



ANNUAL REPORT 2016

Amax International Holdings Limited

奧瑪仕國際控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 959

Contents

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	5
Corporate Governance Report	11
Directors' Report	23
Independent Auditor's Report	34
Consolidated Statement of Profit or Loss	37
Consolidated Statement of Profit or Loss and Other Comprehensive Income	38
Consolidated Statement of Financial Position	39
Consolidated Statement of Changes in Equity	40
Consolidated Statement of Cash Flows	41
Notes to Consolidated Financial Statements	42
Five-year Financial Summary	106

BOARD OF DIRECTORS

Executive

Mr. Ng Man Sun (*Chairman and Chief Executive Officer*)

Ms. Ng Wai Yee

Independent Non-executive

Ms. Yeung Pui Han, Regina

Mr. Li Chi Fai

Ms. Sie Nien Che, Celia

AUDIT COMMITTEE

Mr. Li Chi Fai (*Chairman*)

Ms. Yeung Pui Han, Regina

Ms. Sie Nien Che, Celia

COMPLIANCE COMMITTEE

Ms. Ng Wai Yee (*Chairman*)

Mr. Li Chi Fai

Mr. Wong Sze Lok (*Chief Financial Officer*)

Mr. Cheung Tai Chi (*Company Secretary*)

REMUNERATION COMMITTEE

Ms. Yeung Pui Han, Regina (*Chairman*)

Ms. Ng Wai Yee

Ms. Sie Nien Che, Celia

NOMINATION COMMITTEE

Mr. Ng Man Sun (*Chairman*)

Ms. Yeung Pui Han, Regina

Ms. Sie Nien Che, Celia

COMPANY SECRETARY

Mr. Cheung Tai Chi

AUDITOR

Elite Partners CPA Limited

LEGAL ADVISER

Cheng, Yeung & Co.

INVESTOR RELATIONS CONSULTANT

Strategic Financial Relations Limited

STOCK CODE

959

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Clarendon House

2 Church Street

Hamilton HM11

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 5106-07, 51/F.

The Center

99 Queen's Road Central

Central

Hong Kong

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Amax International Holdings Limited ("Amax" or the "Company"; stock code: 959) and its subsidiaries (collectively the "Group"), I present herewith the audited consolidated annual results for the year ended 31 March 2016 (the "year under review") (the "2016 Annual Results").

During the year under review, the Group made gradual progress in overcoming a series of considerable challenges originating over the past few years while embarking on a number of initiatives in fine-tuning its business model and consolidating its business resources. Despite facing tougher market conditions, the Group has stayed on course to improve its business operations, restore internal stability and explore investment opportunities overseas.

GRASP OF INVESTMENT OPPORTUNITIES

Following the completion of a 60% stake purchase in Forenzia Enterprises Limited ("Forenzia Enterprises"), a company that has access to an interactive gaming license for the Pacific island nation of Vanuatu, the Group has received a letter from the Director of Customs and Inland Revenue of Vanuatu (the "Regulator") on 15 May 2016 giving in principle approval to the commencement of the operation of the Group's gaming business in the Republic of Vanuatu ("Vanuatu").

In view of the poor industry sentiment in Macau's gaming market, this new project provides us with a golden opportunity to diversify our business and thereby broaden our income sources. We are confident in the long-term success of its gaming market given the country's anticipated tourist growth and supportive demographics, which can significantly and positively contribute to the Group and create value for our shareholders.

CONSOLIDATION OF BUSINESS RESOURCES

During the year under review, the Group has further consolidated its resources and continued to assess existing investment opportunities. In June 2016, the Group completed the disposal of the entire interests in Le Rainbow Worldwide Limited ("Le Rainbow") which indirectly owned 42.61% of Nanning Inter-Joy LOTTO Information Service Co., Ltd. ("LE-Guangxi"). Such disposal signified the conclusion of its loss-making business in Mainland China.

For the past few years, the Group has been locked in a lengthy legal dispute with Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology" or the "Associate"), which has adversely affected our financial performances. During the year under review, the Group has tried to overcome this obstacle by taking further appropriate actions against Greek Mythology.

OPEN OFFER

On 16 May 2016, the Group has completed an Open Offer and thanks to the support from our shareholders, 75% of the offer shares were subscribed. The Group is making the best use of the net proceeds to invest in overseas projects and for the purpose of general working capital, striving for sustainable profitability and growth to provide returns to our shareholders for their continued trust.

FUTURE PROSPECTS AND OUTLOOK

The Group has been undergoing a transformation process, aspiring to develop into an investment holding company with a diverse investment portfolio in multiple markets. After years of efforts, we are now well-prepared to embark on the next stage of our journey. This involves continuing to transform our business model to reflect both the realities and the new opportunities within our business context. In the coming years, the Group's priority is the development and operation of the gaming business in Vanuatu which is expected to be a major growth driver. We are also continuing to explore investment opportunities worldwide, with an aim to strengthen our industry presence and further diversify our business.

WORDS OF APPRECIATION

On behalf of the Board, I would like to extend my sincere thanks to the management and staff of the Group for their determined efforts and constant contributions during the past year. I wish to also express my gratitude to our shareholders for their unequivocal support. The Group continues to forge ahead, achieving sustainable growth in order to generate long-term value for our shareholders.

Ng Man Sun

Chairman

Hong Kong, 28 June 2016

The Directors of the Company hereby report the audited consolidated annual results of the Group for the year ended 31 March 2016. The 2016 Annual Results have been reviewed by the audit committee of the Company.

FINANCIAL REVIEW

The Group is principally engaged in investment holdings and investments in niche gaming and entertainment-related businesses. For the year under review, the Group has continued its effort in consolidating its business resources and expanding its core business beyond Macau, aiming to generate long-term value for shareholders.

The Group recorded a revenue of approximately HK\$10.5 million for the year under review, increasing 104.9% as compared to last year. The increase in revenue was mainly attributable to the significant revenue increase from the operation of LE-Guangxi which itself has been a loss-making company since its acquisition by the Company. Net loss for the year under review was approximately HK\$49.0 million, as compared to approximately HK\$41.4 million for the corresponding period last year.

During the year under review, the financial information of Greek Mythology was still unavailable. Hence, the 2016 Annual Results do not reflect the actual performances of Greek Mythology and the Group.

Capital Structure

As at 31 March 2016, the Company's total issued shares were 327,932,786 (2015: 277,732,786) at HK\$0.20 each. The Group's consolidated net assets was approximately HK\$1,207.9 million, representing a decrease of approximately HK\$16.2 million as compared to that of approximately HK\$1,224.1 million as at 31 March 2015. During the year under review, the Company completed a number of placing and top-up subscription activities, raising a total of approximately HK\$30.93 million detailed as below and also in note 26 to the consolidated financial statements.

Date of completion	Price per share (HK\$)	No. of shares (‘000)	Net proceeds (HK\$‘000)
17 September 2015	0.64	25,000	15,740
28 December 2015	0.64	24,000	15,190

On 24 March 2016, the Company announced its proposal to raise funds by way of an open offer of one offer share for every two shares held by the qualifying shareholders at a subscription price of HK\$0.20 per offer share (the "Open Offer"). It was considered that the Group's long term growth would be financed by way of equity fund raising which would not only strengthen the Group's capital base but also enhance its financial position without increasing finance costs.

The Open Offer was fully-underwritten by SBI China Capital Financial Services Limited (the "Underwriter") pursuant to the underwriting agreement dated 24 March 2016 entered into by and between the Company and the Underwriter and was completed on 16 May 2016 with a total of 163,966,393 new shares with an aggregate nominal value of approximately HK\$32.79 million issued on the same date, on the basis of 327,932,786 shares in issue on 18 April 2016, being the record date of the Open Offer. The estimated net proceeds, after deducting relevant expenses payable in relation to the Open Offer, amounted to approximately HK\$30.07 million which is intended to be invested in overseas projects when suitable opportunities become available and as general working capital. As the Open Offer has significantly strengthened the financial position and enhanced the liquidity of the Group, it is in the interests of the Company and the Shareholders as a whole.

Management Discussion and Analysis

Details of the Open Offer are set out in the Company's announcements dated 24 March 2016, 7 April 2016 and 13 May 2016 and the Company's prospectus dated 20 April 2016.

Liquidity and Financial Resources

The Group adopts a prudent treasury policy. It finances its operation and investments with internal resources, cash revenues generated from operating activities and proceeds from equity fund raising activities.

As at 31 March 2016, the Group had total assets and net assets of approximately HK\$1,470.9 million (2015: approximately HK\$1,450.4 million) and HK\$1,207.9 million (2015: approximately HK\$1,224.1 million), comprising non-current assets of approximately HK\$1,372.1 million (2015: approximately HK\$1,361.5 million) and current assets of approximately HK\$98.8 million (2015: approximately HK\$88.9 million) which were financed by shareholders' funds of approximately HK\$1,207.9 million (2015: approximately HK\$1,224.1 million). Non-controlling interests of approximately HK\$56.9 million (2015: approximately HK\$61.9 million), current liabilities of approximately HK\$262.1 million (2015: approximately HK\$187.7 million) and non-current liabilities of approximately HK\$0.8 million (2015: approximately HK\$38.6 million).

As at 31 March 2016, the Group's gearing ratio, calculated as a ratio of debt to shareholders' equity, was approximately 22% (2015: 18%). As at 31 March 2016, the Group had cash and cash equivalents of approximately HK\$2.5 million (2015: approximately HK\$3.1 million).

Foreign Exchange and Currency Risks

It is the Group's policy for its operating entities to operate in their corresponding local currencies to minimise currency risks. The principal businesses of the Group are conducted and recorded in Hong Kong dollars, Renminbi and Macau Patacas. As its exposure to foreign exchange fluctuation is minimal, the Group does not see the need for using any hedging tools.

BUSINESS REVIEW

The year under review was a year of transformation and consolidation for the Group. Notwithstanding a challenging market environment, the Group implemented a number of measures to consolidate its business operations with a view to minimise the operating costs and redirect its effort in other potential profitable business ventures, in order to provide returns and broaden the revenue base of the Group.

Business Operation of Forenzia Enterprises

Foreseeing a slowing growth in the gaming sector in Macau in the coming years, especially in the high roller segment, the Group has focused on exploring geographic diversification in its core business and seeks to satisfy the unfulfilled demand by establishing a gaming operation outside Macau.

To capitalise on the significant growth expected from the global gaming market, the Group has acquired a 60% equity interests in Forenzia Enterprises at a consideration of HK\$48,100,000, payable by issuing 37,000,000 ordinary shares of the Company at HK\$1.30 each. Forenzia Enterprises, through its wholly-owned subsidiaries, is principally engaged in conducting gaming business in Vanuatu with an interactive gaming license valid for a period of 15 years from February 2014 in Vanuatu. As a result, 22,200,000 ordinary shares at HK\$1.30 each has been issued as consideration after the completion of the acquisition and the remaining 14,800,000 consideration shares are pending for issue until after the commencement of operation of the gaming business in Vanuatu.

During the year under review, the Group's establishment of business operations in Vanuatu continued to achieve good progress. The Group has received a letter of approval in principle from the Regulator to commence the gaming business in Vanuatu. However, due to the Company had conducted certain equity fund raising activities in 2015 and 2016 subsequent to the completion of the acquisition which have dilution effect on the interest of the vendor of the acquisition of Forenzia Enterprises (the "Vendor"); and the market price of the Company's shares has been dropping significantly after an open offer announced by the Company in March 2016, in addition to the 14,800,000 consideration shares, an additional 6,500,000 consideration shares will be issued to the Vendor. The management is of the view that it is in the interests of the Company and the Shareholders as a whole and beneficial to the long-term development of the Group's Vanuatu gaming business to maintain a close and long-term business relationship with the Vendor, who is a 40% shareholder and one of the three directors of Forenzia Enterprises.

Details of the acquisition of Forenzia Enterprises and the issue of consideration shares are set out in the Company's announcements dated 14 October 2014, 11 November 2014, 18 May 2016 and 27 May 2016.

Vanuatu is a popular destination for tourists from Australia, New Zealand, New Caledonia, Europe, North America and Japan and has high potential to become the next gaming hotspot. The Group is well-positioned to benefit from pent-up demand by establishing gaming operations in Vannatu, which is expected to contribute significant income in the future.

Greek Mythology

Greek Mythology is an associate in which the Group owns 24.8% equity interests. It operates and manages Greek Mythology Casino which is currently closed for renovation. Due to Greek Mythology's refusal to provide the Company with its valid financial information since 2012, the Group has initiated a series of legal actions in an attempt to obtain the annual accounts from the Associate.

Since May 2014, the Court of First Instance of Macau granted court orders to instruct the administrator of Greek Mythology to provide the Company with its management accounts for the years ended 31 March 2013 and 31 March 2014 ("Management Accounts"). Further actions were taken by the Company on 27 April 2015 and 10 May 2016 respectively to request the Associate to provide all relevant information and documentation to the Company, convene general meetings to approve the Management Accounts and provide the annual accounts for the years ended 31 March 2015 and 31 March 2016.

The Group is taking every step to address this issue, and will be continuing with the communication on obtaining the financial accounts in order to re-exercise the rights of the Company in Greek Mythology.

LE-Guangxi

Through Le Rainbow's wholly-owned subsidiary, Le Rainbow China Limited, the Group holds 42.61% beneficial equity interests in LE-Guangxi. As a lottery-related services company in cooperation with the Guangxi Welfare Lottery Issue Centre, LE-Guangxi is primarily engaged in distribution of a proprietary electronic lottery sales system in Guangxi, China. During the year under review, revenue generated from this business segment has significantly increased 1,688.1% to approximately HK\$5.7 million. However, the significant growth in revenue was unable to turn around the loss-making position of LE-Guangxi. As the current situation of LE-Guangxi is not expected to improve in the near future, the Group has determined to divert its attention towards developing other profit-making businesses.

In view of the loss-making position of LE-Guangxi, the Group has entered into an agreement for the disposal of 100% equity interests in Le Rainbow on 27 May 2016. The disposal would help the Group achieve the best use of its resources and improve its overall performance.

Details of the disposal of Le Rainbow are set out in the Company's announcements dated 27 May 2016, 10 June 2016 and 22 June 2016.

Management Discussion and Analysis

Principal risks of the Group

The following are keys risks that are considered to be of great significance to the Group and have potential to affect the Group's business adversely and materially. This list is likely to change over time. The continually changing environment in which the Group operates also mean that the list cannot be an exhaustive list of all significant risks that could affect the Group.

1) *Market competition and economy*

The Group operates in a highly competitive industry and demand for the type of gaming services the Group offer is sensitive to downturns and uncertainties in the global and regional economy and corresponding decreases in discretionary consumer spending. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions, energy, fuel and other commodity prices, the cost of travel, employment and job market conditions, actual or perceived levels of disposable consumer income and wealth, and consumer confidence in the economy. These and other factors have in the past reduced consumer demand for the gaming services the Group offer, imposed practical limits on pricing and materially and adversely affected its business, financial condition and results of operations and could affect the Group's liquidity position.

Risk mitigation

The Group carries out continual review of competition and market trends with an aim to maintain a competitive position through diversifying its portfolio and geographical revenue.

2) *Money laundering and other illegal activities*

Gaming business in Vanuatu is easily subject to exploitation for money laundering purposes. Any incident of money laundering, accusations of money laundering or regulatory investigations into possible money laundering activities involving the Group, the operator, its employees, its junkets or its players could have a material adverse impact on its reputation, relationship with its regulators, business, cash flows, financial condition, prospects and results of operations. Any serious incident of money laundering or regulatory investigation into money laundering activities may cause a revocation or suspension of the Gaming License.

Risk mitigation

The Group has to comply with the Code of Practice of Vanuatu Interactive Gaming Act No. 16 of 2000 ("Code of Practice") issued by the Ministry for Finance and Economic Management of Vanuatu in respect of anti-money laundering, measures covered by the Code of Practice including, but not limited to:

1. to verify individuals' identities and keep proper records on the players and junkets in the database of the operating application;
2. to record any bets, single or aggregated, over a certain amount by the recording system of the operating application, which can record and report on each transactions with the parties involving in such transaction; and
3. to report suspicious irregularities to relevant authorities, which the operator will monitor the report from the operating application to identify any suspicious irregularities and report to the Target Group and relevant authorities immediately.

In addition, the Group does not intend to incorporate payment gateways into the operating application, therefore, the operating application cannot accept credit card or any forms of electronic currencies for the transactions.

All the games in the operating application are run in a computer system and the operator can track high value and suspicious transactions and generate a report when it detects any suspicious or high value transaction. Upon receiving reports of high value or suspicious transactions, the operator will review the details of the case and decide on the course of action. If there is a suspicious transaction, the operator will report to the Financial Intelligence Unit of Vanuatu and will provide a report to the regulator.

The Company will conduct internal control review on the internal systems and procedures and anti-money laundry mechanism of the Group on an annual basis.

3) *Catastrophic events*

The Group's Vanuatu operation could be disrupted by catastrophic events such as severe storm or flood. The occurrence of these events could adversely affect the Group's operation and require substantial expenditures and recovery time in order to resume operations.

Risk mitigation

The Group has taken these potential risks into account when selecting appropriate data centre for the operation and will also ensure that adequate insurance coverage is in place.

LITIGATION

On 22 March 2006, the Company issued a batch of 10-year zero-interest promissory notes with total face value of approximately HK\$1,454,722,000 for the purpose of acquiring 30% equity interests in Greek Mythology. Among the promissory notes, a promissory note with face value of HK\$150,000,000 (the "Promissory Note") was issued to Ms. Lee Bing ("Ms. Lee") under a mistaken belief that the legal title of the Promissory Note would be properly transferred to her. As such, on 18 March 2016, the Company has issued a writ of summons in the Court of First Instance of the High Court of Hong Kong claiming against Ms. Lee for the followings:

1. a declaration that the Promissory Note issued by the Company to Ms. Lee was issued by mistake and without consideration;
2. an order that Ms. Lee to deliver the Promissory Note to the Company;
3. an injunction to restrain Ms. Lee whether by herself, her servants or agents or otherwise howsoever from negotiating or indorsing the Promissory Note;
4. further and other relief; and
5. costs.

It is advised that the results of the litigation will not affect the Group's liabilities under the Promissory Note.

Details of the litigation are set out in the Company's announcement dated 21 March 2016.

PROSPECTS AND OUTLOOK

The gaming market in Macau has seen a steep fall since June 2014 as a result of the Chinese government's stricter regulations. In a bid to curb corruption, the Chinese government has imposed restrictions on VIP gamblers. The downtrend in the gaming market is expected to continue and to date there hasn't been any clear sign of stabilisation. However, global gaming growth is expected to quickly climb to 4.1 percent in 2016 and reach US\$525 billion by 2019.

In view of the market situation, leveraging the extensive experience gained from operations in Macau, the Group has sought to branch out its gaming and entertainment investments beyond Macau in recent years. Having restored internal stability and developed a diverse investment portfolio, the Group is now in an ideal position to capitalise on the increasing opportunities in the Asia Pacific region.

Looking ahead, the Group will stay on course to fully leverage the development of the gaming business in Vanuatu and strengthen its presence in the global gaming market as an investment holding company with diversified stable income sources.

The Group will continue to explore potential global investment opportunities that would secure profitability and diversify revenue streams, thereby maximising long-term returns for its investors and shareholders.

The Group continues to commit itself to maintaining a high standard of corporate governance with emphases on enhancing transparency and accountability and assuring of good application of practices and procedures within the Group and enhancing performance thereby, augmenting shareholders' value and benefiting our stakeholders at large.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of, and complied with all applicable code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") throughout the year ended 31 March 2016 with the exception of certain deviations as further explained below.

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

Mr. Ng Man Sun currently assumes the roles of both the chairman (the "Chairman") of the Board and chief executive officer (the "CEO") of the Company. The Board believes that the roles of Chairman and CEO performed by Mr. Ng provide the Group with strong and consistent leadership and are beneficial to the Group especially in planning and implementation of the Company's business strategies. The Board will regularly review effectiveness of such arrangement.

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term, and subject to re-election.

None of the non-executive directors (the "Non-executive Directors") of the Company, being all existing independent non-executive directors (the "Independent Non-executive Directors", or "INEDs") of the Company, is appointed for a specific term. However, all INEDs are subject to retirement by rotation but eligible for re-election at least once every three years at annual general meeting (the "AGM") in accordance with the Bye-laws of the Company. The Company has also received the confirmation of independence from each INED and has grounds to believe that they are independent of the Company.

Code provision E.1.2 of the CG Code provides that the chairman of the board should attend the annual general meeting.

Due to other business commitments, Mr. Ng Man Sun, being the chairman of the Board, was unable to attend the AGM of the Company held on 28 August 2015. He had arranged Ms. Ng Wai Yee, another executive director (the "Executive Director") of the Company and who is very familiar with the Group's business and operations, to attend and chair the AGM.

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Due to other business commitments, Ms. Sie Nien Che, Celia, being an INED of the Company, did not attend the AGM of the Company held on 28 August 2015 and the special general meetings of the Company held on 19 June 2015, 28 August 2015 and 17 February 2016, respectively.

The Company periodically reviews its corporate governance practices and policy to ensure that they continue to meet the requirements of the CG Code, and acknowledges the important role of the Board in providing effective leadership and direction to the Company's business, and ensuring transparency and accountability of the Company's operations.



Corporate Governance Report

As such, the Company considers that sufficient measures have been in place to ensure that the Company's corporate governance practices and policies are no less exacting than the code provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the Directors and has adopted written guidelines no less exacting than the Model Code for the relevant employees in respect of their dealings in the Company's securities.

Having made specific enquiries of all Directors, all Directors confirm that they have complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions throughout the year ended 31 March 2016.

BOARD OF DIRECTORS

Responsibilities

The Board, led by the Chairman, Mr. Ng Man Sun, provides leadership, devises and approves policies, strategies and plans, and oversees their implementation to further the healthy growth of the Company in the interests of its shareholders. The day-to-day management, administration and operations of the Company and implementation of the Board's decisions are delegated to the CEO and the Executive Directors.

Board Diversity Policy

Recognizing and embracing the benefits of having a diverse member of the Board to uphold corporate governance, the Company announced the Board Diversity Policy to set out clear guidelines in designing the Board's composition, in terms of 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. The Board may seek to improve one of more aspects of its diversity at any given time, and measure its progress accordingly.

Currently, Mr. Ng Man Sun, Ms. Ng Wai Yee, Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia are the members of the Board. The Board is confident that its Directors will continue to work towards a common goal and vision for the best interests of the Group and its shareholders.

Board Composition

The Board currently consists of five members, including two Executive Directors, namely Mr. Ng Man Sun (the Chairman and CEO) and Ms. Ng Wai Yee; and three INEDs, namely Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia. Their biographical details are set out on pages 28 to 29 of this report and are posted on the Company's website. The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules.

Except that Ms. Ng Wai Yee is the daughter of Mr. Ng Man Sun, to the best knowledge of the Board, there is no financial, business, family or other material/relevant relationship between each Board member.

Chairman and Chief Executive Officer

The roles and responsibilities respectively of the Chairman and CEO are clearly defined and set out in writing, and are now both exercised by Mr. Ng Man Sun.

The Chairman provides leadership and is responsible for effective functioning of the Board in accordance with good corporate governance practices and standard. With the full support of the management of the Company, the Chairman is principally responsible for determining the overall strategy and corporate development and ensuring the business operations are properly monitored.

The CEO, with the full support of the management of the Company, focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. He is also responsible for developing strategic plans and formulating the Company practices and procedures, business objectives, and risk assessment for the Board's approval.

The functions reserved to the Board and those delegated to the management have been formalized in writing and are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs.

Independence of Independent Non-executive Directors

Composition of the INEDs reflects the necessary balance of skills and varied business experiences of different geographical regions and independence in their decision making for effective and constructive contribution to the Board for governance of the Company. The Board currently has three INEDs representing more than one third of the Board and one of them possessing appropriate professional qualification in accounting or related financial management expertise.

The Company has received written annual confirmation of independence from each INED pursuant to Rule 3.13 of the Listing Rules. The Company considers all INEDs to be independent in accordance with the independence guidelines set out in the Listing Rules.

Board Meetings

All Directors have full and timely access to the management for any information to enable them to make informed decisions, as well as the advice and services of the company secretary (the "Company Secretary") of the Company with a view of ensuring that Board procedures and all applicable rules and regulations are followed. The Board has agreed procedures to enable each Director to seek independent professional advice in appropriate circumstances at the Company's expenses.

Corporate Governance Report

Each Director has given sufficient time and attention to the affairs of the Company. Owing to the Chairman's encouragement to the Directors to make full and active contribution to the affairs of the Board, a culture of openness and debate is developing among the Directors to ensure Board decisions fairly reflected consensus. Eleven Board meetings and four general meetings of the Company were held during the year ended 31 March 2016 and the attendances of each Board member are set out below:

	Number of meetings attended/ eligible to attend	
	Board meetings	General meetings
Executive Directors		
Mr. Ng Man Sun (<i>Chairman and CEO</i>)	9/11	0/4
Ms. Ng Wai Yee	11/11	4/4
Independent Non-executive Directors		
Ms. Yeung Pui Han, Regina	11/11	4/4
Mr. Li Chi Fai	11/11	4/4
Ms. Sie Nien Che, Celia	7/11	0/4

Board meeting schedules and draft agendas of each meeting are made available to the Directors in advance. Notice of each regular Board meeting is served to all Directors at least 14 days before the meeting. For other Board or Board committee meeting, reasonable notice is generally given. Board papers together with all adequate, accurate, appropriate, clear, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or Board committee meeting or promptly upon request by the Directors to keep the Directors apprised of the latest developments and financial position of the Company. With the full support of the management of the Company, such Board papers and materials are provided in a timely manner and in a form and quality sufficient with appropriate explanation to enable the Board to make informed decisions.

The Company Secretary is responsible for keeping minutes of all Board meetings and Board committee meetings. Draft minutes are normally circulated to the Directors for comments within a reasonable time after each meeting and the final version is open for the Directors' inspection. According to the current Board practices, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company's Bye-laws also contain provisions requiring Director(s) to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Director(s) or any of his/her/their associates have a material interest.

The Company has arranged appropriate insurance cover in respect of possible legal action against their Directors and officers.

Appointment and re-election of Directors

The Company has established formal, considered and transparent procedures for the appointment of the Directors. The nomination committee (the "Nomination Committee") is responsible for considering the suitability of individual to act as a Director and to make recommendations to the Board on appointment or re-election of Directors.

All Directors entered into letters of appointment with the Company without specific term of office. However, their term of office each is the period up to his/her retirement by rotation or retirement, but eligible for re-election at general meetings of the Company in accordance with the Company's Bye-laws. In accordance with the Company's Bye-laws, the Company may from time to time in general meeting elect any person to be a Director to fill a casual vacancy or as an addition to the Board. The Directors shall have power from time to time to appoint any person as a Director either to fill a casual vacancy or, subject to the authorization by shareholders in general meeting, as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting (in the case of filling a casual vacancy) or until the next following AGM (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting. At each AGM, one-third of the Directors for the time being shall retire from office by rotation provided that each Director shall be subject to retirement by rotation at least once every three years at the AGM.

Each Director has disclosed to the Company at the time of his/her appointment or election, and in a timely manner of any changes in number of offices held in public companies or organizations and other significant commitments. A list of the Directors identifying their roles and functions is available on the websites of Company and the Stock Exchange. The Directors and their biographical details as at the date of this report are set out on pages 28 to 29.

Directors' Training and Continuous Professional Development

Every new Director received a comprehensive, formal and tailored induction at the time of his/her appointment or election, so as to ensure that he/she has appropriate understanding of the operations and business of the Company, and that he/she is fully aware of his/her responsibilities under the Listing Rules and relevant other regulatory requirements and the Company's business and governance policies.

Directors are continually updated on the latest development of the Listing Rules, legal and other regulatory requirements to ensure compliance and upkeep of good corporate governance practice. The Company encourages all Directors to participate in continuous professional development to develop and refresh their knowledge and skill. During the year under review and up to the date of this report, all Directors have provided their records of training they received to the Company for record and a summary of which is as follows:

Forms of continuous training and professional development (Note)

Directors	A	B	C
Executive Directors			
Mr. Ng Man Sun	√	√	–
Ms. Ng Wai Yee	√	√	–
Independent Non-executive Directors			
Ms. Yeung Pui Han, Regina	√	√	–
Mr. Li Chi Fai	√	√	√
Ms. Sie Nien Che, Celia	√	√	–

Corporate Governance Report

(Note)

- A. Reading new/journal/magazine/other reading materials and/or attending in-house training as regards legal and regulatory changes and matters of relevance in the discharge of the duties as a listed company director. Each of the Directors has attended the training session arranged by the Company on amendments on Listing Rules relating to i) Risk Management and Internal Control: Review of the Corporate Governance Code and Corporate Governance Report; ii) Disclosure of Financial Information with reference to the New Companies Ordinance; and iii) Environmental, Social and Governance Reporting.
- B. Reading memoranda issued or information and materials provided from time to time by the Company regarding the business of the Group, legal and regulatory changes and matters of relevance in the discharge of the duties as a listed company director.
- C. Participation in continuous professional training and seminars/conferences/courses/workshops on subjects relating to directors' duties, corporate governance and other matters of relevance.

BOARD COMMITTEES

Four committees, namely audit committee (the "Audit Committee"), compliance committee (the "Compliance Committee"), remuneration committee (the "Remuneration Committee") and the Nomination Committee were established under the Board to oversee their respective functions set out below, and to report to the Board on their decisions or recommendations. Each committee or each committee member is allowed to obtain independent professional advice and services at the Company's expenses.

Audit Committee

As at 31 March 2016 and up to the date of this report, the Audit Committee comprised three INEDs, namely Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia, and is chaired by Mr. Li Chi Fai who has substantial accounting and related financial management expertise.

The main duties of the Audit Committee are to review and monitor and provide supervision over the Company's financial reporting process and internal control system, perform corporate governance duties delegated by the Board and maintain an appropriate relationship with the Company's auditor. The roles and functions of the Audit Committee are clearly set out in the terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and The Stock Exchange.

Five Audit Committee meetings were held during the year ended 31 March 2016. The attendances of each Audit Committee member are set out as follows:

	Number of meetings attended/ eligible to attend
Independent Non-executive Directors	
Ms. Yeung Pui Han, Regina	5/5
Mr. Li Chi Fai	5/5
Ms. Sie Nien Che, Celia	3/5

The major works performed by the Audit Committee during the year and up to the date of this report include the following:

- reviewed and recommended for the Board’s approval the draft audited consolidated financial statements of the year under review together with the auditor’s report attached thereto and the draft announcement of the 2016 Annual Results, and the draft unaudited consolidated financial statements and announcement of the interim result for the six months ended 30 September 2015 (the “2015 Interim Results”).
- reviewed, tax issues, compliance and salient features of 2016 Annual Results and 2015 Interim Results.
- discussed with the auditor the nature and scope of the audit and reporting obligations.
- considered and recommended to the Board for the terms of engagement and fee proposals provided by the auditor.
- reviewed the appointment of the auditor.
- recommended to the Board for the proposal for the re-appointment of Elite Partners CPA Limited as the auditor of the Company at the forthcoming AGM of the Company.
- reviewed the appointment of the internal auditor and the internal audit plan.
- reviewed the effectiveness of the internal control system of the Company.
- reviewed the Company’s application of its policy and practices of corporate governance and disclosures in this report.
- reviewed the training and continuous professional development of the Directors and senior management.
- reviewed arrangements for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters.

The chairman of the Audit Committee will report the findings and recommendations, if any, to the Board after each meeting. During the year ended 31 March 2016, the Board had no disagreement with the Audit Committee’s view on the selection and appointment of the external auditor.

Compliance Committee

As at 31 March 2016 and up to the date of this report, the Compliance Committee comprised an Executive Director, namely Ms. Ng Wai Yee, an INED, namely Mr. Li Chi Fai, the Chief Financial Officer, Mr. Wong Sze Lok and the Company Secretary, Mr. Cheung Tai Chi, and is chaired by Ms. Ng Wai Yee.

The main duties of the Compliance Committee are to formulate, review, approve, and monitor the Company’s policies and practices on compliance with legal and regulatory requirements, supervise the implementation and monitor the efficiency and effectiveness of the compliance management system. The roles and functions of the Compliance Committee are clearly set out in the terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

Corporate Governance Report

Two Compliance Committee meetings were held during the year ended 31 March 2016. The attendances of each Compliance Committee member are set out as follows:

	Number of meetings attended/ eligible to attend
Executive Director	
Ms. Ng Wai Yee	2/2
Independent Non-executive Directors	
Mr. Li Chi Fai	2/2
Mr. Wong Sze Lok (<i>Chief Financial Officer</i>)	2/2
Mr. Cheung Tai Chi (<i>Company Secretary</i>)	2/2

The major works performed by the Compliance Committee during the year and up to the date of this report include the following:

- reviewed the Company's compliance with the CG code and disclosure in the CG Report.
- reviewed and approved the Company's policies and procedures on compliance with legal and regulatory requirements.
- monitored the training and continuous professional development of the Directors and senior management.
- prepared and submitted summary reports to the Board on the overall compliance performance and corporate governance practices of the Company.

Remuneration Committee

As at 31 March 2016 and up to the date of this report, the Remuneration Committee comprised an Executive Director, namely Ms. Ng Wai Yee, and two INEDs, namely Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, and is chaired by Ms. Yeung Pui Han, Regina.

The main duties of the Remuneration Committee are to review the Company's policy on remuneration structure, approve the management's remuneration by reference to corporate goals and objectives of the Company, recommend to the Board on the remuneration packages of the INEDs, review and determine the remuneration packages for the Executive Directors with delegated responsibility according to the model set out in code provision B.1.2(c)(i) of the CG Code as adopted by the terms of reference of the Remuneration Committee. No Director will determine his/her own remuneration. The roles and functions of the Remuneration Committee are clearly set out in the terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

Two Remuneration Committee meeting was held during the year ended 31 March 2016. The attendances of each Remuneration Committee member are set out below:

	Number of meetings attended/eligible to attend
Executive Director	
Ms. Ng Wai Yee	2/2
Independent Non-executive Directors	
Ms. Yeung Pui Han, Regina	2/2
Ms. Sie Nien Che, Celia	1/2

The major works performed by the Remuneration Committee during the year and up to the date of this report include the following:

- recommended to the Board on the remuneration packages of the INEDs.
- reviewed the terms of services contracts of all Directors.
- reviewed and approved the remuneration package of each Executive Director and senior management including benefit in kind, pension right and bonus payment.
- determined remuneration proposals of the management linked with the Company's performance towards its goals and objectives and individual performance.
- considered the Group's position relative to comparable companies, time commitment and responsibilities and employment conditions in terms of remuneration packages and salary payments.

Nomination Committee

As at 31 March 2016 and up to the date of this report, the Nomination Committee comprised an Executive Director, namely Mr. Ng Man Sun, and two INEDs, namely Ms. Yeung Pui han, Regina and Ms. Sie Nien Che, Celia, and is chaired by Mr. Ng Man Sun.

The main duties of the Nomination Committee are to review the structure, size and composition of the Board, make recommendations on the selection of individual to act as a Director and on appointment or re-election of Directors to complement the corporate strategy of the Company, and assess the independence of the INEDs. The roles and functions of the Nomination Committee are clearly set out in the terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

Corporate Governance Report

One Nomination Committee meeting was held during the year ended 31 March 2016. The attendances of each Nomination Committee member are set out below:

	Number of meetings attended/eligible to attend
Executive Director	
Mr. Ng Man Sun	1/1
Independent Non-executive Directors	
Ms. Yeung Pui Han, Regina	1/1
Ms. Sie Nien Che, Celia	1/1

The Company continued to monitor the board composition in order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board. The major works performed by the Nomination Committee during the year and up to the date of this report include the following:

- reviewed the structure, size and composition of the Board.
- recommended to the Board on re-election of the Directors.
- assessed the independence of INEDs.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration paid to and/or entitled by each of the Directors and senior management for the year under review is set out in notes 10 and 11 to the consolidated financial statements.

AUDITOR'S REMUNERATION

For the year ended 31 March 2016, the fees paid and payable to Elite Partners CPA Limited in respect of audit and non-audit services were HK\$775,000 and HK\$175,000 respectively.

ACKNOWLEDGEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for preparing the consolidated financial statements of the Group and present the consolidated financial statements in a balanced, clear and understandable assessment in its annual and interim reports. The Directors have been implementing various measures to improve the Group's financial position by exploring new business opportunities and strengthening cash liquidity of the Company. In preparing the consolidated financial statements for the year under review, the Directors have:

- based on a going concern basis;
- selected suitable accounting policies and applied them consistently; and

- made judgments and estimates that were prudent, fair and reasonable to give a true and fair view of the financial results of the Company and the Group.

The statement of the auditor of the Company about its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 34 to 36.

INTERNAL CONTROLS

The Board recognises its overall responsibility in ensuring conformity to the internal controls system of the Company and continues to commit to implementing an effective and sound internal controls system to safeguard the interests of shareholders and the assets of the Company, and to review annually the effectiveness of the system.

Procedures have been designed for the management of credit risk and collectability risk over the investment of the Company, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal uses or for publication, and ensuring compliance with applicable laws, rules and regulations. The procedures provide a reasonable, but not absolute assurance, prevention of material untrue statement or losses, as well as prevention of the interruption of the Company's management system and monitoring of risks existing in the course of arriving at the Company's objectives.

The Audit Committee and the Board, having considered the availability of internal resources and the qualification requirement of internal audit, agreed to outsource the internal audit function to an independent third party firm. The Company has engaged Elite Partners Risk Advisory Services Limited as the internal auditor to perform an independent internal control review to assess the effectiveness of the financial, operational and compliance controls, and risk management functions of the Company and the Group's major subsidiaries on a rotation basis for a term of three years.

COMPANY SECRETARY

Mr. Cheung Tai Chi has professional qualification and extensive experiences to discharge his duties as the Company Secretary of the Company. He reports to the Chairman and CEO and has day-to-day knowledge of the Company's affairs. He is mainly responsible for advising the Board on governance matters, promoting Directors' participation in continuing professional development training, ensuring good flow of information among the Board members and the Board policy and procedures are followed.

During the year, Mr. Cheung has attended no less than 15 hours of professional training to refresh and develop his skills and knowledge.

COMMUNICATION WITH SHAREHOLDERS

The CG Code requires the Company to have an ongoing dialogue with shareholders and it is the responsibility of the Board as a whole to ensure that satisfactory dialogue takes place. The Company's AGM provides a useful forum for the shareholders to exchange views with the Board and the Company welcomes the shareholders to attend the AGM. The Directors and representative(s) of the auditor of the Company will attend the AGM and be available to answer shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

Separate resolutions are proposed at general meetings on each substantially separate issue, including election or re-election of individual Directors at the AGM, and all resolutions put to the vote of a general meeting were taken by way of a poll. The results of the poll were published on the websites of the Company and the Stock Exchange respectively.



Corporate Governance Report

Another communication channel between the Company and its shareholders is through the publication of its interim and annual reports and other publications of the Company from time to time. The Company's branch share registrar serves the shareholders with respect to all share registration matters.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene Special General Meeting

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting (the "SGM") to be called by the Board for the transaction of any business specified in such requisition; and such SGM shall be held within two months after the deposit of such requisition, provided that such written requisition is verified to be valid, proper and in order.

The requisition must state the purposes of the SGM, and must be signed by the requisitionists and deposited at the Company's head office and principal place of business in Hong Kong and may consist of several documents in like form each signed by one or more requisitionists.

If within twenty-one days of such deposit the Board fails to proceed to convene such SGM, the requisitionists themselves, or any of them representing more than one half of the total voting rights of all of them, may convene a SGM, but the SGM so convened shall not be held after the expiration of three months from the said date.

Shareholders' Enquires to the Board

Investors or shareholders are welcomed to contact the Group's investor relations consultant for any enquires. Their contact details are as follows:

Strategic Financial Relations Limited
Tel: (852) 2527 0490
Fax: (852) 2804 2789

Details of the poll voting procedures and rights of shareholders to demand a poll are included in the circular to shareholders dispatched together with the annual report. The circular also includes details of the procedures and the timetable of proposing appropriate candidates to stand for election as Directors at an AGM, and the requirements of relevant details of proposed resolutions, including biographies of each candidate standing for election and whether such candidates are considered to be independent.

INVESTOR RELATIONS

The Group believes that maintaining active communication and operational transparency is vital to building good investor relations. During the year, the Group has retained a professional public relation company to maintain continuous communication with various investors and held meetings regularly with analysts and institutional investors from around the world, if appropriate.

There were no significant changes in the constitutional documents of the Company during the year ended 31 March 2016.

The Directors present their report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holdings. The principal activities of its subsidiaries and associate during the year are set out in notes 36 and 20 to the consolidated financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in note 4 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2016 are set out in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income on pages 37 to 38.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2016 (2015: Nil).

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 106.

BUSINESS REVIEW

The business review of the Group for the year under review is set out in the Management Discussion and Analysis on pages 5 to 10 of this report, which forms part of this report, and the paragraphs below.

Environmental Policy

The Group has devoted its greatest efforts in promoting conservation and environmental sustainability. Our environmental strategy is to achieve a balance between the quality and efficiency of our services and the minimization of greenhouse gas emissions and environmental degradation. Accordingly, Energy efficient lightings have been installed in the office to reduce energy consumption and the Group has also continuously monitored its waste and paper consumption such as use of recycled paper and double-sided printing.

Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations. The work of our Board and the Board committees, in particular the Compliance Committee as described in the Corporate Governance Report of this report contributes to our commitment to compliance efforts. During the year under review, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

Relationships with Employees

The Group actively manages its employee relations on which its success depends. The Group believes that developing superior human resources with knowledge, skill and experience is essential to the achievement of its objectives. Specifically, the Group provides in-house training, subsidy for attending seminars and encourages sharing of ideas through employees' meeting. These training and development enable the Group to enhance improvement in the knowledge and skills needed from the employees as they become one of the key strengths of the Group.

Relationship with Customers and Suppliers

The Directors believe that maintaining good relationships with customers has been one of the critical reasons for the Group's success. Our business model is to maintain and build on our strong relationships within our client base. To deliver the best products and experiences to our valued customers, we engaged with them by collecting their views and assessing their expectations through a wide range of communication channels. The Group is constantly looking ways to improve customer relations through enhanced services.

The Group has maintained good relationship with the suppliers to ensure their continued support to the Group in the foreseeable future.

EVENTS AFTER THE REPORTING PERIOD

(a) Open offer on the basis of one offer share for every two existing shares held

On 24 March 2016, the Company announced its proposal to raise funds by way of an open offer of one offer share for every two shares held by the qualifying shareholders at a subscription price of HK\$0.20 per offer share (the "Open Offer").

The Open Offer was fully-underwritten by SBI China Capital Financial Services Limited (the "Underwriter") pursuant to the underwriting agreement dated 24 March 2016 entered into by and between the Company and the Underwriter and was completed on 16 May 2016 with a total of 163,966,393 new shares with an aggregate nominal value of approximately HK\$32.79 million issued on the same date, on the basis of 327,932,786 shares in issue on 18 April 2016, being the record date of the Open Offer. The estimated net proceeds, after deducting relevant expenses payable in relation to the Open Offer, amounted to approximately HK\$30.07 million which is intended to be invested in overseas projects when suitable opportunities become available and as general working capital.

Details of the Open Offer are set out in the Company's announcements dated 24 March 2016, 7 April 2016 and 13 May 2016 and the Company's prospectus dated 20 April 2016.

(b) Disposal of the entire equity interest in Le Rainbow

On 27 May 2016, the Group has entered into an agreement for the disposal of 100% equity interests in Le Rainbow to an independent third party by cash consideration of HK\$1,000. The disposal was completed on 22 June 2016.

Details of the disposal of Le Rainbow are set out in the Company's announcements dated 27 May 2016, 10 June 2016 and 22 June 2016.

(c) Grant of share options

On 25 April 2016, the Company granted share options (the "Options") to certain eligible participants (the "Grantees"), subject to acceptance of the Grantees, under the share option scheme adopted by the Company on 12 September 2012. The Options shall entitle the Grantees to subscribe for a total of 5,100,000 ordinary shares of HK\$0.20 each in the capital of the Company.

Details of the grant of share options are set out in the Company's announcement dated 25 April 2016.

(d) Amendments to the terms of the sale and purchase agreement date 10 October 2014

On 27 May 2016, the Company entered into a supplemental agreement with the Vendor to adjust the issue price of the 2nd Tranche Consideration Shares from HK\$1.30 per share to approximately HK\$0.90 per share. As such, an additional 6,500,000 consideration shares shall be allotted and issued to the Vendor within 6 months after the commencement of the operation of the gaming business in Vanuatu. The corresponding listing approval was received from the Stock Exchange on 31 May 2016. Save for the above-mentioned amendment, all the other terms and conditions of the Sale and Purchase Agreement remain unchanged and in full force and effect in all respects.

Details of the amendments are set out in the Company's announcement dated 27 May 2016.

FIXED ASSETS

Details of the movements during the year in the property, plant and equipment and investment properties of the Group are set out in notes 16 and 17 to the consolidated financial statements.

SUBSIDIARIES AND ASSOCIATE

Details of the Company's subsidiaries and associate as at 31 March 2016 are set out in notes 36 and 20 respectively to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the Company's share capital during the year are set out in note 26(a) to the consolidated financial statements.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "2012 Scheme") on 12 September 2012 which was valid and effective for 10 years from its date of adoption.

Purpose

The 2012 Scheme is for the purpose of recognising eligible persons as incentives and rewards for their contribution to the Group.

Eligible Persons

Under the 2012 Scheme, eligible persons include any directors, officers, employees of the Company, any of its subsidiaries or any entity (the "Invested Entity") in which the Group holds any equity interests, suppliers and customers of any member of the Group or any Invested Entity, and shareholders of any members of the Group or the Invested Entity or any other person who has contributed to the development, growth or benefit of the Group at the discretion of the Board.

Total Number of Share Option Available for Issue

The maximum number of shares in respect of which options may be granted under the 2012 Schemes will not exceed 10% of the issued share capital of the Company at the date of adoption of the 2012 Scheme; and the maximum number of shares in respect of which options may be granted under all existing schemes will not exceed 30% of the maximum number of shares in issue from time to time.

As at the date of this report, the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the 2012 Schemes must not exceed 415,265,572 shares (25,773,458 shares after share consolidation and open offer), representing approximately 10% of the shares in issue as at the date of approval of the 2012 Scheme at the special general meeting on 12 September 2012, and after the special general meeting on 27 March 2013 approving share consolidation of every 20 shares of the Company of HK\$0.01 each consolidated into 1 new share of the Company of HK\$0.20 each and the completion of the open offer on 16 May 2016 on the basis of one offer share for every two existing shares.

Maximum Entitlement of Each Eligible Participant

The maximum entitlement of each eligible participant is that the total number of shares issued and to be issued upon exercise of the outstanding options granted and to be granted to such eligible participant (including both exercised, cancelled and outstanding options) under the 2012 Scheme and other scheme(s) of the Group in any 12-month period must not exceed 1% of the issued share capital of the Company at the date of grant.

Option Period

An option may be exercised in whole or in part in accordance with the respective terms of the 2012 Scheme during a period notified or to be notified by the Board.

Minimum Period for which an Option must be Held Before it is Exercised

The period within which an option may be exercised under the 2012 Scheme is determined by the Board at its absolute discretion, provided that such period is consistent with any other terms and condition of the 2012 Scheme.

Payment on Acceptance of the Option

A consideration of HK\$1 is payable upon acceptance within 28 days from the date of the offer of grant of the option under the 2012 Scheme.

Basis of Determining the Subscription Price

The subscription price for share under the 2012 Scheme shall be at the absolute discretion of the Board, provided that it must be at least the highest of (i) the closing price of the shares on the Stock Exchange on the offer day; and (ii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the offer date; and (iii) or the nominal value of the shares.

The Remaining Life of the Share Option Scheme

The 2012 Scheme remains in force for 10 years from the date of its adoption on 12 September 2012, unless otherwise terminated, cancelled or amended.

Details of the 2012 Scheme are set out in note 27 to the consolidated financial statements.

The movements of the Company's share options outstanding under the 2012 Scheme during the year ended 31 March 2016 are as follows:

	Date of Grant (day/month/ year)	Exercise period (day/month/ year)	Exercise price per share HK\$	No. of share options ('000)				
				As at 1 April 2015	Granted during the year	Exercised During the year	Lapsed during the year	As at 31 March 2016
Directors								
Mr. Ng Man Sun	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	200	-	-	-	200
	03/03/2014	03/03/2014– 02/03/2024	1.67	200	-	-	-	200
	10/03/2015	10/03/2015– 09/03/2025	0.87	200	-	-	-	200
Ms. Ng Wai Yee	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	200	-	-	-	200
	03/03/2014	03/03/2014– 02/03/2024	1.67	200	-	-	-	200
	10/03/2015	10/03/2015– 09/03/2025	0.87	200	-	-	-	200
Ms. Yeung Pui Han, Regina	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	200	-	-	-	200
	03/03/2014	03/03/2014– 02/03/2024	1.67	200	-	-	-	200
	10/03/2015	10/03/2015– 09/03/2025	0.87	200	-	-	-	200
Mr. Li Chi Fai	03/03/2014	03/03/2014– 02/03/2024	1.67	200	-	-	-	200
	10/03/2015	10/03/2015– 09/03/2025	0.87	200	-	-	-	200
Ms. Sie Nien Che, Celia	03/03/2014	03/03/2014– 02/03/2024	1.67	200	-	-	-	200
	10/03/2015	10/03/2015– 09/03/2025	0.87	200	-	200	-	-
Eligible employees								
	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	1,250	-	-	-	1,250
	03/03/2014	03/03/2014– 02/03/2024	1.67	2,100	-	-	-	2,100
	10/03/2015	10/03/2015– 09/03/2025	0.87	2,100	-	-	-	2,100
Service provider								
	05/02/2013 (Note 1)	05/02/2013– 04/02/2023	1.54	2,000	-	-	-	2,000
	03/03/2014	03/03/2014– 02/03/2024	1.67	2,000	-	-	-	2,000
	10/03/2015	10/03/2015– 09/03/2025	0.87	2,000	-	1,000	-	1,000
In aggregate				14,050	-	1,200	-	12,850

Note:

- The exercise price of the share options has been changed from HK\$0.077 to HK\$1.54 as a result of the share consolidation passed by the shareholders at a special general meeting of the Company held on 27 March 2013, whereby every 20 shares of the Company of HK\$0.01 each were consolidated into 1 new share of the company of HK\$0.20 each.

RESERVES

Details of the movements in the reserves of the Group are set out in the consolidated statement of changes in equity on page 40.

DISTRIBUTABLE RESERVES

As at 31 March 2016, in the opinion of the Directors of the Company, the reserves of the Company available for distribution to shareholders amounted to approximately HK\$607,153,000 (2015: HK\$644,611,000).

DIRECTORS

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

Executive Directors

Mr. Ng Man Sun (*Chairman and Chief Executive Officer*)
Ms. Ng Wai Yee

Independent Non-executive Directors

Ms. Yeung Pui Han, Regina
Mr. Li Chi Fai
Ms. Sie Nien Che, Celia

In accordance with the provisions of the Company's Bye-laws, Ms. Ng Wai Yee and Mr. Li Chi Fai retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Ng Man Sun, aged 69, also known as Ng Wai, has been elected as an Executive Director of the Company and appointed as the Chairman and Chief Executive Officer of the Company since 12 September 2012. He is a substantial shareholder of the Company and father of Ms. Ng Wai Yee, an Executive Director of the Company. Mr. Ng is well-known amongst the Macau casino business and is the founding chairman of the Association of Casino intermediaries of Macau.

Ms. Ng Wai Yee, aged 42, has been elected as an Executive Director of the Company since 12 September 2012. She is the daughter of Mr. Ng Man Sun, the Chairman, Chief Executive Officer and a substantial shareholder of the Company. Ms. Ng is a director of Diamond Square Investment & Management Company Limited (鑽石廣場投資管理有限公司) which assists in the management of Mr. Ng's business.

Independent Non-executive Directors

Ms. Yeung Pui Han, Regina, aged 59, has been elected as an Independent Non-executive Director of the Company since 12 September 2012. Ms. Yeung is a merchant in Canada in respect of high end leisure and entertainment business. She has been appointed as the President of Tradewinds Production Limited, a Canadian corporation, since 2009.

Mr. Li Chi Fai, aged 49, has been appointed as an Independent Non-executive Director of the Company since 22 February 2013. Mr. Li is a member of Hong Kong Institute of Certified Public Accountants and CPA Australia and holds a Bachelor of Economics degree from Monash University, Australia. He has more than 19 years of experiences in financial auditing and accounting. Before, he has been chief financial officer and company secretary of a number of Main Board issuers of the Stock Exchange.

Ms. Sie Nien Che, Celia, aged 42, has been appointed as an Independent Non-executive Director of the Company since 22 February 2013. Ms. Sie is the founder and chief executive officer of JACSO Group, a well known entertainment based group of companies in Hong Kong. Ms. Sie is a holder of bachelor degree in Arts from the University of Hong Kong and a member of Hong Kong United Youth Association.

Chief Financial Officer

Mr. Wong Sze Lok, aged 43, has over 19 years of professional experience in auditing and corporate governance. Before joining the Company, he had held senior positions at an international professional accounting firm and several companies listed in Hong Kong and the United States. Mr. Wong holds a bachelor degree in Accountancy from Hong Kong Polytechnic University and a master degree in management from Macquarie Graduate School of Management. He is a fellow member of Hong Kong Institute of Certified Public Accountants; a member of Institute of Chartered Accountants in England & Wales and a Certified Information Systems Auditor.

Company Secretary

Mr. Cheung Tai Chi, aged 45, has over 20 years of professional experience in financial management, accounting and auditing. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Ng Man Sun, Ms. Ng Wai Yee, Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai, Ms. Sie Nien Che, Celia has entered into a letter of appointment with the Company without specific term of office and may be terminated by either party by written notice of not less than three months.

Save as disclosed above, no Director who is proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries, which is not determinable within one year without payment of compensation, other than statutory obligations.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements and contracts of significance in relation to the Group's business, to which the Company or its subsidiaries was a party and in which a Director or his or her connected entity has or had a material beneficial interest, whether directly or indirectly, subsisted at 31 March 2016 or at any time during the year under review.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the date of this report, none of the Directors has any interest in a business which causes or may cause a significant competition with the business of the Company and any other conflicts of interest which any such person has or may have with the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at 31 March 2016, none of the Directors and chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register(s) and 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 set out in Appendix 10 to the Listing Rules.

Long Position in shares and underlying shares of the Company

Name of Directors	Capacity	Number of shares held	Number of Underlying shares held	Total	Approximate percentage of issued share capital
Mr. Ng Man Sun	Beneficial owner	37,070,000	600,000 (Note 1)	37,670,000	11.49%
	Interest in a controlled corporation (Note 2)	307,366	–	307,366	0.09%
	Total	37,377,366	600,000 (Note 1)	37,977,366	11.58%
Ms. Ng Wai Yee	Beneficial owner	–	600,000 (Note 1)	600,000	0.18%
Ms. Yeung Pui Han, Regina	Beneficial owner	–	600,000 (Note 1)	600,000	0.18%
Mr. Li Chi Fai	Beneficial owner	–	400,000 (Note 1)	400,000	0.12%
Ms Sie Nien Che, Celia	Beneficial owner	200,000	200,000 (Note 1)	400,000	0.12%

Note:

- These interests represent the number of underlying shares in respect of the 2012 Scheme, the details of which are set out in the section headed "SHARE OPTION SCHEME" of the Directors' Report.
- For 307,366 shares being held by East Legend Holdings Limited ("East Legend"), Mr. Ng Man Sun is interested in the entire issued share capital of East Legend and he is deemed to be interested in the 307,366 Shares held by East Legend.

SUBSTANTIAL SHAREHOLDER

As at 31 March 2016, other than interests as disclosed above in respect of Mr. Ng Man Sun as Director, the Chairman and CEO, Ms. Ng Wai Yee, Ms. Yeung Pui Han, Regina, Mr. Li Chi Fai and Ms. Sie Nien Che, Celia as Directors, none of persons had interests or short positions in the shares and underlying shares of the Company as recorded in the register(s) required to be kept under Section 336 of the SFO.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" above, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the Directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the year under review.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws, the Directors, secretary and other officers and every auditor for the time being of the Company shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, shall or may incur or sustain by or by reasons of any act done, concurred in or omitted in or about the execution of their duties in their respective offices or otherwise in relation thereto.

The Company has taken out insurance against all losses and liabilities associated with defending any proceedings which may be brought against Directors and other officers of the Company.

MANAGEMENT CONTRACTS

Save for service contracts, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisting during the year ended 31 March 2016.

EQUITY-LINKED AGREEMENTS

Save for disclosed in the sections headed "FINANCIAL REVIEW" and "BUSINESS REVIEW" in the Management Discussion and Analysis on pages 5 to 10 of this report and the section headed "SHARE OPTION SCHEME" on pages 25 to 27 of this report, no equity-linked agreement that will or may result in the Company issuing shares or no agreement that requires the Company to enter into an agreement that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 March 2016 or subsisted at the end of the financial year.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group and the employees' costs charged to the consolidated statement of profit or loss for the year under review are set out in note 12 to the consolidated financial statements.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 March 2016, the Group employed permanent employees in Hong Kong, Macau and Nanning. The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses were determined by reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong Kong, and provides employees with medical insurance coverage. A share option scheme is in place to reward individual employees for their outstanding performance and contribution to the success of the Group.

PROMISSORY NOTES

Details of the promissory notes issued by the Company are set out in note 25 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Group are set out in note 32 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the financial year ended 31 March 2016.

PRE-EMPTIVE RIGHTS

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

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 sufficiency of public float of the Company's securities as required under the Listing Rules.

CORPORATE GOVERNANCE

Throughout the year, the Company has complied with all the code provisions contained in Appendix 14 to the Listing Rules, saved for certain deviations as explained in the Corporate Governance Report. Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 11 to 22 of this report.

CONFIRMATION OF INDEPENDENCE

The Company has received written confirmation in respect of independence from each of the current Independent Non-executive Directors of the Company in compliance with Rule 3.13 of the Listing Rules, thus, the Company considers that each of them to be independent.

AUDITOR

Elite Partners CPA Limited ("Elite Partners") shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Elite Partners as the auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Ng Man Sun

Chairman

Hong Kong, 28 June 2016

Independent Auditor's Report



開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

TO THE MEMBERS OF AMAX INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We were engaged to audit the consolidated financial statements of Amax International Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 37 to 105, which comprise the consolidated statements of financial position as at 31 March 2016, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Except for the inability to obtain sufficient appropriate audit evidence as explained below, 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 as to whether the consolidated financial statements are free from material misstatement. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

(1) Opening balances and corresponding figures

As detailed in the auditor's report dated 26 June 2015, the audit opinion on the consolidated financial statements for the year ended 31 March 2015 (the "2015 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effects of the limitations in the scope of the audit. Accordingly, we were unable to carry out audit procedures on the opening balances as to whether the 2015 Financial Statements give a true and fair view of the financial position of the Group as at 31 March 2015 and 1 April 2015 and of the Group's financial performance and cash flows for the year ended 31 March 2016.

(2) Scope limitation – Interest in Greek Mythology and share of results of Greek Mythology

The management of Greek Mythology did not cooperate with the management of the Group and denied the Group's access to their books and records. In addition, no audited financial statements of Greek Mythology since 31 March 2010 were available. We were therefore unable to determine the Group's share of results of Greek Mythology since the year ended 31 March 2010.

Due to the lack of sufficient appropriate audit evidence, we were unable to satisfy ourselves as to whether Greek Mythology was properly accounted for as an associate, and whether the carrying amount of the Group's interest in Greek Mythology of HK\$1,191,209,000 as at 31 March 2015 and 2016, and the Group's share of results of Greek Mythology for the years ended 31 March 2015 and 2016 were free from material misstatement. There are no other satisfactory audit procedures that we could adopt to determine whether any adjustments to the amounts were necessary.

(3) Scope limitation – Recoverability of amount due from Greek Mythology and valuation of intangible assets

- (a) Included in the Group's trade and other receivables of HK\$96,306,000 as at 31 March 2016 was an amount of HK\$84,765,000 due from Greek Mythology. We were unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of making any provision for the impairment of this amount because (i) we were unable to carry out effective confirmation procedures in relation to the balance receivable for the purpose of our audit; and (ii) there is no information available for us to assess the financial position of Greek Mythology from which the management of the Group was denied access to their books and records as mentioned in the Basis for Disclaimer Opinion paragraph (2). There are no other satisfactory audit procedures that we could adopt to determine whether the recoverability of amount due from Greek Mythology and its recognition were free from material misstatement.

Independent Auditor's Report

- (b) Included in the consolidated statement of financial position as at 31 March 2016 are intangible assets, being the rights granted to Greek Mythology to operate and manage certain gaming tables and slot machines, with a carrying amount of HK\$8,182,000. No impairment has been made for the year in this aspect as the directors of the Company determined that the value in use of the rights exceeded their carrying amount based on the cash flow projections and financial budgets prepared by the directors. However, we were unable to obtain sufficient appropriate audit evidence to ascertain whether the cash flow projections and financial budgets were properly prepared. We were therefore unable to satisfy ourselves as to whether the carrying amount of the intangible assets as at 31 March 2016 was fairly stated.

Any adjustments that might have been found to be necessary in respect of the matters mentioned above would have a consequential effect on the results for the years ended 31 March 2015 and 2016 and the Group's net assets as at 31 March 2016 and related disclosures in the consolidated financial statements.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the financial position of the Group as at 31 March 2016 and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and as to whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

EMPHASIS OF MATTERS

Without further qualifying our opinion, we draw attention to note 3 to the consolidated financial statements which states that the Group's current liabilities exceeded its current assets by HK\$163,366,000 as at 31 March 2016. This condition indicates the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Elite Partners CPA Limited

Certified Public Accountants

Chan Wai Nam, William

Practising Certificate number P05957

Hong Kong
28 June 2016

10/F.,
8 Observatory Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

Consolidated Statement of Profit or Loss

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

	Note	2016 HK\$'000	2015 HK\$'000
Revenue	(5)	10,486	5,118
Cost of sales		(3,085)	(173)
Gross profit		7,401	4,945
Other revenue and other net income	(6)	1	81
Selling and distribution expenses		(1,291)	(490)
General and administrative expenses		(42,526)	(33,512)
Loss on disposal of a subsidiary		-	(3)
Finance costs	(7)	(12,552)	(12,388)
Loss before taxation	(8)	(48,967)	(41,367)
Income tax	(9)	-	-
Loss for the year		(48,967)	(41,367)
Attributable to:			
Owners of the Company		(43,136)	(40,240)
Non-controlling interests		(5,831)	(1,127)
Loss for the year		(48,967)	(41,367)
Loss per share			
- basic (HK cents)	(15)	(15.95)	(16.11)
- diluted (HK cents)	(15)	(15.95)	(16.11)

The notes on pages 42 to 105 form part of these consolidated financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

	2016	2015
	HK\$'000	HK\$'000
Loss for the year	(48,967)	(41,367)
Other comprehensive expense for the year		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	(10)	5
Total comprehensive expense for the year	(48,977)	(41,362)
Total comprehensive expense attributable to:		
Owners of the Company	(43,140)	(40,238)
Non-controlling interests	(5,837)	(1,124)
	(48,977)	(41,362)

The notes on pages 42 to 105 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 March 2016 (Expressed in Hong Kong dollars)

	Note	2016 HK\$'000	2015 HK\$'000
Non-current assets			
Property, plant and equipment	(16)	8,328	5,346
Investment properties	(17)	–	–
Intangible assets	(18)	161,670	163,715
Goodwill	(19)	–	–
Interest in an associate	(20)	1,191,209	1,191,209
Deposits paid for acquisition of computer software and property, plant and equipment		10,920	1,242
		1,372,127	1,361,512
Current assets			
Trade and other receivables	(21)	96,306	85,864
Cash and cash equivalents		2,473	3,053
		98,779	88,917
Current liabilities			
Trade and other payables	(22)	217,507	47,070
Obligations under a finance lease	(23)	380	367
Other borrowings	(24)	4,260	–
Promissory notes	(25)	39,998	140,288
		262,145	187,725
Net current liabilities		(163,366)	(98,808)
Total assets less current liabilities		1,208,761	1,262,704
Non-current liabilities			
Obligations under a finance lease	(23)	829	1,209
Promissory notes	(25)	–	37,410
		829	38,619
NET ASSETS		1,207,932	1,224,085
Capital and reserves			
Share capital	(26)	65,587	55,547
Reserves		1,085,440	1,106,644
Total equity attributable to owners of the Company		1,151,027	1,162,191
Non-controlling interests		56,905	61,894
TOTAL EQUITY		1,207,932	1,224,085

The notes on pages 42 to 105 form part of these consolidated financial statements were approved and authorised for issue by the Board of Directors on 28 June 2016 and are signed on its behalf by:

Ng Man Sun
Chairman

Ng Wai Yee
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

	Share capital	Share premium	Share reserve	Contributed surplus	Capital reserve	Exchange reserve	Other reserve	Accumulated losses	Sub-total	Non-controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2014	45,647	337,196	(22,470)	2,180,026	16,795	190	147	(1,436,915)	1,120,616	597	1,121,213
Deemed disposal on equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	1,171	1,171
Equity-settled share-based transactions	-	-	-	-	2,496	-	-	-	2,496	-	2,496
Share issue for acquisition of intangible assets through acquisition of subsidiaries	4,440	50,685	-	-	-	-	-	-	55,125	61,250	116,375
Shares issue under placing	5,460	18,732	-	-	-	-	-	-	24,192	-	24,192
Loss for the year	-	-	-	-	-	-	-	(40,240)	(40,240)	(1,127)	(41,367)
Exchange differences on translation of foreign operation	-	-	-	-	-	2	-	-	2	3	5
Total comprehensive expense for the year	-	-	-	-	-	2	-	(40,240)	(40,238)	(1,124)	(41,362)
At 31 March 2015 and 1 April 2015	55,547	406,613	(22,470)	2,180,026	19,291	192	147	(1,477,155)	1,162,191	61,894	1,224,085
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	848	848
Shares issue under placing	9,800	21,133	-	-	-	-	-	-	30,933	-	30,933
Exercise of share options	240	1,389	-	-	(586)	-	-	-	1,043	-	1,043
Loss for the year	-	-	-	-	-	-	-	(43,136)	(43,136)	(5,831)	(48,967)
Exchange differences on translation of foreign operation	-	-	-	-	-	(4)	-	-	(4)	(6)	(10)
Total comprehensive expense for the year	-	-	-	-	-	(4)	-	(43,136)	(43,140)	(5,837)	(48,977)
At 31 March 2016	65,587	429,135	(22,470)	2,180,026	18,705	188	147	(1,520,291)	1,151,027	56,905	1,207,932

The notes on pages 42 to 105 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

	Note	2016 HK\$'000	2015 HK\$'000
Loss before taxation		(48,967)	(41,367)
Adjustments for:			
Interest income	6	(1)	(1)
Depreciation of property, plant and equipment	16	1,455	776
Amortisation of intangible assets	18	2,045	2,046
Interest expenses	7	12,552	12,388
Loss on disposal of a subsidiary	29	-	3
Gain on disposal of property, plant and equipment	6	-	(17)
Equity-settled share-based payment expenses	8	-	2,496
Written off of deposits paid for acquisition of computer software and property, plant and equipment		1,242	-
		(31,674)	(23,676)
Change in working capital			
Increase in trade and other receivables		(10,534)	(1,191)
Increase in trade and other payables		20,409	794
Net cash used in operating activities		(21,799)	(24,073)
Investing activities			
Deposits paid for acquisition of computer software		(10,920)	(1,242)
Payments for purchase of property, plant and equipment	16	(4,454)	(3,062)
Interest received	6	1	1
Proceeds from sale of property, plant and equipment		-	531
Proceeds from sale of investment properties	17	-	14,150
Acquisition of intangible assets through acquisition of subsidiaries	28	-	1
Net cash (used in)/generated from investing activities		(15,373)	10,379
Financing activities			
Proceeds from other borrowings		6,820	-
Repayment of other borrowings		(2,560)	(11,000)
Issue of shares	26(a)	30,933	24,192
Capital contribution from non-controlling interest		848	1,171
Capital element of finance lease payments made		(367)	(814)
Interest element of a finance lease	7	(42)	(38)
Interest on other borrowings	7	(30)	(726)
Exercise of share options	26(a)(iii)	1,043	-
Net cash generated from financing activities		36,645	12,785
Net decrease in cash and cash equivalents		(527)	(909)
Cash and cash equivalents at beginning of the year		3,053	3,962
Net effect of foreign exchange rate changes		(53)	-
Cash and cash equivalents at end of the year		2,473	3,053
Analysis of cash and cash equivalents			
Cash and cash equivalents		2,473	3,053

The notes on pages 42 to 105 form part of these consolidated financial statements.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

1. GENERAL INFORMATION

Amax International Holdings Limited (the "Company") was incorporated and domiciled in Bermuda as an exempted company with limited liability and its shares are 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 disclosed in the "Corporate Information" to the annual report.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries and associate during the year are set out in notes 36 and 20 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

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

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant for the preparation of the Group's consolidated financial statements for the first time in the current year:

Amendments to HKAS 19	Defined benefit plans: employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle

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

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

HKFRS 9 (2014)	Financial Instruments ²
HKFRS 14	Regulatory Deferral Account ¹
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 16	Lease ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle ¹
Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its and Associate or Joint Venture ³
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ¹
Amendments to HKAS 27	Equity Method in Separate Financial Statements ¹

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

- ¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
- ³ Effective for annual periods beginning on or after a date to be determined.
- ⁴ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

The Group is in the process of assessing the impact of these new and revised standards, amendments to standards and interpretations to existing standards and does not expect there will be a material impact on the consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements also include applicable disclosure required by the Rules Governing the Listing of Securities of the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The provisions of the new Hong Kong Companies Ordinance (Cap. 622) regarding preparation of accounts and directors’ reports and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, 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.

In preparing the consolidated financial statements, the directors have considered the future liquidity of the Group in view of its net current liabilities position as at 31 March 2016. The Group incurred a consolidated net loss from operations attributable to owners of the Company of approximately HK\$43,136,000 for the year ended 31 March 2016, and had consolidated net current liabilities of approximately HK\$163,366,000 as at 31 March 2016.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (CONTINUED)

The directors adopted the going concern basis in the preparation of the consolidated financial statements by successfully obtaining the unsecured loan facility from an independent third party and completed an open offer with net proceeds of approximately HK\$30.07 million on 16 May 2016 in order to improve the working capital position, the immediate liquidity and the cash flow position of the Group.

In the opinion of the directors, in light of the aforesaid arrangement implemented to date, the Group will have sufficient working capital for its current requirements and it is reasonable to expect that the Group will remain as a commercially viable concern. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements for the year ended 31 March 2016 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

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 consolidated 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.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) 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 they control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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 subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss 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 and expense of a subsidiary is attributed to the equity holders of the Company and to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

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.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Business combinations

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

At the acquisition date, the acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with HKFRS 5.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Business combinations (CONTINUED)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another standard. When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets", as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisition of assets

For the acquisition of assets effected through a non-operating corporate structure that does not constitute a business, it is considered that the transactions do not meet the definition of a business combination. Accordingly the transaction is accounted for as the acquisition of an asset. In such cases, the Group shall identify and recognise the individual identification assets acquired and liabilities assumed. The cost of group of assets shall be allocated to the individual identification assets and liabilities on the basis of their relative fair value at the date of purchase. Such a transaction or event does not give rise to goodwill.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the acquisition.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

(f) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in an associate 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 associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or 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 associate.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investments in associates (CONTINUED)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, 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 an associate. 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.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(g) Property, plant and equipment

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

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

Leasehold improvements	5 years or over the remaining term of the lease whichever is shorter
Furniture and equipment	3 to 5 years
Motor vehicles	5 years

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

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

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

(i) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. For license rights, in periods where revenue is generated from the license rights, amortization is recognised at rate calculated to write off the costs in proportion to the expected revenue from the licensing of the rights. In the periods where no revenue is generated from the license right, amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

At the end of each 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). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments

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

Financial assets

The Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, 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 trade and other receivables, and bank balances and cash are carried at amortised cost using the effective interest method, less any identified impairment.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (CONTINUED)

Financial assets (CONTINUED)

Impairment of financial assets

Financial assets (loans and receivables) 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.

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 and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is 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.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, 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 trade receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (CONTINUED)

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the group entities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group entities after deducting all of its liabilities.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables, other borrowings and promissory notes) are subsequently measured at amortised cost using 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.

Equity instruments

Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (CONTINUED)

Financial liabilities and equity instruments (CONTINUED)

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 to 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 collateralized borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. The Group derecognises financial liability when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) 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 lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Contingent rents are recognised as income in the year in which they are earned.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Contingent rentals are recognised as expenses in the period in which they are incurred.

(n) Borrowing costs

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

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

(o) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit or loss as follows:

(i) *Investments in gaming and entertainment related business*

Revenue from investments in gaming and entertainment related business, representing fixed monthly income, is recognised in accordance with the agreed terms.

(ii) *Rental income from operating leases*

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Revenue recognition (CONTINUED)

(iii) *Commission income*

Commission income is recognised when services are provided.

(iv) *Interest income*

Interest income is recognised as it accrues using the effective interest method.

(p) 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 recognised 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 terms of historical cost in a foreign currency are not retranslated.

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

- For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, 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 exchange reserve.
- On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.
- Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation. 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 because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base 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 profits will be available against which those 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 arising on investments in subsidiaries, 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 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 assets is reviewed at the end of each 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 taxation is calculated 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 rate (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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority to the same group entity and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 27. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

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

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

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

(s) Retirement benefit costs

Payments to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and the Labour Law in the People's Republic of China ("PRC") municipal government retirement scheme, are recognised as an expense when employees have rendered service entitling them to the contributions.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Related parties

A party is considered to be related to the Company if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control of the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company; or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Company are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Company are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

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

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

4. SEGMENT REPORT

The Group principally has one reportable segment, which is the investments in gaming and entertainment related businesses. Therefore, no additional reportable segment has been presented. Additional information about geographical information and major customer of the Group has been disclosed in notes (a) and (b) below.

(a) Major customer

Revenue of HK\$4,800,000 (2015: HK\$4,800,000) was received from Greek Mythology for the year ended 31 March 2016.

(b) Geographical

The Group's revenue from external customers by geographical market is as follows:

	2016 HK\$'000	2015 HK\$'000
Macau	4,800	4,800
PRC (excluding Macau and Hong Kong)	5,686	318
	10,486	5,118

The Group's information about its non-current assets by geographical location is as follows:

	2016 HK\$'000	2015 HK\$'000
Macau	1,199,391	1,201,437
PRC	496	137
Hong Kong	2,235	3,034
Republic of Vanuatu ("Vanuatu")	170,005	156,904
	1,372,127	1,361,512

The PRC segment will be disposed of in the coming financial year. For details, please refer to the Company's announcements dated 27 May 2016, 10 June 2016 and 22 June 2016.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

5. REVENUE

The Group is principally engaged in investment holdings and investments in gaming and entertainment related businesses.

An analysis of the Group's revenue is as follows:

	Note	2016 HK\$'000	2015 HK\$'000
Revenue from investments in gaming and entertainment related businesses			
– Investment in VIP gaming tables related operation	a	3,600	3,600
– Investment in slot machines related operation	b	1,200	1,200
Commission income on provision of services to Guangxi Welfare Lottery Issue Centre		5,686	318
		10,486	5,118

(a) Investment in VIP gaming tables related operation

Thousand Ocean Investments Limited ("Thousand Ocean"), a wholly-owned subsidiary of the Company, has an investment interest in five gaming tables in the high rolling gaming (the "Gaming Table") in Greek Mythology Casino reserved exclusively for high-wagering patrons.

Thousand Ocean granted the right to Greek Mythology to operate and manage the Gaming Table. In return, Thousand Ocean earns a fixed monthly income of HK\$300,000.

	2016 HK\$'000	2015 HK\$'000
Income	3,600	3,600

(b) Investment in slot machines related operation

Jadepower Limited ("Jadepower"), a wholly-owned subsidiary of the Company, has an investment interest in certain electronic slot machines in Greek Mythology Casino.

Jadepower granted the right to Greek Mythology to operate and manage these slot machines in Macau. In return, Jadepower earns a fixed monthly income of HK\$100,000.

	2016 HK\$'000	2015 HK\$'000
Income	1,200	1,200

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

6. OTHER REVENUE AND OTHER NET INCOME

An analysis of the Group's other revenue and other net income are as follows:

	2016 HK\$'000	2015 HK\$'000
Other revenue		
Interest income from banks	1	1
Rental income	-	26
Sundry income	-	31
	<u>1</u>	<u>58</u>
Other net income		
Gain on disposal of property, plant and equipment	-	17
Net exchange gains	-	6
	<u>-</u>	<u>23</u>
	<u>1</u>	<u>81</u>

7. FINANCE COSTS

	2016 HK\$'000	2015 HK\$'000
Interest on promissory notes	12,300	11,624
Finance charges on obligations under a finance lease	42	38
Interest on other borrowings	210	726
Total interest expenses on financial liabilities not at fair value through profit or loss	<u>12,552</u>	<u>12,388</u>

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging (crediting):

(a) Staff costs (including directors' emoluments)

	2016 HK\$'000	2015 HK\$'000
Equity-settled share-based payment expenses	–	1,535
Salaries, allowance and other benefits	13,146	10,739
Contributions to defined contribution retirement plans	258	212
	13,404	12,486

(b) Other items

	2016 HK\$'000	2015 HK\$'000
Depreciation of property, plant and equipment	1,455	776
Amortisation of intangible assets	2,045	2,046
Auditor's remuneration	775	707
Equity-settled share-based payment expenses	–	961
Gain on disposal of property, plant and equipment	–	(17)
Operating lease charges in respect of premises:		
– minimum lease payments	4,294	4,151
Written off of deposits paid for acquisition of computer software and property, plant and equipment	1,242	–
Rental income from investment properties	–	(26)

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

9. INCOME TAX

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and BVI.

No provision for Hong Kong Profits Tax, Macau Complementary Income Tax, the People's Republic of China Enterprise Income Tax and the Republic of Vanuatu Interactive Gaming Tax has been made (2015: Nil) as the companies in the Group have no assessable profits for the year in the relevant tax jurisdictions.

Reconciliation between tax expense and accounting loss at applicable tax rates

	2016 HK\$'000	2015 HK\$'000
Loss before taxation	(48,967)	(41,367)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the tax jurisdictions concerned	(8,170)	(6,998)
Tax effect of non-deductible expenses	8,736	3,517
Tax effect of non-taxable income	(862)	(813)
Tax effect of temporary difference not recognised	29	(14)
Tax effect of unused tax losses not recognised	267	4,308
	-	-

Deferred taxation

The Group did not recognise deferred tax assets in respect of cumulative tax losses of approximately HK\$13,554,000 (2015: HK\$59,270,000) at 31 March 2016 as it is not probable that future taxable profits against which tax losses can be utilised will be available in the relevant tax jurisdiction and entities. Of the total tax losses, losses of approximately HK\$4,096,000 (2015: HK\$695,000) will expire within 1 year, HK\$3,401,000 (2015: HK\$4,307,000) will expire within 2 years, HK\$2,345,000 (2015: HK\$3,576,000) will expire within 3 years, HK\$1,946,000 (2015: HK\$2,466,000) will expire within 4 years, HK\$1,199,000 (2015: HK\$2,046,000) will expire within 5 years and the remaining tax losses of approximately HK\$567,000 (2015: HK\$46,180,000) have no expiry date under the current tax legislation.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

10. DIRECTORS' EMOLUMENTS

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

For the year ended 31 March 2016

	Directors' fee HK\$'000	Salaries, allowances and benefit-in-kind HK\$'000	Discretionary bonus HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
Executive Directors					
Mr. Ng Man Sun (Chairman and Chief Executive Officer)	-	4,347	2,000	-	6,347
Ms. Ng Wai Yee	-	696	-	18	714
Independent Non-executive Directors					
Ms. Yeung Pui Han, Regina	132	-	-	-	132
Mr. Li Chi Fai	132	-	-	-	132
Ms. Sie Nien Che, Celia	132	-	-	-	132
	396	5,043	2,000	18	7,457

For the year ended 31 March 2015

	Directors' fee HK\$'000	Salaries, allowances and benefit-in-kind HK\$'000	Discretionary bonus HK\$'000	Retirement scheme contributions HK\$'000	Equity-settled payments (Note) HK\$'000	Total HK\$'000
Executive Directors						
Mr. Ng Man Sun (Chairman and Chief Executive Officer)	-	4,470	-	-	105	4,575
Ms. Ng Wai Yee	-	600	40	18	105	763
Independent Non-executive Directors						
Ms. Yeung Pui Han, Regina	122	-	10	-	105	237
Mr. Li Chi Fai	122	-	10	-	105	237
Ms. Sie Nien Che, Celia	122	-	10	-	105	237
	366	5,070	70	18	525	6,049

Note: These represent the estimated value of share options granted to Directors under the Company's share option scheme.

The details of the share options granted, including the principal terms and number of shares under share options granted, are disclosed in note 27.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

10. DIRECTORS' EMOLUMENTS (CONTINUED)

During the year, no emoluments (2015: Nil) were paid by the Group to any of the directors as inducement to join or upon joining the Group or as a compensation for loss of office. None of the directors waived or agreed to waive any emolument for the years ended 31 March 2016 and 2015.

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2015: two) are Directors of the Company whose emoluments are disclosed in note 10 above. The emoluments of the remaining three (2015: three) individuals are as follows:

	2016 HK\$'000	2015 HK\$'000
Salaries and other emoluments	2,743	2,896
Equity-settled share-based payments	–	1,009
Retirement scheme contributions	54	54
	2,797	3,959

The emoluments of the three (2015: three) individuals with highest emoluments are within the following band:

	2016 Number of individuals	2015 Number of individuals
HK\$Nil–HK\$1,000,000	2	1
HK\$1,000,001–HK\$1,500,000	1	1
HK\$2,000,001–HK\$2,500,000	–	1

12. RETIREMENT BENEFIT COSTS

Defined contribution retirement plan

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The MPF Scheme is a defined contribution retirement plan managed by independent trustees. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees' relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month with effective from 1 June 2014 (Prior to 1 June 2014: HK\$1,250 per month) and thereafter contributions are voluntary. Contributions to the plan vest immediately.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

12. RETIREMENT BENEFIT COSTS (CONTINUED)

Defined contribution retirement plan (CONTINUED)

The employees of the Group's subsidiaries in the PRC are members of a state-sponsored retirement plan operated by the local government in the PRC and these subsidiaries make mandatory contributions to the state-sponsored retirement plan to fund the employees retirement benefits. The retirement contributions paid by the PRC subsidiaries are based on a certain percentage of the relevant portion of the payroll of all qualifying employees in accordance with the relevant regulations in the PRC and are charged to profit or loss as incurred. The Group discharges its retirement obligations upon payment of the retirement contributions to the state-sponsored retirement plan operated by the local governments in the PRC.

The total costs charged to the consolidated statement of profit or loss for the year ended 31 March 2016 of approximately HK\$258,000 (2015: HK\$212,000) represent contributions paid and payable to these schemes by the Group for the year at rates specified in the rules of the relevant schemes.

13. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company includes a loss of approximately HK\$37,458,000 (2015: loss of HK\$39,367,000) which has been dealt with in the financial statements of the Company.

14. DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31 March 2016 (2015: Nil).

15. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share was based on the loss attributable to owners of the Company of HK\$43,136,000 (2015: HK\$40,240,000) and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2016 '000	2015 '000
Issued ordinary shares at 1 April	249,717	228,233
Effect of share issue under placing (note 26(a)(ii))	19,740	7,090
Effect of share issue under exercise of share options (note 26(a)(iii))	946	-
Effect of share issue for acquisition of intangible assets through acquisition of subsidiaries (note 26(a)(i))	-	14,394
Weighted average number of ordinary shares at 31 March	270,403	249,717

(b) Diluted loss per share

No adjustment has been made to the basic loss per share amounts presented for the year ended 31 March 2016 and 31 March 2015 in respect of a dilution as the impact of the share options had an anti-dilutive effect on the basic loss per share amounts presented.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost				
At 1 April 2014	657	2,229	2,801	5,687
Additions	–	2,246	2,747	4,993
Disposals	–	(281)	(2,321)	(2,602)
Exchange realignment	4	17	–	21
At 31 March 2015 and 1 April 2015	661	4,211	3,227	8,099
Additions	2,234	1,930	290	4,454
Disposals	–	(280)	–	(280)
Exchange realignment	(13)	(43)	(7)	(63)
At 31 March 2016	2,882	5,818	3,510	12,210
Accumulated depreciation				
At 1 April 2014	307	1,442	2,299	4,048
Charge for the year	178	313	285	776
Written back on disposals	–	(199)	(1,889)	(2,088)
Exchange realignment	4	13	–	17
At 31 March 2015 and 1 April 2015	489	1,569	695	2,753
Charge for the year	211	690	554	1,455
Written back on disposals	–	(280)	–	(280)
Exchange realignment	(14)	(32)	–	(46)
At 31 March 2016	686	1,947	1,249	3,882
Net carrying amount				
At 31 March 2016	2,196	3,871	2,261	8,328
At 31 March 2015	172	2,642	2,532	5,346

At the end of the reporting period, the net carrying amount of motor vehicle held under a finance lease of the Group was approximately HK\$1,384,000 (2015: HK\$1,770,000).

17. INVESTMENT PROPERTIES

	HK\$'000
At fair value	
At 1 April 2014	14,150
Disposal	(14,150)
At 31 March 2015 and 31 March 2016	–

The Group's property interests held for rental purposes are measured using the fair value model and are classified and accounted for as investment properties.

On 20 June 2014, the Group completed the disposal of all of its investment properties to five independent third parties at an aggregated consideration of HK\$14,150,000.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

18. INTANGIBLE ASSETS

	Right in sharing of profit stream of VIP gaming tables related operation HK\$'000	Right in sharing of profit stream of slot machines related operation HK\$'000	Gaming license HK\$'000	Total HK\$'000
Cost				
At 1 April 2014	20,000	47,092	-	67,092
Acquisition of intangible assets through acquisition of subsidiaries	-	-	153,488	153,488
At 31 March 2015, 1 April 2015 and 31 March 2016	20,000	47,092	153,488	220,580
Amortisation and impairment				
At 1 April 2014	10,788	44,031	-	54,819
Charge for the year	1,535	511	-	2,046
At 31 March 2015 and 1 April 2015	12,323	44,542	-	56,865
Charge for the year	1,535	510	-	2,045
At 31 March 2016	13,858	45,052	-	58,910
Net carrying amount				
At 31 March 2016	6,142	2,040	153,488	161,670
At 31 March 2015	7,677	2,550	153,488	163,715

The amortisation charge for the year is included in "general and administrative expenses" in the consolidated statement of profit or loss.

Note:

- a) The intangible assets relate to the Group's rights to share a portion of the net gaming wins from certain gaming tables in the high rolling gaming area and certain slot machines in Greek Mythology Casino in Macau for 14 years from 16 February 2007. With effect from 1 October 2010, the Group granted the associate, Greek Mythology, the right to operate and manage the aforesaid gaming tables and slot machines. In return, the Group earns fixed monthly income of HK\$300,000 and HK\$100,000 from Greek Mythology in respect of the VIP gaming tables and slot machines operations, respectively, and no longer shares the net gaming wins. Taking into consideration the future monthly income, the Directors consider that there is no indication of impairment in the carrying amount of the intangible assets.
- b) Gaming license, which was acquired through acquisition of subsidiaries on 11 November 2014, represents the interactive gaming license for the corresponding subsidiary to conduct gaming business in Vanuatu. The useful life of the gaming license is 15 years from February 2014. No amortisation has been charged for the year ended 31 March 2015 and 31 March 2016 since the relevant software was still under the testing stage as at 31 March 2015 and 31 March 2016 and the subsidiaries are yet to commence the operation.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

19. GOODWILL

	HK\$'000
Cost	
At 1 April 2014, 31 March 2015, 1 April 2015 and 31 March 2016	18,309
Accumulated impairment losses	
At 1 April 2014, 31 March 2015, 1 April 2015 and 31 March 2016	18,309
Carrying amount	
At 31 March 2015 and 31 March 2016	–

Goodwill related to the acquisition of 100% equity interest in Le Rainbow China Limited which, at the time of acquisition, held 60% equity interest in 南寧樂彩互動信息服務有限公司 (Nanning Inter-Joy LOTTO Information Service Co., Ltd., "LE-Guangxi") during the year ended 31 March 2011. On 1 November 2010, LE-Guangxi was licensed to provide computer lottery terminals and related hardware and software and marketing services (the "Related Services") to Guangxi Welfare Lottery Issue Centre for two years to July 2013. On 31 October 2012, the license was renewed and LE-Guangxi has been permitted to provide the above-mentioned services to Guangxi Welfare Lottery Issue Centre till 29 October 2015.

A full impairment loss of HK\$18,309,000 has been recognised in profit or loss for the year ended 31 March 2012. The impairment loss arose in view of deterioration in revenue and operating results of the cash-generating unit engaged in the provision of Related Services in 2012.

20. INTEREST IN AN ASSOCIATE

	2016 HK\$'000	2015 HK\$'000
Unlisted shares, at cost	–	–
Share of net assets	1,191,209	1,191,209
Sub-total	1,191,209	1,191,209
Less: impairment loss	–	–
	1,191,209	1,191,209

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

20. INTEREST IN AN ASSOCIATE (CONTINUED)

Particulars of associate as at 31 March 2016 are as follows:

Name of company	Place of incorporation/ business	Particular of issued and paid up capital	Percentage of ownership interest held by the Company	Principal activities
Greek Mythology (Macau) Entertainment Group Corporation Limited ("Greek Mythology")	Macau/Macau	4,851 ordinary shares of MOP1 each	24.8%	Provision of casino management services including sales, promotion, advertising, patron referral, patron development and coordination of casino activities

The associate is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements are disclosed below.

	2016 HK\$'000	2015 HK\$'000
Gross amounts of the associate's		
Total assets	5,037,959	5,037,959
Total liabilities	(234,694)	(234,694)
Equity	4,803,265	4,803,265
Revenue	N/A	N/A
Profit/(loss)	N/A	N/A
Reconciliation to the Group's interest in the associate		
Gross amounts of net assets of the associate	4,803,265	4,803,265
Group's effective interest	24.8%	24.8%
Group's share of net assets of the associate	1,191,209	1,191,209
Carrying amount in the consolidated financial statements	1,191,209	1,191,209

The above summarised financial information of Greek Mythology is based on its unaudited financial information for the year ended 31 March 2012 adjusted by the Group to account for an intangible asset of Greek Mythology.

Since the financial information for the years ended 31 March 2016, 2015, 2014 and 2013 of Greek Mythology is not available, the interest in the associate was accounted for in the consolidated financial statements under the equity method using the unaudited financial information of the associate as at 31 March 2012. The carrying amount of the interest in an associate of HK\$1,191,209,000 brought forward from 1 April 2013 was carried forward to 31 March 2016.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

20. INTEREST IN AN ASSOCIATE (CONTINUED)

Included in the non-current assets of the associate as at 31 March 2012 is an intangible asset of HK\$2,386,373,000 which relates to Greek Mythology's right of receiving a percentage of net gaming wins of Greek Mythology Casino in Macau for the provision of casino management services including sales, promotion, advertising, patron referral, patron development and coordination of casino activities to Sociedade De Jogos De Macau, S.A, the operator of the Greek Mythology Casino, for a period of 14 years from 1 April 2006. Taking into consideration the market information, the internal information relating to the gaming related operations of Greek Mythology and the valuation of the external valuers, the Group estimates the recoverable amount and makes assessment for impairment of the intangible asset.

21. TRADE AND OTHER RECEIVABLES

	2016 HK\$'000	2015 HK\$'000
Other receivables (a)	5,874	512
Due from an associate (b)	84,765	79,965
Rental and other deposits	2,828	2,307
Loans and receivables	93,467	82,784
Prepayments	2,839	3,080
	96,306	85,864

(a) Other receivables

	2016 HK\$'000	2015 HK\$'000
Other receivables	31,174	25,812
Less: Impairment loss	(25,300)	(25,300)
	5,874	512

Movement of allowance for impairment losses on other receivables are analysed as follows:

	2016 HK\$'000	2015 HK\$'000
At the beginning and at the end of the year	25,300	25,300

An impairment loss of HK\$25,300,000 (2015: HK\$25,300,000) was recognised based upon the Directors' estimation of the recoverable amount.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Due from an associate

The amount due from Greek Mythology, the associate of the Company, is unsecured, non-interest-bearing and has no fixed terms of repayment. Impairment allowance has not been made against the amount as at 31 March 2016 and 2015 as the Directors of the Company are of the opinion that the amount can be recovered in full.

22. TRADE AND OTHER PAYABLES

	2016 HK\$'000	2015 HK\$'000
Trade payables (a)	881	1,182
Accruals and other payables (b)	216,470	45,732
Due to related companies (c)	156	156
	217,507	47,070

All the trade and other payables are expected to be settled within one year.

(a) The ageing analysis of trade payables as of the end of the reporting period is as follows:

	2016 HK\$'000	2015 HK\$'000
Within one month	28	329
Over one year	853	853
	881	1,182

(b) Included in Group's accruals and other payables as at 31 March 2016 represents the payable of the second tranche of 14,800,000 consideration shares for the acquisition of the Forenzia Enterprises Limited and its subsidiaries ("Forenzia Group") (note 28) amounted to approximately HK\$36,751,000. According to the Company's announcement dated 14 October 2014, the second tranche of consideration shares will be allotted and issued to the Vendor within six months after commencement of the business operation.

On 27 May 2016, the Company entered into a supplemental agreement with the Vendor to adjust the issue price of the 2nd Tranche Consideration Shares from HK\$1.30 per share to approximately HK\$0.90 per share. As such, an additional 6,500,000 consideration shares shall be allotted and issued to the Vendor within six months after the commencement of the operation of the gaming business in Vanuatu. The corresponding listing approval was received from the Stock Exchange on 31 May 2016.

Included in Group's accruals and other payables as at 31 March 2016, represents the payable of a promissory note amounted to HK\$150,000,000. For details, please refer to note 25.

(c) The amounts due to related companies are unsecured, non-interest-bearing and repayable on demand.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

23. OBLIGATIONS UNDER A FINANCE LEASE

The Group leases certain of its motor vehicles. These leases are classified as finance leases and have remaining lease terms not exceeding 5 years. The effective borrowing rate was 2% (2015: 2%) per annum. The leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payment:

	Minimum lease payments		Present value of minimum lease payments	
	At 2016 HK\$'000	At 2015 HK\$'000	At 2016 HK\$'000	At 2015 HK\$'000
Amounts payable:				
Within one year	411	411	380	367
In the second year	411	411	391	380
In the third to fifth years, inclusive	445	856	438	829
Total minimum finance lease payments	1,267	1,678	1,209	1,576
Future finance charges	(58)	(102)		
Total net finance lease payables	1,209	1,576		
Portion classified as current liabilities	380	367		
Non-current portion	829	1,209		

24. OTHER BORROWINGS

Other borrowings are unsecured, interest bearing from 48% to 51% per annum and repayable within three months.

25. PROMISSORY NOTES

	2016 HK\$'000	2015 HK\$'000
At the beginning of the year	177,698	166,074
Add: Effective interest on promissory notes (note 7)	12,300	11,624
Less: Transfer promissory notes to other payables (note c)	(150,000)	–
At the end of the year	39,998	177,698
Portion classified as current liabilities	39,998	140,288
Non current portion	–	37,410

In 2006, the Company issued promissory notes to directors of Greek Mythology and certain independent third parties with total face value of approximately HK\$1,454,722,000 as part of the consideration to the further 30% equity interest in Greek Mythology. The promissory notes are unsecured, non-interest bearing and repayable in 2016.

Interest expense on promissory notes is calculated using the effective interest method by applying the effective interest rate of 7% per annum to the fair value of the promissory notes and is deducted from the carrying value of the promissory notes and charged to profit or loss.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

25. PROMISSORY NOTES (CONTINUED)

- (a) Pursuant to a subscription agreement (the "Subscription Agreement") entered into between the Company and a shareholder and director of the Company, Mr. Ng Man Sun, ("Mr. Ng") irrevocably undertook and guaranteed the Company that the irrecoverable debts from certain collaborators of AMA International Limited ("AMA") should not be more than HK\$50,000,000 for the year ended 31 March 2010. Otherwise, Mr. Ng would compensate the Company by offsetting against his promissory notes for the excess with a cap of face value of HK\$300,000,000.

In addition, during the year ended 31 March 2010, Mr. Ng irrevocably undertook and guaranteed the Company the repayment of debts due from specific collaborators of AMA of up to HK\$300,000,000 on security of other promissory notes with a total face value of HK\$300,000,000.

During the year ended 31 March 2010, AMA made an allowance for impairment of bad and doubtful debts of approximately HK\$2,515,674,000 which included the amounts due from specific collaborators.

As a result, approximately HK\$400,106,000 was deducted from the face value of the promissory notes of HK\$600,000,000 held by Mr. Ng to offset against the bad and doubtful debts in AMA and recognised in the consolidated income statement for the year ended 31 March 2010.

- (b) The loans to promissory notes holders were fully set-off against the face value of the promissory notes. The accrued loan interest was recognised in the consolidated statement of profit or loss.
- (c) On 18 March 2016, the Company has issued a writ of summons in the Court of First Instance of the High Court of Hong Kong claiming against Ms. Lee Bing ("Ms. Lee") for the followings:
1. a declaration that the promissory note issued by the Company to Ms. Lee was issued by mistake and without consideration;
 2. an order that Ms. Lee to deliver the promissory note to the Company;
 3. an injunction to restrain Ms. Lee whether by herself, her servants or agents or otherwise howsoever from negotiating or indorsing the promissory note;
 4. further and other relief; and
 5. costs.

The promissory note has matured on 22 March 2016. Since it is under litigation, HK\$150,000,000 balance is transferred to other payables.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

26. CAPITAL AND RESERVES

(a) Share capital

	2016		2015	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.2 each	400,000	80,000	400,000	80,000
Issued and fully paid				
At 1 April	277,733	55,547	228,233	45,647
Share issue for acquisition of intangible assets through acquisition of subsidiaries	-	-	22,200	4,440
Share issue under placing	49,000	9,800	27,300	5,460
Exercise of share options	1,200	240	-	-
At 31 March	327,933	65,587	277,733	55,547

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(i) *Share issue for acquisition of intangible assets through acquisition of subsidiaries*

On 11 November 2014, 22,200,000 new ordinary shares of HK\$0.2 each of the Company were issued for the first tranche of consideration shares for the acquisition of 60% equity interests in Forenzia Enterprises Limited.

(ii) *Share issue under placing*

For the year ended 31 March 2016

The Company completed two placing and top-up subscription activities for the year ended 31 March 2016. On each occasion, Mr. Ng Man Sun, the Chairman and Chief Executive Officer of the Company and the beneficial owner of 37,377,366 ordinary shares of HK\$0.2 each of the Company (the "Subscriber"), the Company and the placing agent entered into a placing and subscription agreement pursuant to which (i) the placing agent have agreed to act as agent for the Subscriber to place, on a best commercial efforts basis, and the Subscriber has agreed to sell, certain numbers of existing ordinary shares of HK\$0.2 each of the Company to not less than six placees who and whose ultimate beneficial owners will be third parties independent of and not acting in concert (as defined under the Takeovers Code) with the Subscriber, the Company and their respective associates and connected persons, at respective price per share as detailed below; and (ii) the Subscriber has conditionally agreed to subscribe for the same number of new ordinary shares of HK\$0.2 each of the Company at the same issue price per share as detailed below.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

26. CAPITAL AND RESERVES (CONTINUED)

(a) Share capital (CONTINUED)

(iii) Share issue under placing (CONTINUED)

For the year ended 31 March 2016 (CONTINUED)

Date of placing and subscription agreement	7 September 2015	14 December 2015
Number of shares	25,000,000	24,000,000
Issue price per share (HK\$)	0.64	0.64
Aggregate nominal value (HK\$)	16 million	15.36 million
Date of completion of placing	15 September 2015	18 December 2015
Date of completion of subscription	17 September 2015	28 December 2015
Net price per share (HK\$)	0.63	0.63
Market price per share on the date of the placing and subscription agreement (HK\$)	0.74	0.79

The Directors consider that the above placing activities represent opportunities for the Company to raise capital and broaden the Company's shareholders' base and capital base. The proceeds from these placings will be utilised for general working capital and investment of the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all placees of each placing activity are independent third parties. The placees have not become a substantial shareholder (as defined under the Listing Rules) immediately after each placing.

Up to the date of this report, the proceeds from these placings were used for payment of the Company's general and administrative expenses and investment with major items detailed below:

Date of placing and subscription agreement	7 September 2015	14 December 2015
Net proceeds (HK\$)	<u>15.74 million</u>	<u>15.19 million</u>
Use of the net proceeds		
Staff salaries and benefits and miscellaneous expenses (HK\$)	1.44 million	1.59 million
Legal and professional and consultancy fees (HK\$)	2.56 million	0.46 million
Rent and rates (HK\$)	3.72 million	1.67 million
Directors' emoluments (HK\$)	1.61 million	3.26 million
Set-up costs for Vanuatu operation and other non-current assets (HK\$)	<u>6.41 million</u>	<u>8.21 million</u>
Total (HK\$)	<u>15.74 million</u>	<u>15.19 million</u>

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

26. CAPITAL AND RESERVES (CONTINUED)

(a) Share capital (CONTINUED)

(ii) Share issue under placing (CONTINUED)

For the year ended 31 March 2015

The Company completed three placing and top-up subscription activities for the year ended 31 March 2015. On each occasion, Mr. Ng Man Sun, the Chairman and Chief Executive Officer of the Company and the beneficial owner of 38,877,366 ordinary shares of HK\$0.2 each of the Company (the "Subscriber"), the Company and the placing agent entered into a placing and subscription agreement pursuant to which (i) the placing agent have agreed to act as agent for the Subscriber to place, on a best commercial efforts basis, and the Subscriber has agreed to sell, certain numbers of existing ordinary shares of HK\$0.2 each of the Company to not less than six placees who and whose ultimate beneficial owners will be third parties independent of and not acting in concert (as defined under the Takeovers Code) with the Subscriber, the Company and their respective associates and connected persons, at respective price per share as detailed below; and (ii) the Subscriber has conditionally agreed to subscribe for the same number of new ordinary shares of HK\$0.2 each of the Company at the same issue price per share as detailed below.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

26. CAPITAL AND RESERVES (CONTINUED)

(a) Share capital (CONTINUED)

(ii) Share issue under placing (CONTINUED)

For the year ended 31 March 2015 (CONTINUED)

Date of placing and subscription agreement	22 August 2014	25 November 2014	23 March 2015
Number of shares	6,400,000	9,900,000	11,000,000
Issue price per share (HK\$)	1.20	0.93	0.70
Aggregate nominal value (HK\$)	7.68 million	9.21 million	7.70 million
Date of completion of placing	27 August 2014	28 November 2014	25 March 2015
Date of completion of subscription	29 August 2014	2 December 2014	31 March 2015
Net price per share (HK\$)	1.18	0.92	0.69
Market price per share on the date of the placing and subscription agreement (HK\$)	1.48	1.05	0.77

The Directors consider that the above placing activities represent opportunities for the Company to raise capital and broaden the Company's shareholders' base and capital base. The proceeds from these placings will be utilised for general working capital and investment of the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all placees of each placing activity are independent third parties. The placees have not become a substantial shareholder (as defined under the Listing Rules) immediately after each placing.

Up to the date of this report, the proceeds from these placings were used for payment of the Company's general and administrative expenses and investment with major items detailed below:

Date of placing and subscription agreement	22 August 2014	25 November 2014	23 March 2015
Net proceeds (HK\$)	<u>7.56 million</u>	<u>9.06 million</u>	<u>7.58 million</u>
Use of the net proceeds			
Staff salaries and benefits and miscellaneous expenses (HK\$)	0.93 million	2.06 million	1.83 million
Legal and professional and consultancy fees (HK\$)	1.65 million	1.42 million	2.46 million
Rent and rates (HK\$)	1.16 million	1.20 million	1.66 million
Directors' emoluments (HK\$)	1.49 million	0.76 million	1.59 million
Set-up costs for Vanuatu operation and other non-current assets (HK\$)	<u>2.33 million</u>	<u>3.62 million</u>	<u>0.04 million</u>
Total (HK\$)	<u>7.56 million</u>	<u>9.06 million</u>	<u>7.58 million</u>

(iii) Exercise of share options

During the year ended 31 March 2016, 1,200,000 share options were exercised to subscribe for 1,200,000 ordinary shares in the Company at a consideration of HK\$1,043,000 of which HK\$240,000 was credited to share capital and the balance HK\$803,000 was credited to the share premium account. Amounts of approximately HK\$586,000 has been transferred from the capital reverse to the share premium account in accordance with policy set out in note 3.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

26. CAPITAL AND RESERVES (CONTINUED)

(b) Nature and purpose of reserves

(i) Share premium

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

(ii) Special reserve

The special reserve of the Group represents the difference between the nominal amount of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition pursuant to the corporate reorganisation prior to the listing of the Company's shares.

(iii) Contributed surplus

The contributed surplus of the Company represents the differences between the consolidated shareholders' funds of subsidiaries at the date on which they were acquired by the Company and the nominal amount of the shares of the Company issued under the corporate reorganisation. Under The Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to shareholders.

(iv) Capital reserve

The capital reserve comprises the fair value of the unexercised share options granted to employees and service provider of the Company recognised in accordance with the accounting policy set out in note 3(r).

(v) Exchange reserve

The exchange reserve comprises all foreign exchange differences on translation of the financial statements of overseas subsidiaries. The reserve is dealt with in accordance with accounting policy set out in note 3(p).

(vi) Other reserve

The other reserve of the Group represents the change in net assets attributable to the Group in relation to change in ownership interest in subsidiary.

(c) Distributable reserves

As at 31 March 2016, the aggregate amount of reserves of the Company available for distribution to owners of the Company amounted to approximately HK\$607,153,000 (2015: HK\$644,611,000).

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

26. CAPITAL AND RESERVES (CONTINUED)

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders by pricing the services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose the Group defines net debt as total debt (which includes interest-bearing loans and borrowings, promissory notes and trade and other payables) less cash and cash equivalents. Capital comprises all components of equity.

During 2016, the Group's strategy was to maintain a net debt-to-capital ratio of no more than 50%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders, raise new debt financing or sell assets to reduce debt. The net debt-to-capital ratio as at 31 March 2016 and 2015 is as follow:

	2016 HK\$'000	2015 HK\$'000
Current liabilities		
Trade and other payables	217,507	47,070
Obligations under a finance lease	380	367
Other borrowings	4,260	–
Promissory notes	39,998	140,288
Non-current liabilities		
Obligations under a finance lease	829	1,209
Promissory notes	–	37,410
Total debt	262,974	226,344
Less: cash and cash equivalents	(2,473)	(3,053)
Net debt	260,501	223,291
Total equity	1,207,932	1,224,085
Adjusted net debt-to-capital ratio	22%	18%

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

27. SHARE OPTION SCHEME

2012 Scheme

The Company's new share option scheme (the "2012 Scheme"), which was adopted pursuant to an ordinary resolution passed by the shareholders of the Company on 12 September 2012 for the purpose of providing incentives to certain eligible participants and unless otherwise cancelled or amended, will expire on 11 September 2022. Under the 2012 Scheme, the Directors may grant share options to eligible employees, including Executive Directors, or any persons or entities who have contributed or will contribute to the growth and development of the Group, to subscribe for shares in the Company.

Under the 2012 Scheme, the Directors may grant options to the following eligible participants:

- (i) any employee, executives or officers or proposed employees, executives or officers (whether full time or part time and including any Executive Director) of the Company, and of its subsidiaries or any entity (the "Invested Entity") in which the Group holds any equity interests and any of such subsidiaries or any Invested Entity;
- (ii) any Non-executive Directors (including Independent Non-executive Directors) of the Company and any of its subsidiaries or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of the Group or any Invested Entity;
- (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and
- (vi) any person or entity who from time to time determined by the board of directors as having contributed or may contribute to the development and growth of the Group based on his or its performance and/or years of service, or is regarded as valuable resources of the Group based on his/its working experience, knowledge in the industry and other relevant factors.

The total numbers of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme of the Company must not in aggregate exceed 10% of the shares in issue at the date of approval of the 2012 Scheme. The total number of shares available for issue under the 2012 Scheme is 415,265,572 shares (25,773,448 shares after share consolidation and open offer), representing approximately 10% of the shares in issue as at the date of approval of the 2012 Scheme on 12 September 2012.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

27. SHARE OPTION SCHEME (CONTINUED)

2012 Scheme (CONTINUED)

The maximum numbers of shares in respect of which options may be granted under the 2012 Scheme must not in aggregate exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any participant is not permitted to exceed 1% of the shares of the Company in issue during the 12-month period before the date of grant without prior approval from the Company's shareholders. Any grant of options under the 2012 Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the Listing Rules) must be approved by the Independent Non-executive Directors of the Company. In addition, any grant of options to a substantial shareholder or an Independent Non-executive Director or any of their respective associates in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million within any 12-month period must be approved by shareholders of the Company in general meeting.

Unless otherwise determined by the Directors of the Company and stated in the offer of the grant of options to a grantee, there is no minimum period required under the 2012 Scheme for holding of an option before it can be exercised.

An offer for the grant of options to a grantee shall be accepted by no later than 28 days from the date of offer. HK\$1 per grant of options is payable on the acceptance of the grant of options. Options may be exercised in accordance with the terms of the 2012 Scheme and expiring in accordance with the terms of the 2012 Scheme or upon the expiry of the tenth anniversary of the 2012 Scheme, whichever is the earlier.

The exercise price is determined by the Directors of the Company, and shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange on the date of the offer of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Company's share.

The 2012 Scheme will remain in force for a period of 10 years commencing on 12 September 2012.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

27. SHARE OPTION SCHEME (CONTINUED)

2012 Scheme (CONTINUED)

(a) Movements of the number of share options

For the year ended of 31 March 2016

Name of category	Type	Number of share option				Outstanding at 31 March 2016	Date of grant	Exercise period	Exercise price HK\$
		Outstanding at 1 April 2015	Granted	Lapsed	Exercised				
Directors									
Ng Man Sun	2013 (Note 1)	200,000	-	-	-	200,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	200,000	-	-	-	200,000	10 March 2015	10 March 2015-9 March 2025	0.87
Ng Wai Yee	2013 (Note 1)	200,000	-	-	-	200,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	200,000	-	-	-	200,000	10 March 2015	10 March 2015-9 March 2025	0.87
Yeung Pui Han, Regina	2013 (Note 1)	200,000	-	-	-	200,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	200,000	-	-	-	200,000	10 March 2015	10 March 2015-9 March 2025	0.87
Li Chi Fai	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	200,000	-	-	-	200,000	10 March 2015	10 March 2015-9 March 2025	0.87
Sie Nien Che, Celia	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	200,000	-	-	(200,000)	-	10 March 2015	10 March 2015-9 March 2025	0.87
		<u>2,600,000</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>2,400,000</u>			
Eligible employees	2013 (Note 1)	1,250,000	-	-	-	1,250,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	2,100,000	-	-	-	2,100,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	2,100,000	-	-	-	2,100,000	10 March 2015	10 March 2015-9 March 2025	0.87
		<u>5,450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,450,000</u>			
Service provider	2013 (Note 1)	2,000,000	-	-	-	2,000,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	2,000,000	-	-	-	2,000,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	2,000,000	-	-	(1,000,000)	1,000,000	10 March 2015	10 March 2015-9 March 2025	0.87
		<u>6,000,000</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>	<u>5,000,000</u>			
Total		<u>14,050,000</u>	<u>-</u>	<u>-</u>	<u>(1,200,000)</u>	<u>12,850,000</u>			
Weighted average exercise price		1.34	-	-	0.87	1.39			

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

27. SHARE OPTION SCHEME (CONTINUED)

2012 Scheme (CONTINUED)

(a) Movements of the number of share options (CONTINUED)

For the year ended of 31 March 2015

Name of category	Type	Number of share option				Outstanding at 31 March 2015	Date of grant	Exercise period	Exercise price HK\$
		Outstanding at 1 April 2014	Granted	Lapsed	Exercised				
Directors									
Ng Man Sun	2013 (Note 1)	200,000	-	-	-	200,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	-	200,000	-	-	200,000	10 March 2015	10 March 2015-9 March 2025	0.87
Ng Wai Yee	2013 (Note 1)	200,000	-	-	-	200,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	-	200,000	-	-	200,000	10 March 2015	10 March 2015-9 March 2025	0.87
Yeung Pui Han, Regina	2013 (Note 1)	200,000	-	-	-	200,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	-	200,000	-	-	200,000	10 March 2015	10 March 2015-9 March 2025	0.87
Li Chi Fai	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	-	200,000	-	-	200,000	10 March 2015	10 March 2015-9 March 2025	0.87
Sie Nien Che, Celia	2014	200,000	-	-	-	200,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	-	200,000	-	-	200,000	10 March 2015	10 March 2015-9 March 2025	0.87
		<u>1,600,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>2,600,000</u>			
Eligible employees									
	2013 (Note 1)	1,250,000	-	-	-	1,250,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	2,100,000	-	-	-	2,100,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	-	2,100,000	-	-	2,100,000	10 March 2015	10 March 2015-9 March 2025	0.87
		<u>3,350,000</u>	<u>2,100,000</u>	<u>-</u>	<u>-</u>	<u>5,450,000</u>			
Service provider									
	2013 (Note 1)	2,000,000	-	-	-	2,000,000	5 February 2013	5 February 2013-4 February 2023	1.54
	2014	2,000,000	-	-	-	2,000,000	3 March 2014	3 March 2014-2 March 2024	1.67
	2015	-	2,000,000	-	-	2,000,000	10 March 2015	10 March 2015-9 March 2025	0.87
		<u>4,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>			
Total		<u>8,950,000</u>	<u>5,100,000</u>	<u>-</u>	<u>-</u>	<u>14,050,000</u>			
Weighted average exercise price		1.61	0.87	-	-	1.34			

Note:

- The exercise price of the share options has been changed from HK\$0.077 to HK\$1.54 as a result of the share consolidation passed by the shareholders at a special general meeting of the Company held on 27 March 2013, whereby every 20 shares of the Company of HK\$0.01 each were consolidated into 1 new share of the company of HK\$0.20 each.

The options outstanding at 31 March 2016 had an exercise price ranging from HK\$0.87 to HK\$1.67 (2015: HK\$0.87 to HK\$1.67) and a weighted average remaining contractual life of 7.9 years (2015: 9.0 years).

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

27. SHARE OPTION SCHEME (CONTINUED)

2012 Scheme (CONTINUED)

(b) Fair value of share options and assumptions

(i) Grant to eligible employees

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binominal Option Pricing Model. The contractual life of the share options is used as an input into this model. Expectations of early exercise are incorporated into the Binominal Option Pricing Model.

	10 March 2015	3 March 2014	5 February 2013
Fair value at measurement date	HK\$0.480– HK\$0.526	HK\$1.479	HK\$0.072
Share price	HK\$0.84	HK\$1.67	HK\$0.077
Exercise price	HK\$0.87	HK\$1.67	HK\$0.077
Expected volatility (expressed as weighted average volatility used in the modeling under the Binominal Option Price Model)	73.28%	100.31%	126.44%
Option life (expressed as weighted average life used in the modeling under the Binominal Option Price Model)	10 years	10 years	10 years
Expected dividends	0%	0%	0%
Risk-free interest rate (based on exchange fund notes)	1.685%	2.135%	1.245%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account of fair value measurement of the services received on the grant date. There was no market conditions associated with the share option granted.

(ii) Grant to service provider

The fair value for share options granted on 3 March 2014 and 5 February 2013 is measured using the market-based approach, by reference to the discounted cash flows to estimate the fair value of the professional fees that should have been paid. The fair value for share options granted on 10 March 2015 is measured base on the Binominal Option Pricing Model as described as above.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

27. SHARE OPTION SCHEME (CONTINUED)

2012 Scheme (CONTINUED)

(b) Fair value of share options and assumptions (CONTINUED)

The equity-settled share-based payments charged to the profit or loss was HK\$Nil (2015: HK\$2,496,000) for the year ended 31 March 2016.

At the end of the reporting period, the Company has 12,850,000 (2015: 14,050,000) share options outstanding. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 12,850,000 (2015: 14,050,000) additional ordinary shares of the Company and additional share capital of approximately HK\$2,570,000 (2015: 2,810,000).

28. ACQUISITION OF INTANGIBLE ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

Acquisition of intangible assets through acquisition of subsidiaries during the year ended 31 March 2015

With reference to the announcement of the Company dated 14 October 2014, the Company entered into an agreement with an independent third party (the "Vendor") on the same date for the acquisition of 60% issued share capital of Forenzia Group, which was satisfied by way of the issue of 37,000,000 consideration shares. The first tranche of 22,200,000 consideration shares had been allotted and issued to the Vendor upon the completion of the sale and purchase of the shares of Forenzia Enterprises Limited. The second tranche of 14,800,000 consideration shares will be allotted and issued to the Vendor within 6 months after the commencement of the business operation.

The acquisition of the Forenzia Group was completed on 11 November 2014 as referred to in the announcement of the Company of the same date.

Forenzia Enterprises Limited is a company incorporated in the British Virgin Islands, and through its wholly-owned subsidiaries, holds an interactive gaming license in Vanuatu and its principal activity is to conduct gaming business in Vanuatu. The principle asset held by the Forenzia Group is an interactive gaming license in Vanuatu (note 18). This acquisition of subsidiaries has been accounted for as acquisition of assets and liabilities as the Forenzia Group has not yet carried out any business since the completion of the acquisition. As the acquisition was settled by issue of the Company's shares, this is classified as an equity settled share based payment transaction. The fair value of the consideration shares should be recognised based on the fair value of the net assets acquired.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

28. ACQUISITION OF INTANGIBLE ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (CONTINUED)

Acquisition of intangible assets through acquisition of subsidiaries during the year ended 31 March 2015 (CONTINUED)

Assets and liabilities arising from the acquisition were as follows:

	HK\$'000
Intangible assets	153,488
Deposits paid	1,540
Other receivables	121
Cash and cash equivalents	1
Other payables	<u>(2,024)</u>
	153,126
Non-controlling interests	<u>(61,250)</u>
	<u>91,876</u>

Total purchase consideration satisfied by:

	HK\$'000
Consideration shares	<u>91,876</u>

Net cash inflow arising on acquisition:

	HK\$'000
Cash and cash equivalents in subsidiaries acquired	<u>1</u>

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

29. DISPOSAL OF SUBSIDIARIES

Disposal of subsidiaries during the year ended 31 March 2015

During the year ended 31 March 2015, a subsidiary – Sino Immigration Consultants Limited with net aggregate liabilities disposed of amount due from holding company amounted to HK\$2,670 were deregistered. No consideration was paid or received. A loss on disposal of subsidiary of HK\$2,670 was recognised.

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major non-cash transactions

Save as transactions disclosed in notes 23, 27, 28 and 29 to the consolidated financial statements, the Group had no other major non-cash transactions during the years ended 31 March 2016 and 2015.

31. COMMITMENTS

(a) Operating lease commitments

At 31 March 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2016 HK\$'000	2015 HK\$'000
Within one year	4,755	4,666
In the second to fifth year	4,285	4,091
	9,040	8,757

The Group is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of 1 to 3 years. The leases do not include extension options. None of the leases includes contingent rentals.

(b) Capital commitment

Capital commitment of the Group in respect of computer software at the end of the reporting period not provided for in the consolidated financial statements is as follows:

	2016 HK\$'000	2015 HK\$'000
Contracted, but not provided for: Acquisition of a computer software	68	–

The Group had commitment in relation to the acquisition of a computer software for its operations in Vanuatu.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

32. MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration of key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 10 and certain of the highest paid employee as disclosed in note 11 is as follows:

	2016 HK\$'000	2015 HK\$'000
Salaries and other emoluments	8,830	7,120
Equity-settled share-based payments	–	1,295
Retirement scheme contributions	36	35
	8,866	8,450

Total remuneration is included in "staff costs" (see note 8(a)).

(b) Other related party transactions

In addition to the transactions disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party transactions:

	2016 HK\$'000	2015 HK\$'000
Fixed monthly income from investments in VIP gaming tables and slot machines related operations from Greek Mythology	4,800	4,800
Monthly expenses to technical supporting provided by 深圳市樂彩互動信息技術有限公司 (ii)	(1,676)	–

Notes

- (i) Balances with related parties are disclosed in the consolidated statements of financial position and in notes 21 and 22.
- (ii) 深圳市樂彩互動信息技術有限公司 is the non-controlling shareholder of 南寧樂彩互動信息服務有限公司, an indirect non-wholly-owned subsidiary of the Company.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

33. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Loans and receivables	
	2016	2015
	HK\$'000	HK\$'000
Other receivables	5,874	512
Rental and other deposit	2,828	2,307
Due from an associate	84,765	79,965
Cash and cash equivalents	2,473	3,053
	95,940	85,837

Financial liabilities

	Financial liabilities at amortised cost	
	2016	2015
	HK\$'000	HK\$'000
Trade payables	881	1,182
Accruals and other payables	216,470	45,732
Due to related companies	156	156
Obligations under a finance lease	1,209	1,576
Other borrowings	4,260	–
Promissory notes	39,998	177,698
	262,974	226,344

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to those risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk was primarily attributable to amount due from an associate, rental and other deposit, other receivables and cash and cash equivalent. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of amount due from an associate, the Group may suffer financial losses if the associate defaults in settling the balance. However, the directors consider this balance is fully recoverable.

Substantially, all the Group's cash and cash equivalents are deposited in the banks in Hong Kong. The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 21.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of borrowings to cover expected cash demands, subject to approval by the Company's board of directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major loan lenders to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group can be required to pay:

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	2016		
			Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000
Obligations under a finance lease	1,209	1,267	411	411	445
Promissory notes	39,998	40,000	40,000	-	-
Trade and other payables	217,507	217,507	217,507	-	-
Other borrowings	4,260	4,620	4,620	-	-
	262,974	263,394	262,538	411	445

	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	2015		
			Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000
Obligations under a finance lease	1,576	1,678	411	411	856
Promissory notes	177,698	190,000	150,000	40,000	-
Trade and other payables	47,070	47,070	47,070	-	-
	226,344	238,748	197,481	40,411	856

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk

The Group's interest rate risk arises primarily from obligations under a finance lease and other borrowings. The obligations under a finance lease and other borrowings are at fixed interest rate which expose the Group to fair value interest rate risk. The Group does not expect any significant changes in fixed interest rate which might materially affect the Group's result of operations.

(d) Currency risk

The Group is not exposed to significant currency risk as most of income, expenses and financial instruments are denominated in the functional currency of the operations to which they relate.

(e) Fair values

All financial instruments are carried at amounts not materially different from their fair value as at 31 March 2016 and 2015.

35. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 3, management has made certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

(i) *Useful lives and residual values of property, plant and equipment*

The management determines the estimated useful lives and residual values for the Group's property, plant and equipment in accordance with the accounting policy stated in note 3(g). The Group will revise the depreciation charge where useful lives and residual values are different from previous estimates, or will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

35. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(a) Key sources of estimation uncertainty (CONTINUED)

(ii) *Estimation of impairment of property, plant and equipment*

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in assessing whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence. Such assessment was based on certain assumptions, which are subject to uncertainty and might differ materially from the actual results. In exercising judgement, the Group considers information such as the amounts of the replacement cost of the property, plant and equipment and deductions to account for the age, condition, economic or functional obsolescence and environmental factors existing at the end of each reporting period. As at 31 March 2016, the carrying amount of property, plant and equipment is approximately HK\$8,328,000 (2015: HK\$5,346,000).

(iii) *Estimation of impairment of intangible assets*

The Group performs annual assessments on whether there has been impairment of intangible assets in accordance with the accounting policy stated in note 3(j). The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value-in-use calculations. As at 31 March 2016, the carrying amount of intangible assets is approximately HK\$161,670,000 (2015: HK\$163,715,000).

(iv) *Amortisation of intangible assets*

Intangible assets are amortised on a straight-line basis over their estimated useful lives in accordance with the accounting policy stated in note 3(i). The determination of the useful lives involves management's estimation. The Group re-assesses the useful life of the intangible assets and, if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

35. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(a) Key sources of estimation uncertainty (CONTINUED)

(v) *Estimation of impairment of receivables*

The policy for recognising impairment on receivables of the Group is based on the evaluation of collectibility, ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each counterparty. If the financial conditions of counterparties of the Group were to deteriorate, an impairment may be required. As at 31 March 2016, the carrying amount of trade and other receivables, other than deposits and prepayments is approximately HK\$90,639,000 (2015: HK\$80,477,000).

(vi) *Going concern basis*

As explained in note 3 to the consolidated financial statements, the financial position of the Group indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The basis for adoption of going concern is set out in note 3 to the consolidated financial statements. Should the Group be unable to raise new financing or other measures fail to improve the liquidity of the Group and the Group is unable to continue in business as a going concern, adjustments would be needed to reduce the carrying amounts of the assets of the Group to their recoverable amounts and, to provide for further liabilities which might arise.

(b) Critical accounting judgements in applying the Group's accounting

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of the reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

Income taxes and deferred taxation

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

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of subsidiaries as at 31 March 2016 are as follows:

Name of company	Place of incorporation/ business	Particular of issued and paid up capital	Percentage of ownership interest held by the Company		Principal activities
			Directly	Indirectly	
GMC Management Limited	Hong Kong/Hong Kong	10,000 ordinary shares	100%	–	Inactive
Gold Faith Development Limited	BVI/Hong Kong	50,000 ordinary shares	100%	–	Inactive
Hong Kong Macau Express Limited	Hong Kong/Hong Kong	750,000 ordinary shares	51%	–	Inactive
Jadepower Limited	BVI/Macau	1,000 ordinary shares	100%	–	Investment in slot machines related operation
Super Peak Limited	BVI/Hong Kong	1,000 ordinary shares	100%	–	Not yet commenced business
Thousand Ocean Investments Limited	BVI/Macau	1,000 ordinary shares	100%	–	Investment in gaming tables related operation
Tower Champion Limited	BVI/Hong Kong	1 ordinary share	100%	–	Not yet commenced business
Win Gene Company Limited	Hong Kong/Hong Kong	1 ordinary share	100%	–	Not yet commenced business
Win Macau Express Limited	Hong Kong/Hong Kong	1 ordinary share	100%	–	Not yet commenced business
Le Rainbow Worldwide Limited	Hong Kong/Hong Kong	1 ordinary share	100%	–	Investment holding
Le Rainbow China Limited	Hong Kong/Hong Kong	1 ordinary share	–	100%	Investment holding
Le Rainbow Venture Limited	Hong Kong/Hong Kong	1 ordinary share	–	100%	Not yet commenced business
Le Rainbow Overseas Limited	Hong Kong/Hong Kong	1 ordinary share	–	100%	Not yet commenced business
南寧樂彩互動信息服務有限公司 (LE-Guangxi)*	PRC/PRC	Registered capital of HK\$16,430,000	–	42.61%	Provision of software, hardware, transmission network and distribution marketing service to Guangxi Welfare Lottery Issue Centre
Forenzia Enterprises Limited	BVI/Hong Kong	10,000 ordinary shares	60%	–	Investment holding
Lion King Gaming Limited	Vanuatu/Vanuatu	100 ordinary shares	–	60%	Investment holding
Chartreuse Holdings Limited	Vanuatu/Vanuatu	2 ordinary shares	–	60%	Conduct gaming business

* Registered under the laws of the PRC as a sino-foreign equity enterprise.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

On 19 February 2014, the registered capital of LE-Guangxi was increased from HK\$8,930,000 to HK\$16,430,000, the Group's shareholding in LE-Guangxi had been diluted from 70% to 42.61% accordingly. The Group recognised an increase in non-controlling interests of HK\$848,000 (2015: HK\$1,170,000). LE-Guangxi is considered to be a subsidiary of the Company despite the Company holds indirectly not more than half of the equity interest therein as the Company has the power to cast the majority of votes at meetings of the board of directors of LE-Guangxi, which has power to affect the returns of LE-Guangxi.

The details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests as at 31 March 2016 and 2015 are set out below:

Name of indirect subsidiary	Place of incorporation and principal activity	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2016	2015	2016	2015	2016	2015
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Forenzia Group	BVI/Investment holding	40%	40%	(5,374)	(102)	55,774	61,148

The above information is based on Forenzia Group. The principal activities of the subsidiaries of Forenzia Enterprises Limited are to conduct gaming business.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

	2016 HK\$'000	2015 HK\$'000
Summarised consolidated statement of financial position of Forenzia Enterprises Limited		
Non-current assets	170,005	156,905
Current assets	4,334	1,046
Total assets	174,339	157,951
Current liabilities	(126,780)	(96,955)
Equity attributable to owners of the Company	(8,215)	(152)
Non-controlling interest	55,774	61,148
Summarised consolidated statement of profit or loss of Forenzia Enterprises Limited		
Loss before income taxation	(13,436)	(255)
Income tax expenses	-	-
Loss for the year/period	(13,436)	(255)
Other comprehensive income	-	-
Total comprehensive expenses	(13,436)	(255)
Total comprehensive expenses allocated to non-controlling interest	(5,374)	(102)
Summarised consolidated statement of cash flow of Forenzia Enterprises Limited		
Net cash used in operating activities	(906)	(1,625)
Net cash used in investing activities	(14,875)	(3,453)
Net cash generated from financing activities	15,781	5,080
Net increase in cash	-	1

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2016 HK\$'000	2015 HK\$'000
Non-current assets		
Property, plant and equipment	2,236	3,034
Investment properties	–	–
Investments in subsidiaries	116,337	116,337
Interest in an associate	1,191,209	1,191,209
	<u>1,309,782</u>	<u>1,310,580</u>
Current assets		
Trade and other receivables	69,239	53,474
Cash and cash equivalents	1,610	2,740
	<u>70,849</u>	<u>56,214</u>
Current liabilities		
Trade and other payables	214,584	61,458
Obligations under a finance lease	380	367
Other borrowings	4,260	–
Promissory notes	39,998	140,288
	<u>259,222</u>	<u>202,113</u>
Net current liabilities	<u>(188,373)</u>	<u>(145,899)</u>
Total assets less current liabilities	<u>1,121,409</u>	<u>1,164,681</u>
Non-current liabilities		
Obligations under a finance lease	829	1,209
Promissory notes	–	37,410
	<u>829</u>	<u>38,619</u>
NET ASSETS	<u>1,120,580</u>	<u>1,126,062</u>
Capital and reserves		
Share capital	65,587	55,547
Reserves	1,054,993	1,070,515
TOTAL EQUITY	<u>1,120,580</u>	<u>1,126,062</u>

The Company's statement of financial position was approved and authorised for issue by the board of directors on 28 June 2016 and are signed on its behalf by:

Ng Man Sun
Chairman

Ng Wai Yee
Director

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

37. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

(a) A summary of the Company's reserve is as follows:

	Share premium HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2014	337,196	2,285,052	16,795	(1,601,074)	1,037,969
Loss for the year and total comprehensive expense for the year	-	-	-	(39,367)	(39,367)
Equity-settled share-based transaction	-	-	2,496	-	2,496
Shares issue for acquisition of intangible assets through acquisition of subsidiaries	50,685	-	-	-	50,685
Shares issue under placing	18,732	-	-	-	18,732
At 31 March 2015 and 1 April 2015	406,613	2,285,052	19,291	(1,640,441)	1,070,515
Loss for the year and total comprehensive expense for the year	-	-	-	(37,458)	(37,458)
Exercise of share option	1,389	-	(586)	-	803
Shares issue under placing	21,133	-	-	-	21,133
As 31 March 2016	429,135	2,285,052	18,705	(1,677,899)	1,054,993

38. LITIGATION

On 22 March 2006, the Company issued 10-year zero-interest promissory notes with total face value of approximately HK\$1,454,722,000 as part of the consideration to the further 30% equity interest in Greek Mythology, out of which HK\$150,000,000 (the "Promissory Note") was issued to Ms. Lee, the then independent third party independent of and not connected with the Company and its connected person(s). It recently came to the attention of the Company that the Promissory Note was issued to Ms. Lee under a mistaken belief that the legal title of the Promissory Note would be properly transferred to her.

On 18 March 2016, the Company has issued a writ of summons in the Court of First Instance of the High Court of Hong Kong claiming against Ms. Lee for the followings:

1. a declaration that the Promissory Note issued by the Company to Ms. Lee was issued by mistake and without consideration;
2. an order that Ms. Lee to deliver the Promissory Note to the Company;
3. an injunction to restrain Ms. Lee whether by herself, her servants or agents or otherwise howsoever from negotiating or indorsing the Promissory Note;
4. further and other relief; and
5. costs.

The directors would like to emphasize that the results of the litigation will not affect the Group's liabilities under the Promissory Note.

Details of the litigation are set out in the Company's announcement dated 21 March 2016.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

39. EVENTS AFTER THE REPORTING PERIOD

(a) Open offer on the basis of one offer share for every two existing shares held

On 24 March 2016, the Company announced its proposal to raise funds by way of an open offer of one offer share for every two shares held by the qualifying shareholders at a subscription price of HK\$0.20 per offer share (the "Open Offer").

The Open Offer was fully-underwritten by SBI China Capital Financial Services Limited (the "Underwriter") pursuant to the underwriting agreement dated 24 March 2016 entered into by and between the Company and the Underwriter and was completed on 16 May 2016 with a total of 163,966,393 new shares with an aggregate nominal value of approximately HK\$32.79 million issued on the same date, on the basis of 327,932,786 shares in issue on 18 April 2016, being the record date of the Open Offer. The estimated net proceeds, after deducting relevant expenses payable in relation to the Open Offer, amounted to approximately HK\$30.07 million which is intended to be invested in overseas projects when suitable opportunities become available and as general working capital.

Details of the Open Offer are set out in the Company's announcements dated 24 March 2016, 7 April 2016 and 13 May 2016 and the Company's prospectus dated 20 April 2016.

(b) Disposal of the entire equity interest in Le Rainbow Worldwide Limited

On 27 May 2016, the Group has entered into an agreement for the disposal of 100% equity interests in Le Rainbow Worldwide Limited ("Le Rainbow") to an independent third party by cash consideration of HK\$1,000. The disposal was completed on 22 June 2016.

Details of the disposal of Le Rainbow are set out in the Company's announcements dated 27 May 2016, 10 June 2016 and 22 June 2016.

(c) Grant of share options

On 25 April 2016, the Company granted share options (the "Options") to certain eligible participants (the "Grantees"), subject to acceptance of the Grantees, under the share option scheme adopted by the Company on 12 September 2012. The Options shall entitle the Grantees to subscribe for a total of 5,100,000 ordinary shares of HK\$0.20 each in the capital of the Company.

Details of the grant of share options are set out in the Company's announcement dated 25 April 2016.

(d) Amendments to the terms of the sale and purchase agreement date 10 October 2014

On 27 May 2016, the Company entered into a supplemental agreement with the Vendor to adjust the issue price of the 2nd Tranche Consideration Shares from HK\$1.30 per share to approximately HK\$0.90 per share. As such, an additional 6,500,000 consideration shares shall be allotted and issued to the Vendor within 6 months after the commencement of the operation of the gaming business in Vanuatu. The corresponding listing approval was received from the Stock Exchange on 31 May 2016. Save for the above-mentioned amendment, all the other terms and conditions of the Sale and Purchase Agreement remain unchanged and in full force and effect in all respects.

Details of the amendments are set out in the Company's announcement dated 27 May 2016.

Notes to Consolidated Financial Statements

For the year ended 31 March 2016 (Expressed in Hong Kong dollars)

40. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and represented to conform with the current presentation.

41. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 June 2016.

Five-Year Financial Summary

RESULTS

	2016 HK\$'000	Year ended 31 March			
		2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000
REVENUE	10,486	5,118	4,965	5,494	4,921
SHARE OF PROFIT OF ASSOCIATES	-	-	-	-	238,364
(LOSS)/PROFIT FOR THE YEAR	(48,967)	(41,367)	65,387	(39,384)	161,092
ATTRIBUTABLE TO					
- Owners of the Company	(43,136)	(40,240)	66,662	(38,632)	162,251
- Non-controlling interests	(5,831)	(1,127)	(1,275)	(752)	(1,159)
(LOSS)/EARNINGS PER SHARE (in HK Cents)					
- Basic	(15.95)	(16.11)	30.13	(18.60)	78.2
- Diluted	(15.95)	(16.11)	30.13	(18.60)	78.2

ASSETS AND LIABILITIES

	2016 HK\$'000	At 31 March			
		2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000
NON-CURRENT ASSETS	1,372,127	1,361,512	1,219,271	1,213,458	1,213,907
CURRENT ASSETS	98,779	88,917	86,970	78,010	96,290
TOTAL ASSETS	1,470,906	1,450,429	1,306,241	1,291,468	1,310,197
NON-CURRENT LIABILITIES	829	(38,619)	(166,394)	(155,669)	(145,057)
CURRENT LIABILITIES	262,145	(187,725)	(18,634)	(108,727)	(106,148)
TOTAL LIABILITIES	262,974	(226,344)	(185,028)	(264,396)	(251,205)
NET ASSETS	1,207,932	1,224,085	1,121,213	1,027,072	1,058,992
EQUITY HOLDERS' FUND	1,151,027	1,162,191	1,120,616	1,027,417	1,058,442
NON-CONTROLLING INTERESTS	56,905	61,894	597	(345)	550
TOTAL EQUITY	1,207,932	1,224,085	1,121,213	1,027,072	1,058,992