GOLDBOND GROUP HOLDINGS LIMITED
金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00172)

PRELIMINARY ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014 FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The board of directors (the "Board") of Goldbond Group Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2014 (the "Year") together with comparative figures.

FINANCIAL HIGHLIGHTS

	2014	2013	Changes
	HK$'000	*HK$'000*	
Proposed dividend per share for the year	**HK1.5 cents**	HK1.5 cents	–
OPERATING RESULTS			
Continuing Operations			
Revenue	**64,346**	50,510	27%
Profit for the year from continuing operations	**97,685**	86,326	13%
Profit for the year attributable to owners of the Company	**135,668**	119,884	13%
Total comprehensive income for the year attributable to owners of the Company	**173,625**	119,898	45%
Basic earnings per share from continuing operations	**HK 3.56 cents**	HK 3.14 cents	13%
Basic earnings per share from continuing and discontinued operations	**HK 4.94 cents**	HK 4.37 cents	13%
FINANCIAL POSITION			
Equity attributable to owners of the Company	**2,252,315**	2,116,128	6%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Continuing operations			
Revenue	3	**64,346**	50,510
Other income		**15,907**	15,522
Staff costs		**(28,597)**	(24,584)
Other operating expenses		**(26,544)**	(7,235)
Adjustment to the carrying amount of a loan to a joint venture		**–**	(39,506)
Reversal of impairment loss on loans receivable		**29,329**	–
Change in fair values of financial liabilities		**(9,967)**	10,071
Finance costs		**(476)**	(414)
Share of profit of joint ventures		**53,024**	81,962
Profit before taxation	5	**97,022**	86,326
Taxation	6	**663**	–
Profit for the year from continuing operations		**97,685**	86,326
Discontinued operations			
Profit for the year from discontinued operations	7	**47,188**	67,042
Profit for the year		**144,873**	153,368
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Exchange differences arising on translation		**28,726**	14
Share of other comprehensive income of joint ventures		**14,904**	–
Other comprehensive income for the year		**43,630**	14
Total comprehensive income for the year		**188,503**	153,382

	Note	**2014**	2013
		HK$'000	*HK$'000*
Profit for the year attributable to:			
Owners of the Company		**135,668**	119,884
Non-controlling interests		**9,205**	33,484
		144,873	153,368
Total comprehensive income for the year attributable to:			
Owners of the Company		**173,625**	119,898
Non-controlling interests		**14,878**	33,484
		188,503	153,382
Earnings per share	*10*		
From continuing and discontinued operations			
– Basic		**HK 4.94 cents**	HK 4.37 cents
– Diluted		**HK 4.94 cents**	HK 4.36 cents
From continuing operations			
– Basic		**HK 3.56 cents**	HK 3.14 cents
– Diluted		**HK 3.55 cents**	HK 3.14 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Equipment		**3,101**	2,255
Interests in joint ventures		**1,482,263**	1,149,458
Loan to a joint venture		**466,588**	424,171
Finance leases receivable	*11*	**–**	982,322
Club debentures		**18,639**	18,179
Deferred tax asset		**3,212**	–
		1,973,803	2,576,385
Current assets			
Loans to a joint venture		**–**	248,334
Amount due from a joint venture		**–**	388
Advances provided to customers	*12*	**116,804**	–
Finance leases receivable	*11*	**–**	661,100
Prepayments, deposits and other receivables		**5,001**	11,316
Security deposits		**–**	17,835
Short term bank deposits			
– with original maturity within three months		**229,578**	305,585
– with original maturity more than three months		**102,992**	251,813
Bank balances and cash		**182,308**	34,437
		636,683	1,530,808
Current liabilities			
Other payables and accrued charges		**34,569**	31,603
Deposits from finance lease customers	*11*	**–**	71,766
Deferred income		**–**	20,859
Taxation		**650**	889
Bank borrowings		**–**	457,606
Liabilities under shareholders' agreements		**3,606**	7,948
		38,825	590,671
Net current assets		**597,858**	940,137
Total assets less current liabilities		**2,571,661**	3,516,522

	Note	2014	2013
		HK$'000	HK$'000
Capital and reserves			
Share capital		**822,433**	274,501
Reserves		**1,429,882**	1,841,627
Equity attributable to owners of the Company		**2,252,315**	2,116,128
Non-controlling interests		**–**	220,721
Total equity		**2,252,315**	2,336,849
Non-current liabilities			
Deposits from finance lease customers	*11*	**–**	291,751
Deferred income		**–**	20,136
Bank borrowings		**–**	563,225
Liabilities under shareholders' agreements		**315,696**	301,387
Redeemable convertible preference shares		**3,650**	3,174
		319,346	1,179,673
		2,571,661	3,516,522

Notes:

1. BASIS OF PREPARATION

The financial results have been prepared in accordance with Hong Kong Financial Reporting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("INT") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the Hong Kong Companies Ordinance. The financial results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2014 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied the following new and revised HKFRSs issued by the HKICPA that are applicable to the Group for the first time in the current year.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
Amendments to HKAS 1	Presentation of items of other comprehensive income
HKAS 19 (Revised 2011)	Employee benefits
HKAS 27 (Revised 2011)	Separate financial statements
HKAS 28 (Revised 2011)	Investments in associates and joint ventures
HK(IFRIC) – INT 20	Stripping costs in the production phrase of a surface mine

The application of the new and revised HKFRSs and amendments 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 disclosures set out in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated financial statements", HKFRS 11 "Joint arrangements", HKFRS 12 "Disclosure of interests in other entities", HKAS 27 (as revised in 2011) "Separate financial statements" and HKAS 28 (as revised in 2011) "Investments in associates and joint ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) INT -12 "Consolidation – Special purpose entities". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

Upon the adoption of HKFRS 10, the directors of the Company consider that no additional investee ought to be consolidated and no investees which were previously consolidated ought to be deconsolidated in accordance with the new definition of control under HKFRS 10.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 "Interests in joint ventures", and the guidance contained in a related interpretation, HK(SIC) – INT 13 "Jointly controlled entities – Non-monetary contributions by venturers", has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

HKFRS 11 is effective for the Group for annual period beginning on 1 April 2013. After assessment of the adoption of the HKFRS 11, the directors of the Company consider that the jointly controlled entity of the Group previously under HKAS 31 is regarded as a joint venture under HKFRS 11. Since it was previously accounted for using the equity method, there is no change in accounting methodology under HKFRS 11. Accordingly, the application of HKFRS 11 does not have material impact on the consolidated financial statements.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 "Presentation of items of other comprehensive income". Upon the adoption of the amendments to HKAS 1, the Group's 'consolidated statement of comprehensive income' is renamed as the 'consolidated statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKFRS 11	Accounting for acquisition of interests in joint operations[6]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[6]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[2]
HKFRS 9	Financial instruments[3]
HKFRS 14	Regulatory deferral accounts[5]
HK(IFRIC) – INT 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014.
[2] Effective for annual periods beginning on or after 1 July 2014.
[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
[4] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.
[5] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.
[6] Effective for annual periods beginning on or after 1 January 2016.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2012 includes the requirements for the classification and measurement of financial liabilities and for derecognition and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors of the Company anticipate that the application of this standard will not have a material impact on amounts reported in the consolidated financial statements.

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

3. REVENUE

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

	2014	2013
	HK$'000	*HK$'000*
Financing service income	**64,346**	50,510

4. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on provision of financing service from continuing operations including financing, project financing and consultancy service. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, that are regularly reviewed by the executive directors of the Company, the chief operating decision maker of the Group. The executive directors of the Company review the revenue and the profit for the year of the Group as a whole to make decision about resources allocation. For information regarding this segment, reference can be made to the consolidated financial statements as a whole. The segment result of the Group represents profit for the year from continuing operations set out in the consolidated statement of profit or loss and other comprehensive income.

Operation regarding provision of financial leasing service (previously a separate reportable segment) was discontinued during the year ended 31 March 2014, and described in more detail in Note 7.

5. PROFIT BEFORE TAXATION

Continuing operations

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Salaries, allowances and other staff benefits	**24,683**	19,230
Staff's retirement benefit scheme contributions	**177**	166
Equity-settled share-based payment expenses	**3,737**	5,188
Total staff costs (including directors' remuneration)	**28,597**	24,584
Impairment losses on advances provided to customers	**12,847**	–
Auditor's remuneration	**1,023**	1,116
Depreciation of equipment	**781**	521
Operating lease rentals in respect of properties	**2,635**	2,275
Net exchange loss (included in other operating expenses)	**4,575**	–
and after crediting:		
Interest income from bank deposits (included in other income)	**15,353**	15,065
Gain on disposal of equipment (included in other income)	**254**	–
Net exchange gain (included in other income)	**–**	60

6. TAXATION

Continuing operations

	2014	2013
	HK$'000	*HK$'000*
The charge (credit) comprises:		
Current tax		
Enterprise Income Tax in China		
– Provision for the current year	**2,108**	–
– Underprovision in prior year	**441**	–
	2,549	–
Deferred taxation	**(3,212)**	–
	(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.

7. 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 have been treated as discontinued operations. The comparative figures relating to the discontinued operations have also been re-presented.

Profit for the year from discontinued operations

	For the period from 1 April 2013 to 21 June 2013	For the year ended 31 March 2013
	HK$'000	*HK$'000*
Revenue	**51,093**	187,016
Other income	**39**	187
Staff costs	**(626)**	(2,406)
Other operating expenses	**(909)**	(9,972)
Finance costs	**(24,918)**	(85,562)
Profit before taxation	**24,679**	89,263
Taxation	**(6,249)**	(22,221)
Profit from financial leasing and financing service operations	**18,430**	67,042
Gain on deemed disposal of subsidiaries *(Note 8)*	**28,758**	–
Profit for the year from discontinued operations	**47,188**	67,042
Profit for the year from discontinued operations attributable to:		
Owners of the Company	**37,983**	33,558
Non-controlling interests	**9,205**	33,484
	47,188	67,042
Profit for the year from discontinued operations included the following:		
Interest on bank borrowings	**18,420**	62,675
Auditor's remuneration	**100**	427
Directors' remuneration	**–**	203
Depreciation of equipment	**142**	738
Interest income from bank deposits	**(39)**	(187)
Operating lease rentals in respect of properties	**155**	589
Net exchange loss	**82**	–

Cash flows from discontinued operations

	For the period from 1 April 2013 to 21 June 2013	For the year ended 31 March 2013
	HK$'000	*HK$'000*
Net cash from (used in) operating activities	**95,568**	(160,606)
Net cash (used in) from investing activities	**(69)**	1,313
Net cash (used in) from financing activities	**(120,070)**	162,585
Net cash (outflows) inflows	**(24,571)**	3,292

8. 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	**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 7)*	**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 7).

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)

9. DIVIDENDS

	2014	2013
	HK$'000	*HK$'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 2013 (2013: In respect of the year ended 31 March 2012 of nil cent per share)	**41,175**	–

Subsequent to the end of the reporting period, a final dividend of HK1.5 cents (2013: HK1.5 cents) per share has been proposed by the Board and is subject to approval by the shareholders in the forthcoming annual general meeting of the Company.

10. 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:

	2014	2013
	HK$'000	*HK$'000*
Earnings:		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**135,668**	119,884
	'000	*'000*
Number of shares:		
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	**3,372**	2,680
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,748,385**	2,747,693

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:

	2014	2013
	HK$'000	*HK$'000*
Earnings figures are calculated as follows:		
Profit for the year attributable to owners of the Company	**135,668**	119,884
Less: Profit for the year from discontinued operations attributable to owners of the Company *(Note 7)*	**(37,983)**	(33,558)
Profit for the purpose of basic and diluted earnings per share from continuing operations	**97,685**	86,326

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

Basic and diluted earnings per share for discontinued operations was HK1.38 cents per share (2013: HK1.22 cents per share), based on the profit for the year from discontinued operations attributable to owners of the Company of HK$37,983,000 (2013: HK$33,558,000) and the denominators detailed above for both basic and diluted earnings per share.

11. FINANCE LEASES RECEIVABLE/DEPOSITS FROM FINANCE LEASE CUSTOMERS

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Finance leases receivable comprise:				
Within one year	–	778,974	–	661,100
In more than one year but not more than five years	–	1,068,135	–	982,322
	–	1,847,109	–	1,643,422
Less: Unearned finance income	–	(203,687)		
Present value of minimum lease payment	–	1,643,422		
Analysed for reporting purposes as:				
Current assets			–	661,100
Non-current assets			–	982,322
			–	1,643,422

The Group's finance leases receivable were denominated in Renminbi which was the functional currency of the relevant group entity.

Finance leases receivable were mainly secured by leased assets which were used in laser processing, plastics, industrial processing, textile and garment industries, customers' deposits and leased assets repurchase arrangement where applicable. As at 31 March 2013, the customers' deposits of HK$363,517,000 were received in advance and may be used to settle the last payments by end of lease period. The relevant amounts of the finance leases receivable and deposits from finance lease customers were derecognised upon deemed disposal of subsidiaries (Note 8) on 21 June 2013. There was no unguaranteed residual value of leased assets and no contingent rent arrangement that needed to be recognised in the prior year.

The following was an ageing analysis of finance leases receivable which were past due but not impaired:

	2014	2013
	HK$'000	*HK$'000*
Less than one month	–	6
More than one month but less than three months	–	164,198
	–	164,204

Management reviewed and assessed for impairment individually based on customers' repayment history and the values of the assets pledged. As at 31 March 2013, an aggregate carrying amount of HK$164,204,000 was past due but the Group did not provide for impairment loss as management considered there was no significant change in credit quality for these customers.

12. ADVANCES PROVIDED TO CUSTOMERS

	2014	2013
	HK$'000	*HK$'000*
Advances provided to customers	**129,651**	–
Less: Impairment allowances	**(12,847)**	–
	116,804	–

As at 31 March 2014, 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 which usually cover periods of two to six months. The balances were secured by assets such as properties and equity interests in certain private entities in China where applicable.

The following is an ageing analysis of advances provided to customers determined based on the advance payment date, as at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
Less than one month	**75,809**	–
More than one month but less than three months	**8,620**	–
More than three months but less than six months	**19,084**	–
More than six months	**13,291**	–
	116,804	–

BUSINESS REVIEW AND OUTLOOK

The Group engages principally in the provision of non-bank financial services to small-to-medium enterprises ("SMEs") in the People's Republic of China ("China"). The Group together with its joint ventures offer wide spectrum of services including financing, financial leasing, factoring and loan guarantee services.

Financing

Small loan operation

In view of the large demand for financing channel from SMEs and as part of the growth strategies, the Group took a major leap forward to invest in the small loan operation and established a lending platform in Yancheng, Jiangsu Province, China. 鹽城市金榜科技小額貸款有限公司 ("Yancheng Goldbond") had an approved registered capital of US$30 million, which had a competitive advantage in both operational scale and flexibility to cater different financial needs of SMEs, as the approved registered capital is directly related to the total capital available for granting loans and is the maximum size of individual loan and direct investment.

Yancheng Goldbond is authorised to offer, in addition to financing service, loan guarantee service, direct investment and other services approved by the provincial government, to its customers. The ability to provide a wider range of service is favorable to us as we would be able to reach out more potential customers.

Many SMEs turn to Yancheng Goldbond for short-term loans as our comprehensive products range and transparent and efficient loan approval process could serve their immediate liquidity needs. During the Year, the small loan operation achieved satisfactory growth, recorded advances provided to customers of HK$116.8 million as at 31 March 2014 and realised revenue of HK$15.0 million (2013: nil). With the awareness of our brand increased, it is expected that the small loan operation will bring a stable revenue stream to the Group.

Rongzhong Facilities

The Group has granted a revolving loan facility of up to HK$900 million to Rongzhong Group Limited ("Rongzhong Group"). Part of the loan with a carrying amount of HK$75.1 million as at 31 March 2013, bearing fixed interest rate of 10% per annum, was fully repaid during the Year. As at 31 March 2014, the remaining loan of HK$466.6 million (2013: HK$424.2 million), bearing a fixed interest rate of 5% per annum, was unsecured and details of this loan were disclosed in our circular dated 23 September 2011. The total interest generated from the loans therefrom for the Year was HK$49.3 million (2013: HK$50.5 million). In 2012/13, the carrying amount of this loan was written down by HK$39.5 million as a result of the change of expected repayment date in accordance with applicable accounting standards.

Rongzhong Capital Holdings Limited ("Rongzhong Capital"), a non-wholly owned subsidiary of the Group prior to Completion (as defined below), has provided a revolving loan facility of RMB150 million (equivalent to approximately HK$190 million) to Rongzhong Group. The loan bearing a fixed interest rate of 3% per annum was derecognised upon deemed disposal of Rongzhong Capital. The total interest generated therefrom for the Year prior to Completion (as defined below) was HK$1.3 million (2013: HK$5.2 million).

Discontinued Operations/Interest in a joint venture – Rongzhong Capital (47.94% owned by the Group)

The Group, through Rongzhong Capital and its subsidiaries ("Rongzhong Capital Group"), had offered a wide range 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. Rongzhong Capital Group has achieved remarkable growth since it commenced business operation in late 2008. During the Year, despite the People's Bank of China's tight control on the credit scale, Rongzhong Capital Group managed to have a 5% growth in the total carrying value of finance leases receivable to HK$1,722.2 million (2013: HK$1,643.4 million).

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. As a result of such share issuance, 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.

Upon Completion, the Group recognised a gain of HK$28.8 million, which was computed on the basis of, among others, the estimated fair value and carrying amount of the Rongzhong Capital Group on the date of Completion.

The revenue and profit of Rongzhong Capital Group for the Year was HK$220.4 million and HK$70.2 million, respectively (2013: HK$187.0 million and HK$67.0 million, respectively), of which HK$51.1 million and HK$18.4 million, respectively related to the period prior to the date of Completion and were treated as the discontinued operations. The profit generated by Rongzhong Capital Group after Completion was HK$51.8 million in which the Group shared HK$24.8 million (2013: nil).

Interest in a joint venture – Rongzhong Group (40% owned by the Group)

Rongzhong Group engages principally in the business of financing, loan guarantee and financial consulting services through various business platforms in China. With business operation for more than one decade, Rongzhong Group and its subsidiaries have developed strong and cohesive business relationship with numerous SMEs and banks in China.

The Group accounted for the financial results of Rongzhong Group using equity method. During the Year, Rongzhong Group generated total revenue of HK$558.7 million (2013: HK$455.7 million), representing a growth of 23%. The demand for the non-bank financial services of Rongzhong Group was strong as the general credit available for SMEs in China remained tight. However, with the slowdown of the economic growth, the SMEs financing market entered a period of higher default risk. Rongzhong Group was suffered as certain of its customers delinquent their loan and interest payment and the impairment allowances increased to HK$408.3 million (2013: HK$99.2 million). As a result, the share of profit by the Group decreased by HK$53.8 million to HK$28.2 million (2013: HK$82.0 million).

Outlook

The increased SMEs activities and investments in the past decade have benefited the growth of non-bank financial business of the Group. Year 2013/14 was a challenging year for the Group. With the slowdown of economic growth, the SMEs financing market became unstable with higher default rate. As a result, a higher level of impairment allowances was experienced, especially for our joint ventures. In the years to come, China will face a complicated development environment with both favorable and adverse conditions. During the current period of economic restructuring, the downward pressure of the economic growth may further affect our business. However, China remains in its development stage which provides opportunities for the growth of the SMEs and our non-bank financial business in longer term. In December 2013, we obtained the license for carrying out commercial factoring and related advisory services in all part of China. Further expanding our product ranges, we would be able to consummate our one-stop service offered to SMEs and solidify our position as one of the major financial services provider in China. Also, as the sustainability and long term growth of our financial business rely on the ability to effectively manage the default risk of our loan portfolio, the Group will keep following a sound and prudent risk control policy.

FINANCIAL REVIEW

Results of Operations

Revenue

The Group generated total revenue for the Year of HK$115.4 million (2013: HK$237.5 million). It included revenue from the continuing financing operation of HK$64.3 million (2013: HK$50.5 million) and the revenue from financial leasing and financing services carried out by Rongzhong Capital Group for the period prior to Completion, which have been treated as discontinued operations of HK$51.1 million (2013: HK$187.0 million).

Although the financing business recorded a growth during the Year with the commencement of small loan operation in Yancheng, Jiangsu, the total revenue dropped by about 51% because the revenue of Rongzhong Capital Group was not consolidated by the Group after Completion.

Staff costs and other operating expenses

Staff costs increased by HK$4.0 million to HK$28.6 million and other operating expenses increased by HK$19.3 million to HK$26.5 million. The increase in staff costs and other operating expenses was mainly due to the commencement of the small loan operation and increase in impairment allowances of HK$12.8 million provided.

Reversal of impairment loss on loans receivable

The Group had granted term loans (the "Zhuhai Loan") to borrowers for financing a property development project in Zhuhai. During the year ended 31 March 2012, the carrying amount of Zhuhai Loan of HK$60.8 million was fully impaired in view of the uncertainty of outcome of legal action against the borrowers and the chance of recovery. During the Year, part of the impairment loss of HK$29.3 million was reversed through indirect realisation from a third party.

Share of profit of joint ventures

As mentioned in the section headed "Discontinued Operations/Interest in a joint venture – Rongzhong Capital", as a result of share issuance of Rongzhong Capital, 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 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. The share of profit of Rongzhong Capital Group for the period from the date of Completion to 31 March 2014 amounted to HK$24.8 million (2013: nil). Together with the share of profit of Rongzhong Group of HK$28.2 million (2013: HK$82.0 million), the share of profit of joint ventures for the Year amounted to HK$53.0 million (2013: HK$82.0 million).

As a result of the foregoing, together with absence of an adjustment to write down the carrying amount of a loan to a joint venture of HK$39.5 million and a negative financial impact on the change in fair value of financial liabilities arising from shareholders' agreements of joint ventures of HK$10.0 million (2013: a positive financial impact of HK$10.1 million), the Group generated a total profit for the Year attributable to the owners of the Company of HK$135.7 million (2013: HK$119.9 million), representing an increase of about 13%.

Total Comprehensive Income for the Year Attributable to the Owners of the Company

The Group generated a total comprehensive income for the Year attributable to the owners of the Company of HK$173.6 million (2013: HK$119.9 million), representing an increase of about 45%. The increase was mainly due to the increase in profit for the Year attributable to the owners of the Company as detailed in the section headed "Results of Operations", the increase in the share of other comprehensive income of joint ventures of HK$14.9 million (2013: nil) and the increase of exchange gain of HK$28.7 million (2013: nil) arising on translation as a result of significant appreciation gain of Renminbi during the Year.

Dividend

The Board has proposed a final dividend of HK1.5 cents per share in respect of the results for the Year (2013: HK1.5 cents per share). The ratio of dividend to profit for the Year attributable to the owners of the Company for the Year was 30% (2013: 34%) based on the issued share capital as at 31 March 2014. Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 26 August 2014 (the "2014 AGM"), the final dividend will be distributed on or about 16 September 2014 to shareholders whose names appear on the Register of Members of the Company as at the close of business on 4 September 2014.

Financial Resources and Capital Structure

The Group always maintains healthy cash position and sufficient capital for business development. As at 31 March 2014, the aggregate sum of cash, bank balances and short term bank deposits amounted to HK$514.9 million (2013: HK$591.8 million). The working capital (current assets less current liabilities) and the total equity of the Group were HK$597.9 million (2013: HK$940.1 million) and HK$2,252.3 million (2013: HK$2,336.8 million) respectively.

As at 31 March 2014, the Group had no bank borrowings. As at 31 March 2013, the bank borrowings of HK$1,020.8 million were granted by banks in China to Rongzhong Capital Group to support the provision of the financial leasing service. The Group has not entered into any hedging instruments to reduce interest rate risk exposure.

Liquidity and Gearing Ratio

The Group liquidity position is further improved with the derecognition of all the bank borrowings upon Completion. As at 31 March 2014, the current ratio (current assets/current liabilities) of the Group jumped to 16.4 times (2013: 2.59 times) and both the debt-to-equity ratio (total bank borrowings/total equity) and the net debt-to-equity ratio of the Group were reduced to zero (2013: 43.7% and 29.1% respectively).

Charges on Group Assets

As at 31 March 2014, there was no charge on the Group's assets.

As at 31 March 2013, the Group's finance leases receivable of HK$1,261.7 million and security deposits of HK$17.8 million were pledged to banks in China to secure the bank borrowings of the Group.

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.

Contingent Liabilities

As at 31 March 2014, the Company had given a guarantee in respect of bank borrowings of RMB82.6 million equivalent to approximately HK$104.6 million (2013: RMB100 million equivalent to approximately HK$123.5 million) to a joint venture of the Group. The guarantee provided by the Company was approximately 47.94% (2013: 50.055%) of all sums payable by the borrower.

Employees and Remuneration Policy

As at 31 March 2014, the Group had 27 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.

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

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the Year.

REVIEW OF 2013/14 CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company reviewed the consolidated financial statements of the Group for the Year.

CORPORATE GOVERNANCE

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 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 30 August 2013 due to other prior business engagement.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. The Company, having made specific enquiry of all Directors, confirmed that all Directors have complied with the required standard of dealings set out therein throughout the Year.

ANNUAL GENERAL MEETING

The 2014 AGM will be held on Tuesday, 26 August 2014. The notice of the 2014 AGM will be published on the websites of the Stock Exchange and the Company and sent to the shareholders of the Company (the "Shareholders"), together with the Company's 2013/14 Annual Report, in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining Shareholders' eligibility to attend and vote at the 2014 AGM, and entitlement to the final dividend, the register of members of the Company will be closed as set out below:

(i) For determining Shareholders' eligibility to attend and vote at 2014 AGM:

Latest time to lodge transfer documents for registration	4:30 p.m. on Wednesday, 20 August 2014
Closure of register of members	Thursday, 21 August 2014 to Tuesday, 26 August 2014 (both dates inclusive)
Record date	Tuesday, 26 August 2014

(ii) For determining Shareholders' entitlement to final dividend

Latest time to lodge transfers documents for registration	4:30 p.m. on Friday, 29 August 2014
Closure of register of members	Monday, 1 September 2014 to Thursday, 4 September 2014 (both dates inclusive)
Record date	Thursday, 4 September 2014

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2014 AGM, and to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than the aforementioned latest time.

By order of the Board
Goldbond Group Holdings Limited
Mr. Ding Chung Keung
Chief Executive Officer

Hong Kong, 27 June 2014

As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung, Ms. Wong, Michelle Yatyee and Mr. Melvin Jitsumi Shiraki (all being executive directors of the Company), Mr. Ma Ho Fai SBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH (all being independent non-executive directors of the Company).