variables were held constant, the carrying amount of the estimated liability would increase/decrease by HK$2,524,000.

22. SHARE CAPITAL

	Number of shares	Amount
	'000	HK$'000
Authorised:		
At 1 April 2013		
Ordinary shares of HK$0.10 each	25,000,000	2,500,000
At 31 March 2014 and 31 March 2015	N/A (Note)	N/A (Note)
Issued and fully paid:		
At 1 April 2013		
Ordinary shares of HK$0.10 each	2,745,013	274,501
Transfer from share premium upon abolition of par value	–	547,932
At 31 March 2014 and 31 March 2015		
Ordinary shares with no par value	**2,745,013**	**822,433**

Note: The Company has no authorised share capital and its shares have no par value since the commencement date of the new Hong Kong Companies Ordinance (i.e. 3 March 2014).

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

23. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE COMPANY

(a) Statement of financial position

	2015 HK$'000	2014 HK$'000
Non-current assets		
Equipment	**1,060**	1,467
Interests in subsidiaries	**107,409**	103,010
Amounts due from subsidiaries	**1,422,853**	1,361,105
Club debentures	**18,639**	18,639
	1,549,961	1,484,221
Current assets		
Amounts due from subsidiaries	**98,571**	97,274
Prepayments, deposits and other receivables	**3,349**	3,425
Short term bank deposits		
– with original maturity within three months	**18,986**	89,464
– with original maturity more than three months	**240,415**	102,992
Bank balances	**3,628**	157,157
	364,949	450,312
Current liabilities		
Other payables and accrued charges	**1,722**	953
Amounts due to subsidiaries	**31,137**	30,629
	32,859	31,582
Net current assets	**332,090**	418,730
Total assets less current liabilities	**1,882,051**	1,902,951
Capital and reserves		
Share capital	**822,433**	822,433
Reserves	**1,055,421**	1,076,868
Total equity	**1,877,854**	1,899,301
Non-current liability		
Redeemable convertible preference shares	**4,197**	3,650
	1,882,051	1,902,951

23. STATEMENT OF FINANCIAL POSITION AND MOVEMENT OF RESERVES OF THE COMPANY (continued)

(b) Movement of reserves of the Company

The changes in the reserves of the Company during the years ended 31 March 2015 and 2014 are as follows:

	Share premium HK$'000	Investment revaluation reserve HK$'000	Employee share-based compensation reserve HK$'000	General reserve HK$'000	Translation reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2013	547,932	3,000	54,372	6,000	132,847	143,327	887,478
Exchange differences arising on translation	–	–	–	–	27,147	–	27,147
Profit for the year	–	–	–	–	–	747,613	747,613
Total comprehensive income for the year	–	–	–	–	27,147	747,613	774,760
Dividends recognised as distribution (Note 13)	–	–	–	–	–	(41,175)	(41,175)
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance (Note 22)	(547,932)	–	–	–	–	–	(547,932)
Recognition of equity-settled share-based payments	–	–	3,737	–	–	–	3,737
At 31 March 2014	–	3,000	58,109	6,000	159,994	849,765	1,076,868
Profit and total comprehensive income for the year	–	–	–	–	–	15,767	15,767
Dividends recognised as distribution (Note 13)	–	–	–	–	–	(41,175)	(41,175)
Lapse of share options	–	–	(413)	–	–	413	–
Recognition of equity-settled share-based payments	–	–	3,961	–	–	–	3,961
At 31 March 2015	**–**	**3,000**	**61,657**	**6,000**	**159,994**	**824,770**	**1,055,421**

24. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

As at 31 March 2015, 68,400,000 (2014: 68,400,000) preference shares were in issue.

Pursuant to the terms and conditions of the preference shares, the preference shares may be redeemed by the holders of the preference shares at any time subsequent to 50 years after the date of issue on 18 September 2001 at a redemption value of HK$10.00 per preference share. The preference shares carry no right to dividend distributions to the holders. The preference shares were convertible until 17 September 2004 and the conversion rights attached to the preference shares lapsed with no conversion then.

The liability component of the preference shares is carried at amortised cost based on an effective interest rate of 13.97% per annum.

25. DEFERRED TAX ASSET

At 31 March 2015, the Group had estimated unused tax losses of HK$182,055,000 (2014: HK$201,762,000) available to offset against future profits of which certain tax losses have not yet been agreed with the relevant tax authority. Estimated unused tax losses were revised subsequent as informed by the relevant tax authority. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

The movement in deferred tax asset during the year is as follows:

	Impairment allowances HK$'000
At 1 April 2013	–
Credit to profit or loss (Note 11)	3,212
At 31 March 2014	3,212
Credit to profit or loss (Note 11)	4,568
At 31 March 2015	**7,780**

A deferred tax asset of HK$7,780,000 (2014: HK$3,212,000) has been recognised in respect of impairment allowances on advances provided to customers.

Under the EIT law, withholding tax is imposed on dividends declared in respect of profits earned by the subsidiaries in China from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to the accumulated profits of the subsidiaries in China amounting to HK$7,004,000 (2014: HK$784,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

26. CAPITAL RISK MANAGEMENT

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

The capital structure of the Group consists of bank borrowing as set out in Note 20 and equity attributable to owners of the Company, comprising issued share capital and reserves including retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, repurchase of shares and new share issues.

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2015 **HK$'000**	2014 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**1,135,900**	1,102,338
Available-for-sale club debentures	**18,639**	18,639
Financial liabilities		
Held for trading	**3,589**	3,606
Designated as at FVTPL	**343,463**	315,696
Amortised cost	**36,773**	16,384

Financial risk management objectives and policies

The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

27. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk

Currency risk

The Company and several subsidiaries of the Company have foreign currency denominated monetary assets and monetary liabilities, thus exposing the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities, including loan to a joint venture, short term bank deposits, bank balances, liabilities under shareholders' agreements and redeemable convertible preference shares at the reporting date were as follows:

		Assets		Liabilities	
	Currency	**2015 HK$'000**	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Hong Kong dollar	HKD	**531,872**	555,588	**316,208**	301,366
United States dollar	USD	**6**	6	**31,463**	18,056

The Group currently does not have a foreign exchange hedging policy to eliminate the currency exposures. However, management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise.

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in USD and HKD.

The following table details the Group's sensitivity to a 5% increase and decrease in RMB, the functional currency of respective group entities, against USD and HKD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rate. The analysis illustrates the impact for a 5% weakening of USD and HKD against RMB and a positive number below indicates an increase in profit for the year. For a 5% strengthening of USD and HKD against RMB, there would be an equal and opposite impact on the profit for the year.

	USD impact		HKD impact	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Increase (decrease) in profit	**1,573**	902	**(10,783)**	(12,711)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent currency risk as the year end exposure does not reflect the exposure during the year.

27. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk in relation to loan to a joint venture, advances provided to customers and bank borrowing as set out in Notes 16, 18 and 20 respectively. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuation in the prevailing levels of market interest rates on the cash flow risk. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Limits are set on the level of mismatch of interest rate repricing that may be undertaken, which is monitored monthly.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank deposits and bank balances (see Note 19 for details of these financial instruments respectively). Management monitors the related interest exposure closely to ensure the interest rate risks are maintained at an acceptable level.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the rates offered by the PBOC arising from the Group's RMB denominated financial instruments.

Sensitivity analysis for cash flow interest rate risk

The sensitivity analysis below has been determined based on the exposure to variable-rate bank deposits and bank balances. The analysis is prepared assuming the amount of asset and liability of variable-rate outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2014: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points (2014: 50 basis points) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2015 would increase/decrease by HK$39,000 (2014: HK$908,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank deposits and bank balances.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

Credit risk

As at 31 March 2015, the Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and loan guarantees provided by the Group is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and

- the amount of contingent liabilities in relation to loan guarantee issued by the Group as disclosed in Note 32.

27. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

In order to minimise the credit risk, credit limits and credit terms granted to customers are approved by delegated officers and follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. For loan guarantee issued by the Group to a joint venture, the management had set up the credit limit. Any further extension of credit beyond the approved limit had to be approved by the directors of the Company. In this regard, the directors of the Company consider that the credit risk of the Group is significantly reduced.

The credit risk on liquid funds (i.e. short term bank deposits, bank balances and cash) is limited because the majority of the counterparties are banks with good reputations.

The Group's concentration of credit risk on loan to a joint venture and advances provided to customers (the "Receivables") as at 31 March 2015 included five major counterparties accounting for 88.8% (2014: 88.6%) of the Receivables. The Group has closely monitored the recoverability of the advances to these counterparties and taken effective measures to ensure timely collection of outstanding balances.

The Group is exposed to the concentration of geographical risk on revenue which is generated from customers located in China. The Group has closely monitored the business performance and diversified its customer.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowing and ensures compliance with loan covenants.

27. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Liquidity tables

	Weighted average effective interest rate %	On demand HK$'000	Within 1 month HK$'000	1 to 3 months HK$'000	4 to 12 months HK$'000	1 to 2 years HK$'000	Over 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31 March 2015 HK$'000
2015									
Liabilities under shareholder's agreements									
Estimated liability	5.40	–	–	–	33,162	–	–	33,162	31,463
Call option	–	3,589	–	–	–	–	–	3,589	3,589
Provision for share subscription	4.22	–	–	–	315,240	–	–	315,240	312,000
Non-derivative financial liabilities									
Other payables	–	–	43	255	–	–	–	298	298
Loan guarantee contract	–	60,678	–	–	–	–	–	60,678	–
Bank borrowing	6.00	–	161	328	32,704	–	–	33,193	32,278
Redeemable convertible preference shares	13.97	–	–	–	–	–	684,000	684,000	4,197
		64,267	204	583	381,106	–	684,000	1,130,160	383,825

	Weighted average effective interest rate %	On demand HK$'000	Within 1 month HK$'000	1 to 3 months HK$'000	4 to 12 months HK$'000	1 to 2 years HK$'000	Over 2 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount at 31 March 2014 HK$'000
2014									
Liabilities under shareholder's agreements									
Estimated liability	6.01	–	–	–	–	20,291	–	20,291	18,056
Call option	–	3,606	–	–	–	–	–	3,606	3,606
Provision for share subscription	4.70	–	–	–	–	315,240	–	315,240	297,640
Non-derivative financial liabilities									
Other payables	–	–	12,734	–	–	–	–	12,734	12,734
Loan guarantee contract	–	60,678	–	–	–	–	–	60,678	–
Redeemable convertible preference shares	13.97	–	–	–	–	–	684,000	684,000	3,650
		64,284	12,734	–	–	335,531	684,000	1,096,549	335,686

27. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The amount included above for loan guarantee contract represented the maximum amount that the Group could be required to pay if the guarantee was called upon in its entirety. As at 31 March 2015, the carrying amount of loan guarantee contract (determined based on expectations at the end of the reporting period) was nil (2014: nil). However, this estimate was subject to change depending on the probability of the counterparty claiming under the loan guarantee contract.

Fair value

The fair values of financial liabilities at fair value through profit or loss are determined based on generally accepted pricing models as disclosed in Note 21.

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

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured on recurring basis subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

	Level 2	
	2015	2014
	HK$'000	HK$'000
Available-for-sale financial assets		
Club debentures	**18,639**	18,639

	Level 3	
	2015	2014
	HK$'000	HK$'000
Financial liabilities as at FVTPL		
Liabilities under shareholders' agreements (Note 21)		
Call option	**3,589**	3,606
Provision for share subscription	**312,000**	297,640
Estimated liability	**31,463**	18,056
Total	**347,052**	319,302

There were no transfers between Level 1 and 2 in the current and last years.

27. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position (continued)

Reconciliation of Level 3 fair value measurements of financial liabilities (Note 21):

	Level 3			
	Call option	**Provision for share subscription**	**Estimated liability**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2013	7,948	284,387	17,000	309,335
Change in fair value	(4,342)	13,253	1,056	9,967
At 31 March 2014	3,606	297,640	18,056	319,302
Change in fair value	(17)	14,360	13,407	27,750
At 31 March 2015	**3,589**	**312,000**	**31,463**	**347,052**

For the year ended 31 March 2015 and 2014, there were no transfers in/out for Level 3 of the fair value hierarchy. The change in fair value of HK$27,750,000 (2014: HK$9,967,000) was recognised in profit or loss.

28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

A share option scheme was adopted by the Company on 18 September 2002 (the "2002 Share Option Scheme") with amendments made on 29 August 2003 to give clarity to it. Upon a new share option scheme of the Company came into effect on 31 August 2012 (the "2012 Share Option Scheme"), the 2002 Share Option Scheme was terminated and no further share options will be granted thereunder, but the provisions of the 2002 Share Option Scheme will remain in full force and effective to the extent necessary to give effect to the exercise of the share options (to the extent not already exercised) granted prior to its termination.

The Company operates the 2002 Share Option Scheme and the 2012 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants, including the Company's directors and other eligible participants of the Group. Key terms of the 2012 Share Option Scheme are as follows:

The maximum number of shares in the Company which may be issued upon exercise of all outstanding options granted but yet to be exercised under the 2002 Share Option Scheme, the 2012 Share Option Scheme and any other share option scheme shall not in aggregate exceed 30 percent of the issued share capital of the Company from time to time. The maximum number of shares in the Company that may be issued upon exercise of all options to be granted under the 2012 Share Option Scheme and any other share option scheme must not in aggregate exceed 10 percent of the issued share capital of the Company as at the date of approval of the 2012 Share Option Scheme.

The total number of shares issued and which may fall to be issued upon exercise of the options granted to each participant in any 12-month period shall not exceed 1 percent of the issued share capital of the Company for the time being.

28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

The offer of a grant of share options may be accepted no later than 21 days from the date of offer with HK$1 as consideration being payable by the grantee. The exercise period of the share options granted is determinable by the directors.

The subscription price of a share option is determined by the directors, but may not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet for trades in one or more board lots of shares on the date of offer; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of offer; and (iii) the nominal value of the share.

A summary of the movements of the outstanding options and their related weighted average exercise prices during each of the two years ended 31 March 2015 under the share option scheme is as follows:

			Number of share options			
Date of grant	Exercisable period	Exercise price HK$	Outstanding at 1 April 2014	Granted during the year	Lapsed during the year	Outstanding at 31 March 2015
29.3.2007	29.3.2010 – 28.3.2017	0.256	16,000,000	–	–	**16,000,000**
17.8.2007	17.8.2010 – 16.8.2017	1.014	90,300,000	–	–	**90,300,000**
23.5.2008	23.5.2011 – 22.5.2018	0.692	4,600,000	–	–	**4,600,000**
13.3.2009	13.9.2011 – 12.3.2019	0.360	1,000,000	–	–	**1,000,000**
13.3.2009	13.3.2012 – 12.3.2019	0.360	1,900,000	–	–	**1,900,000**
13.10.2009	13.10.2012 – 12.10.2019	0.500	52,250,000	–	–	**52,250,000**
1.2.2011	1.2.2014 – 31.1.2021	0.410	83,350,000	–	(3,000,000)	**80,350,000**
28.6.2013	28.6.2015 – 27.6.2023	0.295	31,400,000	–	(1,500,000)	**29,900,000**
14.10.2014	14.10.2016 – 13.10.2024	0.360	–	92,000,000	–	**92,000,000**
			280,800,000	92,000,000	(4,500,000)	**368,300,000**
			HK$	HK$	HK$	**HK$**
Weighted average exercise price per share			0.603	0.360	0.372	**0.545**

28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

			Number of share options		
Date of grant	Exercisable period	Exercise price HK$	Outstanding at 1 April 2013	Granted during the year	Outstanding at 31 March 2014
29.3.2007	29.3.2010 – 28.3.2017	0.256	16,000,000	–	16,000,000
17.8.2007	17.8.2010 – 16.8.2017	1.014	90,300,000	–	90,300,000
23.5.2008	23.5.2011 – 22.5.2018	0.692	4,600,000	–	4,600,000
13.3.2009	13.9.2011 – 12.3.2019	0.360	1,000,000	–	1,000,000
13.3.2009	13.3.2012 – 12.3.2019	0.360	1,900,000	–	1,900,000
13.10.2009	13.10.2012 – 12.10.2019	0.500	52,250,000	–	52,250,000
1.2.2011	1.2.2014 – 31.1.2021	0.410	83,350,000	–	83,350,000
28.6.2013	28.6.2015 – 27.6.2023	0.295	–	31,400,000	31,400,000
			249,400,000	31,400,000	280,800,000
			HK$	HK$	HK$
Weighted average exercise price per share			0.642	0.295	0.603

As at 31 March 2015, the Group had 246,400,000 (2014: 249,400,000) exercisable share options.

28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

Details of the options held by the directors included in the above table are as follows:

			Number of share options			
Date of grant	Exercisable period	Exercise price HK$	Outstanding at 1 April 2014	Granted during the year	Lapsed during the year	Outstanding at 31 March 2015
17.8.2007	17.8.2010 – 16.8.2017	1.014	75,000,000	–	–	**75,000,000**
23.5.2008	23.5.2011 – 22.5.2018	0.692	1,600,000	–	–	**1,600,000**
13.10.2009	13.10.2012 – 12.10.2019	0.500	52,000,000	–	–	**52,000,000**
1.2.2011	1.2.2014 – 31.1.2021	0.410	70,600,000	–	(1,500,000)	**69,100,000**
28.6.2013	28.6.2015 – 27.6.2023	0.295	2,600,000	–	–	**2,600,000**
14.10.2014	14.10.2016 – 13.10.2024	0.360	–	52,000,000	–	**52,000,000**
			201,800,000	52,000,000	(1,500,000)	**252,300,000**

			Number of share options		
Date of grant	Exercisable period	Exercise price HK$	Outstanding at 1 April 2013	Granted during the year	Outstanding at 31 March 2014
17.8.2007	17.8.2010 – 16.8.2017	1.014	75,000,000	–	75,000,000
23.5.2008	23.5.2011 – 22.5.2018	0.692	1,600,000	–	1,600,000
13.10.2009	13.10.2012 – 12.10.2019	0.500	52,000,000	–	52,000,000
1.2.2011	1.2.2014 – 31.1.2021	0.410	70,600,000	–	70,600,000
28.6.2013	28.6.2015 – 27.6.2023	0.295	–	2,600,000	2,600,000
			199,200,000	2,600,000	201,800,000

No share options were exercised during both years.

28. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (continued)

Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on trinomial lattice model. The contractual life of the option is used as an input into these models. Expectations of early exercise are incorporated into the trinomial lattice model.

For the year ended 31 March 2015	Executive directors	Employees
Grant dates	14 October 2014	14 October 2014
Fair value at measurement dates (HK$)	0.135	0.122
Share price (HK$)	0.360	0.360
Exercise price (HK$)	0.360	0.360
Expected volatility (expressed as a weighted average volatility used in the modelling under trinomial lattice model)	45.35%	45.35%
Option life	10 years	10 years
Expected dividends	4.17%	4.17%
Risk-free interest rate (based on Exchange Fund Notes)	1.75%	1.75%
Post-vesting exit rate	0.47%	8.38%
Exercise cap	280%	220%

The expected volatility is based on the historical volatility of the Company's share price over the previous 5 years, adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. The trinomial lattice model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

The closing price of the Company's shares immediately before 14 October 2014, the date of the grant, was HK$0.36. The exercise price is HK$0.36. The estimated fair value of the share options granted on that date was HK$11,884,000.

The Group recognised total expenses of HK$3,961,000 (2014: HK$3,737,000) relating to share option payment transactions for the year ended 31 March 2015.

29. REVERSAL OF IMPAIRMENT LOSS ON LOANS RECEIVABLE

During the year ended 31 March 2014, impairment loss on loans receivable of HK$29,329,000 was reversed through indirect realisation from a third party.

The reversal of impairment loss on loans receivable was included in the profit for the year from continuing operations in the consolidated statement of profit or loss and other comprehensive income.

30. DEEMED DISPOSAL OF SUBSIDIARIES

On 21 June 2013, the Group disposed of the Disposal Group which carried out the financial leasing service and financing service businesses.

	21 June 2013 HK$'000
Equipment (Note 15)	618
Loan to a joint venture	177,532
Amount due from a joint venture	709
Finance leases receivable	1,653,485
Prepayments, deposits and other receivables	9,103
Security deposits	2,707
Bank balances and cash	10,164
Assets disposed of	1,854,318
Other payables and accrued charges	7,679
Deposits from finance lease customers	388,331
Deferred income	39,589
Taxation	2,184
Bank borrowings	944,817
Liabilities disposed of	1,382,600
Net assets disposed of	471,718

Gain on deemed disposal of subsidiaries

	21 June 2013 HK$'000
Interest in a joint venture	264,877
Net assets disposed of	(471,718)
Non-controlling interests	235,599
Gain on deemed disposal (Note 12)	28,758

The gain on deemed disposal is included in the profit for the year from discontinued operations in the consolidated statement of profit or loss and other comprehensive income (Note 12).

30. DEEMED DISPOSAL OF SUBSIDIARIES (continued)

Net cash outflow on deemed disposal of subsidiaries

	21 June 2013 HK$'000
Consideration received in cash and cash equivalents	–
Less: cash and cash equivalent balances disposed of	(10,164)
	(10,164)

31. OPERATING LEASE COMMITMENTS

As at 31 March 2015, the total future minimum lease payment under non-cancellable operating leases was payable as follows:

As lessee

The Group is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the lease upon expiry when all terms are re-negotiated.

	2015 **HK$'000**	2014 HK$'000
Within one year	**5,201**	5,111
After one year but within five years	**2,853**	8,021
	8,054	13,132

32. CONTINGENT LIABILITIES

As at 31 March 2015, the Group had given a guarantee to bank borrowings of RMB45,200,000 equivalent to approximately HK$57,215,000 (2014: RMB82,600,000 equivalent to approximately HK$104,557,000) to a joint venture of the Group. The guarantee provided by the Group was approximately 47.94% (2014: 47.94%) of all sums payable by the borrower.

No financial liability in relation to the loan guarantees given by the Group had been recognised as, in the opinion of the directors of the Company, the fair value of these guarantees at inception was not significant in both years.

33. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees in Hong Kong under the jurisdiction of the Hong Kong Employment Ordinance. The assets of the MPF Scheme are held separately from those of the Group and administered by an independent trustee. Under the MPF Scheme, the Group and its employees are each required to make a contribution to the MPF Scheme at 5% of the employees' relevant income subject to a cap of monthly relevant income as specified in the rules. No forfeited contribution is available to reduce the contribution payable in the future years.

The employees employed by the subsidiaries in China are members of the state-managed retirement benefit schemes operated by the China government. The China subsidiaries are required to contribute a certain percentage of payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make specified contributions.

34. RELATED PARTY TRANSACTIONS

Save as disclosed in the consolidated financial statements, the Group had the following transactions with related parties during both years.

Key management personnel remuneration

	2015 **HK$'000**	2014 HK$'000
Short-term benefits	**16,624**	15,454
Post-employment benefits	**52**	45
Share-based payments	**1,756**	2,555
	18,432	18,054

The details of the remuneration paid to the key management are set out in Note 10.

Transactions with related parties

	2015 **HK$'000**	2014 HK$'000
Loan interest income received from a joint venture	**47,012**	50,607
Rental expense paid to related companies with common controlling shareholders	**(2,628)**	(2,594)
Guarantee fee paid to a joint venture	**–**	(996)
Rental expense paid to a joint venture	**–**	(15)

35. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 March 2015 and 2014 are as follows:

Name of subsidiary	Place of incorporation and operation	Particulars of issued and paid up capital/ registered capital		Proportion of ownership interest held by the Company				Principal activities
				Directly		Indirectly		
		2015	2014	**2015**	2014	**2015**	2014	
Jiangsu Goldbond Factoring Co. Ltd.# (江蘇金榜商業保理有限公司) (Note 1)	China	**RMB 50,000,000**	RMB 25,000,000	**–**	–	**100%**	100%	Provision of factoring service
Nanjing Excellent Link Consultancy Co. Ltd.# (南京卓領信息咨詢有限公司) (Note 1)	China	**HK$7,000,000**	HK$7,000,000	**–**	–	**100%**	100%	Provision of management service
Perfect Honour Limited	British Virgin Islands	**US$1**	US$1	**100%**	100%	**–**	–	Investment holding
Solomon Glory Limited	British Virgin Islands	**US$1**	US$1	**100%**	100%	**–**	–	Provision of financing service
Yancheng Goldbond Technology Small Loan Company Limited# (鹽城市金榜科技小額貸款有限公司) (Note 1)	China	**US$ 30,000,000**	US$ 30,000,000	**–**	–	**100%**	100%	Provision of financing service

English translated name is for identification purpose only.

Note:

(1) These companies are wholly foreign-owned enterprise established in China.

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

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

36. EVENT AFTER THE REPORTING PERIOD

On 22 May 2015, Evergold Global Company Limited ("Evergold Global") and Gold Magic Global Limited ("Gold Magic"), (each a wholly owned subsidiary of the Company) have entered into the shareholders agreements ("Shareholders Agreements") in relation to the establishment of a real estate investment fund and a fund manager company.

The Shareholders Agreements and the transactions contemplated thereunder constitute discloseable and connected transactions for the Company, and are subject to the approval of the independent shareholders at the general meeting of the Company.

The proposed investment amount by the Group into the manager of the fund was US$196,000 (equivalent to approximately HK$1,528,800).

Pursuant to the shareholders agreement in relation to the establishment of a real estate investment fund ("Fund Shareholders Agreement"), Gold Magic will be under unconditional commitment to contribute a maximum of US$15.92 million (equivalent to approximately HK$124.18 million) ("Maximum Subscription Commitment") to the capital of the fund and such contribution shall be made from time to time during the term of the fund. Prior to the date falling on the second anniversary of the completion date of the Fund Shareholders Agreement, Gold Magic may be called upon to subscribe for the shares in the fund up to the Maximum Subscription Commitment.

After the date falling on the second anniversary of the completion date of the Fund Shareholders Agreement, Gold Magic shall no longer be under any obligation to subscribe for the shares in the fund except for the completion of investments committed to by the fund prior to such date, completion of follow-on investments (such follow-on investments shall not exceed 10% of the Maximum Subscription Commitment), payment of expenses or payment of fees to the manager of the fund.

The Company intends to finance Gold Magic and Evergold Global's commitment by way of its internal resources in forms of short term bank deposits and bank balances.

The manager and the fund are expected to be accounted for as a joint venture and an associate, respectively in the books of the Company.

Details of Shareholders Agreements and the transactions contemplated thereunder are set out in the announcement of the Company dated 22 May 2015.