



大唐投資國際有限公司*

GRAND INVESTMENT INTERNATIONAL LTD.

(incorporated in Bermuda with limited liability)

Stock Code: 1160

Positioned for
Growth

**ANNUAL
REPORT**
2017/18

* for identification purpose only

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Lee Wai Tsang, Rosa (*Chairman*)

until her re-designation on 16 June 2017)

Dr. Huang Zhijian (*resigned on 16 June 2017)*

Mr. Lee Wai Wang, Robert

(resigned on 16 June 2017)

Non-Executive Director

Mr. He Luling (*Chairman*)

(appointed on 16 June 2017)

Independent Non-Executive Directors

Ms. Ma Yin Fan (*appointed on 16 June 2017)*

Ms. Yan Yan (*appointed on 16 June 2017)*

Mr. Xu Yanfa (*appointed on 16 June 2017)*

Dr. Chow Yunxia, Carol (*resigned on 16 June 2017)*

Mr. Lam Chi Wai (*resigned on 16 June 2017)*

Mr. Lu Fan (*will resigned on 16 June 2017)*

COMPANY SECRETARY

Ms. Leung So Sze (*appointed on 16 June 2017)*

Ms. Wong Chui San, Susan (*resigned on 16 June 2017)*

AUDIT COMMITTEE

Ms. Ma Yin Fan (*appointed on 16 June 2017)*

Mr. He Luling (*appointed on 16 June 2017)*

Ms. Yan Yan (*appointed on 16 June 2017)*

Mr. Xu Yanfa (*appointed on 16 June 2017)*

Mr. Lu Fan (*resigned on 16 June 2017)*

Mr. Lam Chi Wai (*resigned on 16 June 2017)*

Dr. Chow Yunxia, Carol (*resigned on 16 June 2017)*

REMUNERATION COMMITTEE

Ms. Yan Yan (*appointed on 16 June 2017)*

Mr. He Luling (*appointed on 16 June 2017)*

Ms. Ma Yin Fan (*appointed on 16 June 2017)*

Mr. Xu Yanfa (*appointed on 16 June 2017)*

Mr. Lu Fan (*resigned on 16 June 2017)*

Mr. Lee Wai Wang, Robert (*resigned on 16 June 2017)*

Dr. Chow Yunxia, Carol (*resigned on 16 June 2017)*

NOMINATION COMMITTEE

Mr. He Luling (*appointed on 16 June 2017)*

Ms. Ma Yin Fan (*appointed on 16 June 2017)*

Ms. Yan Yan (*appointed on 16 June 2017)*

Mr. Xu Yanfa (*appointed on 16 June 2017)*

Mr. Lu Fan (*resigned on 16 June 2017)*

Dr. Huang Zhijian (*resigned on 16 June 2017)*

Dr. Chow Yunxia, Carol (*resigned on 16 June 2017)*

INVESTMENT MANAGER

Evergrande Securities (Hong Kong) Limited

(ceased to provide service from 1 July 2018)

A3, 32/F, United Centre

No. 95, Queensway Hong Kong

Avanta Investment Management Limited

(commenced providing service from 1 July 2018)

Unit D, 23/F, United Centre

No. 95 Queensway, Hong Kong

CUSTODIAN

DBS Bank Ltd., Hong Kong Branch

18/F, The Center,

99 Queen's Road Central

Hong Kong

AUDITORS

East Asia Sentinel Limited

22/F, Tai Yau Building

181 Johnston Road

Wanchai, Hong Kong

Corporate Information

PRINCIPAL BANKER

OCBC Wing Hang Bank Limited
161 Queen's Road Central
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 503, 5/F, Greenfield Tower,
Concordia Plaza,
1 Science Museum Road, Kowloon,
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F, 148 Electric Road
North Point
Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law:

Loeb & Loeb LLP
21st Floor, CCB Tower
3 Connaught Road Central
Hong Kong

As to Bermuda law:

Conyers Dill & Pearman
2901, One Exchange Square
8 Connaught Place, Central
Hong Kong

WEBSITE

<http://www.irasia.com/listco/hk/grandinvestment/>

Management Discussion and Analysis

OPERATING RESULTS

For the year ended 31 March 2018 (the “Year”), Grand Investment International Ltd. (the “Company”) recorded a loss for the year of approximately HK\$10,438,000 (2017: loss of approximately HK\$5,977,000), representing an increase in loss for the year of approximately HK\$4,461,000 as compared with the year ended 31 March 2017. The increase in loss was mainly due to the increase in administrative expenses to approximately HK\$8,368,000 for the Year (2017: HK\$3,464,000). Such increase in administrative expenses was attributed to the additional legal and professional fees of approximately HK\$1,105,000 incurred for the General Offer (as defined in the “Significant Events During the Year” section below) in May 2017 and the increase in staff costs (excluding directors’ emoluments) by approximately HK\$1,432,000. The increase in loss was also attributed to the loss on disposal of available-for-sale investment of approximately HK\$1,558,000 and the provisions for impairment loss on available-for-sale investment of approximately HK\$527,000 made during the Year. The Company had no gain on investments this Year (2017: HK\$309,000) and recorded other revenues of approximately HK\$15,000 (2017: HK\$25,000).

SIGNIFICANT EVENTS DURING THE YEAR

On 27 March 2017, Mr. Lee Tak Lun, a former controlling shareholder of the Company, and his controlled companies, namely Grand Finance Group Company Limited and Optimize Capital Investments Limited (collectively, the “Selling Shareholders”) entered into a sale and purchase agreement (the “Agreement”) with Blue Canary Consulting Group Limited (“Blue Canary”), Renown Future Limited and Treasure Isle Global Limited (collectively, the “Concert Group”), to dispose of their respective equity interests in the Company, representing, in aggregate, approximately 68.02% of the entire issued share capital of the Company as at the date of the Agreement, for a total consideration of HK\$213,922,800 (the “Disposal”). The Disposal was duly completed on the same date. Details of the Disposal were disclosed in the announcements of the Company dated 31 March 2017.

Immediately upon completion of the Disposal, the Concert Group became interested in 117,540,000 shares of the Company (the “Shares”) in aggregate, representing approximately 68.02% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Code on Takeovers and Mergers, the Concert Group was required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Concert Group and parties acting in concert with it) (the “General Offer”). Upon the completion of the General Offer on 26 May 2017, Blue Canary received valid acceptances in respect of a total of 40,836,500 shares, representing approximately 23.63% of the entire issued share capital of the Company. As a result, the Concert Group and parties acting in concert with it were interested in an aggregate of 158,376,500 Shares, representing approximately 91.65% of the entire issued share capital of the Company. A total of 28,776,500 shares of the Company, representing approximately 16.65% of the entire issued share capital of the Company were subsequently placed to not less than six placees (the “Placing”) through a placing agent appointed by Blue Canary to restore the 25% minimum public float of the Shares of the Company. The Placing was completed on 7 July 2017. Immediately after completion of the placing, the Company has fulfilled the 25% minimum public float requirement under Rule 8.08(1)(a) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Details of the General Offer were disclosed in the announcements of the Company dated 31 March 2017, 26 May 2017 and 7 July 2017.

PROSPECTS

In May 2017, the General Offer was made to the shareholders of the Company. The change of substantial shareholders has ushered a new era of direction. While our mandate with focus on China has not changed and investment opportunities can be found on and off shore, the Company will embark on a new journey to search for these prospering opportunities. China’s economy remains resilient with strong 6.8% year-on-year growth, while manufacturing activities maintains steady state. As such, the Company will continue to look for appropriate investment with sustainable business model and stable earning

Management Discussion and Analysis

prospect. Meanwhile, we will continue our efforts in divesting on portfolio companies and finding appropriate buyers for our existing assets. With new management in place, we look forward to having fresh perspectives and initiatives in the coming year.

SIGNIFICANT INVESTMENTS HELD

During the Year, the Company had held the following investments:

Tianjin Yishang Friendship Holdings Co., Ltd. (“Tianjin Yishang”)

Tianjin Yishang is a sino-foreign enterprise incorporated in the People’s Republic of China (the “PRC”) in year 2006 under a re-organisation whereby Tianjin Yishang Development Company Limited, a state-owned enterprise in the PRC, was converted into Tianjin Yishang. The business activities of Tianjin Yishang and its subsidiaries are operating department stores in the PRC.

Joyport Holdings Limited (“Joyport”)

Joyport is a limited liability company registered in the British Virgin Islands. It is engaged in the business of online game development, distribution and operation including but not limited to massive multiplayer online role-playing games and mobile games, and other related business through its group companies in the PRC.

730 Arizona Avenue II, LLC (“730 Arizona”)

730 Arizona is a limited liability company registered in the US that indirectly holds a 40% interest in a commercial building in Santa Monica, California, US (the “Property”). The Property is a four-storey office building which was constructed in 1989 with two floors of underground parking and has a total rental area of approximately 28,822 square feet. The Company has disposed of its equity interests in 730 Arizona during the Year. Details of this disposal are set out in the “Disposal of available-for-sale investment” section below.

CMHJ Technology Fund II, L.P (“CMHJ”)

CMHJ is a limited partnership registered pursuant to the Exempted Limited Partnership Law of the Cayman Islands on 28 September 2005. The principal activity of CMHJ is to make venture capital investments, principally by investing in and holding equity and equity-oriented securities of privately held early stage to Pre-IPO companies in the technology-enabled services and products industries with markets and/or operations in the PRC.

Save as disclosed above, the Company did not hold any other significant investment during the Year.

DISPOSAL OF AVAILABLE-FOR-SALE INVESTMENT

On 5 October 2017, the Company entered into a transfer agreement with an independent third party to dispose of the Company’s 14.42% equity interests in 730 Arizona for a cash consideration of HK\$3,000,000. The disposal was completed in October 2017. Loss on disposal of this investment of approximately HK\$1,558,000 was recognized in the statement of comprehensive income for the Year.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Company had not executed any agreement in respect of material investment or capital asset and did not have any other plans relating to material investment or capital asset as at the date of this report. Nonetheless, of any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the Shareholders as a whole.

Management Discussion and Analysis

EVENT AFTER THE REPORTING PERIOD

On 1 December 2017, the Company entered into a conditional share transfer agreement (the “TJYS Share Transfer Agreement”) with an independent third party (the “Purchaser”) to dispose of 8,711,964 shares, representing approximately 3.955% of the entire equity interest in Tianjin Yishang held by the Company (the “Sale Interest”) at a cash consideration of HK\$15,000,000. The disposal of the Sale Interest (the “TJYS Disposal”) constituted a very substantial disposal for the Company under the Listing Rules. A special general meeting of the Company was held on 15 February 2018 in which the TJYS Disposal was approved by the shareholders of the Company. On 29 March 2018, the Company and the purchaser mutually agreed to extend the longstop date of the TJYS Share Transfer Agreement from 31 March 2018 to 31 May 2018 as additional time was required for the fulfilment of the conditions precedent to completion of the TJYS Disposal. The completion of the TJYS Disposal took place on 28 May 2018 after the end of the reporting period. Immediately upon completion of the TJYS Disposal, the Company ceased to have any equity interest in Tianjin Yishang. The gain on disposal of this available-for-sale investment of approximately HK\$4,300,000 will be recognized in the statement of comprehensive income for the financial year ending 31 March 2019. Details of the TJYS Disposal were disclosed in the announcements of the Company dated 4 December 2017, 30 January 2018, 15 February 2018 and 3 April 2018.

DIVIDEND

The Directors did not recommend the payment of a dividend for the Year (2017: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 March 2018, the Company had bank balances of approximately HK\$12,639,000 (2017: HK8,688,000).

The Board believes that the Company has sufficient financial resources to meet its immediate investment and working capital requirements. There was no long term borrowing and calculation of gearing ratio was not applicable (2017: N/A). For more details on the Company’s financial risks management policies, please refer to note 25 to the financial statements.

As at 31 March 2018, the Company had net assets of approximately HK\$19,750,000 (2017: HK\$30,188,000).

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company held assets and liabilities denominated in Hong Kong Dollars, Renminbi (“RMB”) and US Dollars (“USD”). Accordingly, it is subjected to limited exposure of foreign exchange fluctuation. As it is the Company’s policy to maintain relatively minimal exposure to foreign exchange risks, the Company had not used any derivatives and other instruments for currency exchange hedging purposes.

CHARGE ON COMPANY’S ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2018, there was no charge on the Company’s assets or any significant contingent liabilities (2017: Nil).

COMMITMENTS

The Company had no capital commitments as at 31 March 2018 (2017: Nil).

CAPITAL STRUCTURE

As at 31 March 2018, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 172,800,000 (2017: 172,800,000).

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2018, the Company had 4 employees (2017: 5), including the executive Director. Total staff cost for the Year was approximately HK\$2,813,000 (2017: HK\$1,311,000).

Corporate Governance Report

The Company is committed to the practice and high standards of corporate governance with a view to enhancing transparency, accountability and protecting the interest of the stakeholders.

During the year ended 31 March 2018 and up to the date of this report, the Company complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules, save and except for Code Provision A.6.7 and E.1.2 set out below.

Pursuant to Code Provision A.6.7 of the CG Code, independent non-executive directors and non-executive directors, as equal board members, should attend general meeting of the Company. During the Year, Ms. Ma Yin Fan was unable to attend the annual general meeting of the Company held on 21 July 2017 due to her other business engagement. Besides, Mr. He Luling and Ms. Ma Yin Fan were unable to attend the special general meeting held on 15 February 2018 due to their other business engagements.

In respect of Code Provision E.1.2 of the CG Code, Ms. Ma Yin Fan, the chairman of the audit committee of the Company (the “Audit Committee”) was unable to attend the annual general meeting of the Company held on 21 July 2017 due to other business engagement. Other members of the Audit Committee, however, attended such annual general meeting and made themselves available to answer questions to ensure effective communication with the shareholders of the Company.

BOARD OF DIRECTORS

Composition

As at 31 March 2018, the board (the “Board”) of directors (the “Directors”) of the Company comprises five directors of the Company, of which one is executive Director, namely Ms. Lee Wai Tsang, Rosa, one is non-executive Director, namely Mr. He Luling (Chairman), and three are independent non-executive Directors (“INEDs”), namely Ms. Ma Yin Fan, Ms. Yan Yan and Mr. Xu Yanfa. Biographical details of each Director are set out on pages 18 to 19 of this Annual Report. All INEDs have complied with the provisions set out in Rule 3.13 of the Listing Rule. The Board is satisfied that the independence of INEDs up to the date of this Annual Report is in accordance with the Listing Rules.

Responsibilities of Directors

The Board is accountable to the shareholders of the Company (the “Shareholders”) for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its businesses by directing and supervising the Company’s affairs. The Board is responsible for development of strategies and monitoring business performance of the Company. It has formalised the functions reserved to the Board to achieve a clear division of the responsibilities of the Board and the management. The Board delegated its responsibilities to the executive Directors and senior management to deal with day-to-day operations and reviewed those arrangements on a periodic basis. Every Director is kept informed of his/her responsibilities as a director of the Company under the laws of Hong Kong and the Listing Rules and of the conduct, business activities and development of the Company. All Directors have access to the advice and relevant information from the secretary of the Company (the “Company Secretary”) to ensure that procedures of the Board functions and all applicable rules and regulations are followed. All INEDs also have independent access to the executive Director in respects of operating issues.

A Director’s handbook (the “Handbook”) setting out the guidelines on the conduct which directors of a listed company should follow is issued to every Director. The Handbook also outlines the regulatory requirements of disclosing any relevant personal interest, change in personal particulars and potential conflict of interest to the Company and regulatory bodies including the Stock Exchange in a timely manner.

Corporate Governance Report

Directors are provided with complete, adequate explanation and information to enable them to make an informed decision or assessment of the Group's performance, position and prospects and to discharge their duties and responsibilities on a timely basis. The Directors, to properly discharge their duties, are given access to independent professional advisers, when necessary, at the expense of the Company.

Relationship between Board Members

There is no relationship (including financial, business, family or other material relationship) between members of the Board.

Board and general meetings

The Board meets regularly and at least four Board meetings are scheduled annually. Ad-hoc meetings are convened when it considers necessary. Sufficient notice is served to all Directors before the Board meetings. All Directors are entitled to have access to Board papers and related materials at a reasonable time before the intended date of a Board or Board committee meeting unless there are restrictions on disclosure due to legal and regulatory requirements or other justifiable grounds.

Upon convening a Board meeting, drafts of agenda and relevant documents are sent to Directors for review and comment. The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Such minutes are recorded in details for the matters considered by the participants of such meetings and decisions reached, including concerns raised by Directors and/or dissenting views expressed. The meeting minutes are circulated to relevant Directors or committee members within reasonable time after the meetings are held and taken as the true records of the proceedings of such meetings and are open for inspection at any reasonable time on reasonable notice by any Director. According to the current Board practice, 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. Individual is required to disclose the conflict of interest and will abstain from voting on such matter in the final deliberation or decision.

The Board held nine meetings during the Year. The following is the attendance record of the Board meetings:

Name of Director	No. of Meetings	
	Attended/Held	Attendance Rate
<i>Executive Directors</i>		
Ms. Lee Wai Tsang, Rosa (<i>resigned as Chairman on 16 June 2017</i>)	9/9	100%
Dr. Huang Zhijian (<i>resigned on 16 June 2017</i>)	3/3	100%
Mr. Lee Wai Wang, Robert (<i>resigned on 16 June 2017</i>)	3/3	100%
<i>Non-Executive Director</i>		
Mr. He Luling (<i>Chairman</i>) (<i>appointed on 16 June 2017</i>)	6/6	100%
<i>Independent Non-Executive Directors</i>		
Mr. Lu Fan (<i>resigned on 16 June 2017</i>)	3/3	100%
Dr. Chow Yunxia, Carol (<i>resigned on 16 June 2017</i>)	3/3	100%
Mr. Lam Chi Wai (<i>resigned on 16 June 2017</i>)	3/3	100%
Ms. Ma Yin Fan (<i>appointed on 16 June 2017</i>)	6/6	100%
Ms. Yan Yan (<i>appointed on 16 June 2017</i>)	6/6	100%
Mr. Xu Yanfa (<i>appointed on 16 June 2017</i>)	6/6	100%

Corporate Governance Report

The Company held its annual general meeting for the year ended 31 March 2017 (the “2017 AGM”) on 21 July 2017 and a special general meeting (the “2018 SGM”) was held by the Company on 15 February 2018 during the Year. Mr. He Luling, (the chairman of the Board) and Ms. Lee Wai Tsang, Rosa (the executive Director), hosted the 2017 AGM and 2018 SGM respectively to ensure effective communication with the Shareholders. The following is the Directors’ attendance record of the aforesaid general meetings:

Name of Director	No. of AGM Attended/ Held during the year	No. of SGM Attended/ Held during the year	Attendance Rate
<i>Executive Directors</i>			
Ms. Lee Wai Tsang, Rosa <i>(resigned as Chairman on 16 June 2017)</i>	1/1	1/1	100%
Dr. Huang Zhijian <i>(resigned on 16 June 2017)</i>	N/A	N/A	N/A
Mr. Lee Wai Wang, Robert <i>(resigned on 16 June 2017)</i>	N/A	N/A	N/A
<i>Non-Executive Director</i>			
Mr. He Luling <i>(Chairman) (appointed on 16 June 2017)</i>	1/1	0/1	50%
<i>Independent Non-Executive Directors</i>			
Mr. Lu Fan <i>(resigned on 16 June 2017)</i>	N/A	N/A	N/A
Dr. Chow Yunxia, Carol <i>(resigned on 16 June 2017)</i>	N/A	N/A	N/A
Mr. Lam Chi Wai <i>(resigned on 16 June 2017)</i>	N/A	N/A	N/A
Ms. Ma Yin Fan <i>(appointed on 16 June 2017)</i>	0/1	0/1	0%
Ms. Yan Yan <i>(appointed on 16 June 2017)</i>	1/1	1/1	100%
Mr. Xu Yanfa <i>(appointed on 16 June 2017)</i>	1/1	1/1	100%

Pursuant to Code Provision A.6.7 of the CG Code, independent non-executive directors and non-executive directors, as equal board members, should attend general meeting of the Company. During the year, Ms. Ma Yin Fan was unable to attend the annual general meeting of the Company held on 21 July 2017 as she had other business engagement. Besides, Mr. He Luling and Ms. Ma Yin Fan were unable to attend the special general meeting held on 15 February 2018 as they had other business engagements.

In respect of Code Provision E.1.2 of the CG Code, Ms. Ma Yin Fan, the chairman of the Audit Committee was unable to attend the annual general meeting of the Company held on 21 July 2017 due to other business engagement. Other members of the Audit Committee, however, attended such annual general meeting and made themselves available to answer questions to ensure effective communication with the shareholders of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should not be performed by the same individual. To ensure a balance of power and authority, the roles of chairman and the chief executive officer are separate and are not performed by the same individual to reinforce their independence and accountability. The role of the chairman is performed by Mr. He Luling and the role of the chief executive officer of the Company is performed by Mr. Ji Qiang. The Chairman provides leadership for the Board and overall strategic formulation for the Company. The chief executive officer has overall chief executive responsibility for the Company’s business development and day-to-day management generally. The code provision A.2.1 of the Code has therefore been complied with.

Corporate Governance Report

CORPORATE GOVERNANCE

The Directors are fully indemnified against costs, charges, losses, expenses and liabilities that may be incurred by them during the course of execution and discharge of their duties or any matters in relation thereto. A Directors' and Officers' Liability Insurance policy for providing such indemnity has been arranged.

The INEDs have the same duties of care and skill and fiduciary duties as the executive Directors. The functions of INEDs include, but not limited to:

- participating in Board meetings to bring an independent judgment to bear on issues of corporate strategy, corporate performance, accountability, resources, key appointments and standard of conducts;
- taking the lead where potential conflicts of interests arise;
- serving and active participating on committees, if invited;
- attending general meetings of the Company and developing a balanced understanding of the views of shareholders; and
- scrutinizing the Group's performance in achieving agreed corporate goals and objectives and monitoring the reporting of performance.

The Board is also responsible for performing and had performed, during the Year, the corporate governance functions and duties of the Company to ensure compliance with the Listing Rules including:

1. formulating, developing and reviewing the Company's policies and practices on corporate governance;
2. reviewing the Director's Handbook distributed to the Directors and monitoring the adequacy of the training and continuous professional development of the Directors; and
3. reviewing the Company's compliance with the Listing Rules and disclosure in this corporate governance report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare financial statements of the Company for each financial period which give a true and fair view of the state of affairs of the Company and that the financial statements are prepared in accordance with the statutory and regulatory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Company. The Directors confirm that, to the best of their knowledge and, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational existence for the foreseeable futures and have prepared the financial statements on a going concern accordingly.

Corporate Governance Report

AUDIT COMMITTEE

The Company has established with written terms of reference an Audit Committee whose members are Mr. He Luling, being a non-executive Director, Ms. Ma Yin Fan, Ms. Yan Yan and Mr. Xu Yanfa, all being INEDs. Ms. Ma Yin Fan is the chairman of the Audit Committee. The terms of reference of the Audit Committee are consistent with the relevant provisions of the CG Code. The duties of the Audit Committee include reviewing all matters relating to the scope of audit, such as the financial statements, and providing supervision over the Company's financial reporting procedures and internal control system and risk management systems.

The Audit Committee held two meetings in the Year. The following is the attendance record of the meetings held by the Audit Committee for the Year:

Name of Committee Members	No. of Meetings	
	Attended/Held	Attendance Rate
Mr. Lu Fan (<i>Chairman</i>) (<i>resigned on 16 June 2017</i>)	1/1	100%
Dr. Chow Yunxia, Carol (<i>resigned on 16 June 2017</i>)	1/1	100%
Mr. Lam Chi Wai (<i>resigned on 16 June 2017</i>)	1/1	100%
Ms. Ma Yin Fan (<i>Chairman</i>) (<i>appointed on 16 June 2017</i>)	1/1	100%
Mr. He Luling (<i>appointed on 16 June 2017</i>)	1/1	100%
Ms. Yan Yan (<i>appointed on 16 June 2017</i>)	1/1	100%
Mr. Xu Yanfa (<i>appointed on 16 June 2017</i>)	1/1	100%

The duties performed by the Audit Committee during the Year are set out below:

1. reviewing and approving financial statements and auditors' reports regarding the Company's annual and interim results for the Board's approval;
2. reviewing with the management and considering the accounting policies and practices adopted by the Company;
3. reviewing with the management the auditing, internal control and financial reporting matters of the Company; and
4. reviewing the work of the external auditors of the Company, evaluating their performance, and making recommendation as to their appointment.

On 28 June 2018, after thorough review, discussion and consideration by the Audit Committee, the Audit Committee recommended to the Board:

1. to approve the audited financial statements for the Year together with the Report of the Directors and the Independent Auditors' Report before the announcement of the Company's annual results; and
2. to propose in the forthcoming annual general meeting for re-appointing East Asia Sentinel Limited ("Auditors") as Auditors of the Company for the ensuing year and to hold office until conclusion of the annual general meeting for the year ending 31 March 2019 at a fee to be agreed with the Directors.

Corporate Governance Report

The Audit Committee does not include a former partner of the existing Auditors of the Company. Remuneration paid and payable to the auditors of the Company in respect of their services for the year ended 31 March 2018 are as follows:

Nature of Services	<i>HK\$'000</i>
Audit services	
– Annual audit for the year ended 31 March 2018	173
Non-audit services:	
– Review of composite offer document	120
– Perform agreed-upon procedures for interim results announcements	80
– Review of the very substantial disposal regarding the disposal of equity interest in Tianjin Yishang Friendship Holdings Company Ltd.	180

The Audit Committee has been provided with sufficient resources to discharge its responsibilities. The Audit Committee will make available its terms of reference, explaining its role and the authority delegated to it by the Board upon request.

REMUNERATION COMMITTEE

The Company has set up with written terms of reference a remuneration committee of the Company (the “Remuneration Committee”) whose members are Mr. He Luling, being a non-executive Director, and Ms. Ma Yin Fan, Ms. Yan Yan, and Mr. Xu Yanfa, all being INEDs. Ms. Yan Yan is the chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are consistent with relevant provisions of the CG Code.

The major role and functions of the Remuneration Committee are to formulate, review and deliberate on the remuneration policy and related matters of the Company. The Company’s remuneration policy is in line with the prevailing market practices and is determined primarily on the basis of performance and experience of each Director.

The Remuneration Committee held two meetings in the Year. The following is the attendance record of the meeting held by the Remuneration Committee for the Year:

Name of Committee Members	No. of Meetings	
	Attended/Held	Attendance Rate
Mr. Lu Fan (<i>Chairman</i>) (<i>resigned on 16 June 2017</i>)	1/1	100%
Mr. Lee Wai Wang, Robert (<i>resigned on 16 June 2017</i>)	1/1	100%
Dr. Chow Yunxia, Carol (<i>resigned on 16 June 2017</i>)	1/1	100%
Ms. Yan Yan (<i>Chairman</i>) (<i>appointed on 16 June 2017</i>)	1/1	100%
Mr. He Luling (<i>appointed on 16 June 2017</i>)	1/1	100%
Ms. Ma Yin Fan (<i>appointed on 16 June 2017</i>)	1/1	100%
Mr. Xu Yanfa (<i>appointed on 16 June 2017</i>)	1/1	100%

During the Year, the Remuneration Committee has, amongst others things, made recommendations to the Board regarding the Company’s remuneration policy and for the formulation and review of the specific remuneration package of all Directors and senior management of the Company.

Corporate Governance Report

NOMINATION COMMITTEE

The Company has set up with written terms of reference a nomination committee of the Company (the “Nomination Committee”) whose members are Mr. He Luling, being a non-executive Director, and Ms. Ma Yin Fan, Ms. Yan Yan and Mr. Xu Yanfa, all being INEDs in compliance with the CG Code. Mr. He Luling is the chairman of the Nomination Committee. The terms of reference of the Nomination Committee are consistent with the relevant provisions of the CG Code. The Nomination Committee will make available its terms of reference, explaining its role and the authority delegated to it by the Board upon request.

The Nomination Committee is responsible for dealing with matters of appointment, retirement and re-election of the Directors. The Company’s nomination policy is in line with the prevailing market practices and is determined primarily on the basis of performance and experience of each Director.

The Nomination Committee held one meeting in the Year. The following is the attendance record of the meeting held by the Nomination Committee for the Year:

Name of Committee Members	No. of Meetings	
	Attended/Held	Attendance Rate
Mr. Lu Fan (<i>Chairman</i>) (<i>resigned on 16 June 2017</i>)	1/1	100%
Dr. Huang Zhijian (<i>resigned on 16 June 2017</i>)	1/1	100%
Dr. Chow Yunxia, Carol (<i>resigned on 16 June 2017</i>)	1/1	100%
Mr. He Luling (<i>Chairman</i>) (<i>appointed on 16 June 2017</i>)	N/A	N/A
Ms. Ma Yin Fan (<i>appointed on 16 June 2017</i>)	N/A	N/A
Ms. Yan Yan (<i>appointed on 16 June 2017</i>)	N/A	N/A
Mr. Xu Yanfa (<i>appointed on 16 June 2017</i>)	N/A	N/A

During the Year, the Nomination Committee had, among others, undertaken the following tasks:

1. reviewed the structure, composition and diversity of the Board;
2. considered the re-election of the retiring Director by the Shareholders at the forthcoming annual general meeting of the Company; and
3. considered the independence of the INEDs.

The terms of reference of each of the above Board committees, which define the role, authority and function delegated to them by the Board, are available on the websites of the Stock Exchange and the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) set out in Appendix 10 to the Listing Rules regarding securities transactions by Directors. Having made specific enquiries to all Directors, the Directors confirmed that they had complied with the required standards laid down in the Model Code throughout the Year.

Corporate Governance Report

DIRECTORS' AND AUDITORS' ACKNOWLEDGEMENT

The Audit Committee and the Board have reviewed the Company's financial statements for the Year under review. The Directors have acknowledged their responsibility for preparing the accounts and presenting a balanced, clear and comprehensive assessment of the Company's performance, position and prospects. The Directors are not aware of any material uncertainties relating to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

East Asia Sentinel Limited, Certified Public Accountants and the auditors of the Company for the Year have acknowledged their reporting responsibilities in the "Independent Auditors' Report" on pages 36 to 39 of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining a sound and effective internal control and risk management systems. Such systems are in place and designed to manage risks and provide reasonable assurance against material misstatement or loss in order to safeguard the interests of the shareholders and the assets of the Company against unauthorised use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations.

The Company, during the Year has engaged a professional firm as an independent advisor to hold an annual internal control review and risk management assessment to aid the Company in ensuring the internal controls and risk management systems are functioning adequately. The Board through its Audit Committee are kept regularly apprised of significant risks that may impact on the Company's performance as and when necessary.

Process of Risk Management

The risk assessment has identified key risks, primarily through conducting interviews with senior management and the executives under a Business Risk Model, presenting threats to the Company, including strategic risks, operation risks, financial risks as well as information risks. The risk model is a framework for identifying and understanding the types of business risks. It is followed by assessing the significance and likelihood of the risks qualitatively and quantitatively and prioritized the risks, subsequently evaluate against the control design indicator to conclude the audit requirement rating. According to the result of the risk assessment, a prioritized group of auditable areas is available for input to the development of the Company's internal control review plan.

Main Feature of Internal Control and Risk Management

The Company's internal control system includes a defined management structure with straightforward and clear lines of reporting, authority limits that are designed to help management to carry out regular management functions for the purpose of achieving the Company's business strategies. The internal controls and risk management functions are there in order to deal with the main features of the Company's risk management and internal control systems. The main features are namely: the maintenance of records, maintaining management integrity, the ensuring of proper segregation of duties, helping of the safeguarding Company assets. These features are in place in order to help to manage the Company's risk management and internal control issues.

Corporate Governance Report

Review of Effectiveness of the Internal Control and Risk Management System

The Directors acknowledge their responsibility for reviewing the effectiveness of the Company's internal control and risk management systems and would communicate regularly with the Audit Committee and the independent advisor. The Board has reviewed through the work of its Audit Committee and the internal control review report and the findings performed by independent advisor and was satisfied to the effectiveness of the Company's internal control and risk management systems for the year ended 31 March 2018.

Inside information

With regard to the internal controls and procedures for the handling and dissemination of inside information, the Company is in compliance with under the Part XIVA and relevant parts of the Securities and Future Ordinances (the "SFO") and Listing Rules. To be certain that all the staff members in the Company are aware of the inside information handling, the Company's Disclosure policy sets out guidance and procedures to ensure that the inside information of the Company is disseminated to the public completely, accurately and timely. Besides, the Board is responsible to approve the dissemination of the information. The Company also has reasonable measures regarding keeping the sensitive information confidential and ensuring the confidentiality terms are in place in the significant agreements.

INVESTMENT COMMITTEE

On investment subjects, the investment committee (the "Investment Committee") established by the Board is responsible for making investment related decisions. All corporate decisions are made collectively by the Board including the INEDs.

CONSTITUTIONAL DOCUMENTS

During the Year, there was no significant change in the Company's constitutional documents.

TRAINING FOR DIRECTORS

The Company continuously updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. The Company provides internal trainings and in-house briefings to the Directors to ensure their awareness of best corporate governance practices. The Company also periodically circulates reading materials relating to the general business, investment, or director's duties and responsibility to all the Directors. Up to the date of this report, all Directors have participated in relevant trainings and were provided with the above information for further development and updates on their knowledge and skills, which in turn ensures that they could make adequate and suitable contributions to the Board.

Corporate Governance Report

COMPANY SECRETARY

Our Company Secretary, Ms. Leung So Sze, have fulfilled the hours of training required under Rule 3.29 of the Listing Rules to perform the duties required.

NON-EXECUTIVE DIRECTORS

The term of appointment of each non-executive Director is for a period for three years.

AUDITOR'S REMUNERATION

Our auditor, East Asia Sentinel Limited, provided audit and non-audit services to earn HK\$173,000 (2017: HK\$190,000) and HK\$380,000 (2017: Nil). Our Directors acknowledged their responsibility for preparing the accounts and a statement by the auditors about their reporting responsibilities.

SHAREHOLDER'S RIGHTS

Convening of Special General Meeting (the "SGM") on Requisition

The following procedures are subject to the Bye-laws, the Bermuda Companies Act 1981 (the "CA") and applicable legislation and regulation.

1. Members of the Company (the "Members") 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 sent to the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM11 Bermuda, for the attention of the company secretary of the Company (the "Company Secretary"), to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.
2. The written requisition must state the purposes of the general meeting, signed by the Member(s) concerned and may consist of several documents in like form, each signed by one or more of those Members.
3. If the requisition is in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements and the Bye-laws to all the registered Members. If the requisition is invalid, the Members concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.
4. The notice period to be given to all the registered Members for consideration of the proposal raised by the Member(s) concerned at a SGM varies according to the nature of the proposal, as follows: at least twenty-one (21) clear days' notice in writing if the proposal constitutes a special resolution of the Company, which cannot be amended (other than a mere clerical amendment to correct a patent error); and at least fourteen (14) clear days' in writing if the proposal constitutes an ordinary resolution of the Company.

Corporate Governance Report

Enquiries to the Board

Shareholders have been provided with contact details of the Company on the Company's website, such as telephone number, fax number, and postal address, in order to enable them to make any enquiries that they may have with respect to the Company. They can also send their enquiries to the Board using these means. In addition, shareholders can contact Boardroom Share Registrars (HK) Limited, the Hong Kong branch share registrar of the Company, if they have any enquiries about their shareholdings and entitlements to dividend.

Putting Forward Proposals at General Meetings

1. The Company is required to hold an annual general meeting ("AGM") every year, and may hold a general meeting known as a special general meeting whenever necessary.
2. Shareholders of the Company holding (i) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting of the Company; or (ii) not less than 100 Shareholders, can submit a written request stating the resolution intended to be moved at an AGM; or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.
3. The written request/statements must be signed by the Shareholders concerned and deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton, HM11 Bermuda, for the attention the Company Secretary, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.
4. If the written request is in order, the Company Secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the Shareholders concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the Shareholders concerned in accordance with the statutory requirements to all the registered Shareholders. If the written request is invalid or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Shareholders concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

Biographical Details of Directors

EXECUTIVE DIRECTOR

Ms. Lee Wai Tsang, Rosa

Ms. Lee Wai Tsang, Rosa, aged 40, has been an executive Director since 1 June 2005 and appointed as chairman of the Company since 1 May 2013 until her re-designation on 16 June 2017. She also serves as the chairman of the investment committee established by the Board. Ms. Lee holds a bachelor degree from the University of Southern California. She also holds Master of Science in Finance from Boston College and MBA from University of Chicago. Ms. Lee has been working with the Company since its incorporation in April 2003. Ms. Lee is a licensed person for the regulated activities of dealing in securities, advising on securities and asset management under the SFO. Ms. Lee is a director of Grand Finance Group Company Limited ("GFG") and several of its related companies. She is also a director of Tianjin Yishang Friendship Holdings Company Ltd and an independent non-executive Director of Zhejiang Expressway Company Ltd. (stock code: 0576), a company listed on the Main Board of The Hong Kong Stock Exchange.

NON-EXECUTIVE DIRECTOR

Mr. He Luling

Mr. He Luling, aged 63, has been a non-executive Director and the chairman of the Company since 16 June 2017. He also serves as the chairman of the nomination committee and a member of the audit committee and the remuneration committee of the Board. Mr. He has extensive experience in marketing, public relations and the news and media industry. Mr. He has gained his honour as a national level photographer and director (國家一級攝影師兼導演) in the PRC and served for a prominent television station in the PRC for over 29 years. Since 2005, Mr. He has been a founder and a chairman of a private media company in the PRC.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Ma Yin Fan

Ms. Ma, aged 54, has been an independent non-executive Director since 16 June 2017. She also serves as the chairman of the audit committee and a member of the remuneration committee and the nomination committee of the Board. Ms. Ma obtained a bachelor's degree with honours in accounting from Middlesex University in the United Kingdom. She is also awarded the Master of Business Administration and Master in Professional Accounting degree from Heriot-Watt University in the United Kingdom and The Hong Kong Polytechnic University, respectively.

Ms. Ma is a CPA (Practising) in Hong Kong and has been working in the auditing, accounting and taxation areas with more than 20 years of professional experience. She is the principal of Messrs. Ma Yin Fan & Company CPAs. Ms. Ma is the fellow member of each of The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in the England and Wales, The Taxation Institute of Hong Kong, The Association of Chartered Certified Accountants, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She is also a Certified Tax Adviser in Hong Kong. Ms. Ma is currently an independent non-executive director of China Strategic Holdings Limited (Hong Kong stock code: 235) and CST Group Limited (formerly known as NetMind Financial Holdings Limited (Hong Kong stock code: 985). She resigned as an independent non-executive director of G-Resources Group Limited (Hong Kong stock code: 1051) on 3 February 2017. Ms. Ma was the chairman of audit committee and remuneration committee, and an independent non-executive director of Lamtex Holdings Limited (formerly known as China New Energy Power Group Limited) (Hong Kong stock code: 1041). The shares of the abovementioned companies are listed on the Main Board of the Hong Kong Stock Exchange.

Biographical Details of Directors

Ms. Yan Yan

Ms. Yan, aged 38, has been an independent non-executive Director since 16 June 2017. She also serves as the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Board. Ms. Yan obtained a bachelor's degree in management from Shanxi University of Finance & Economics in the PRC in June 2001. Ms. Yan obtained legal professional qualification of PRC in February 2005.

Ms. Yan worked as a practicing lawyer at Elite Law Office in Tianjin (天津賢達律師事務所) from June 2005 to February 2012 and has been a senior partner since 2012. She worked as the head of law of Tianjin Pengtian Liquidation Limited* (天津市鵬天清算事務有限公司) from September 2003 to June 2005. Ms. Yan was a manager of law of Tianjin Municipal Highway Equipment Company Limited* (天津市政公路設備工程有限公司) from August 2001 to September 2003. Ms. Yan has extensive experience acting as legal adviser for investment and finance companies in the PRC.

Mr. Xu Yanfa

Mr. Xu, aged 55, has been an independent non-executive Director since 16 June 2017. He also serves as a member of the audit committee, the remuneration committee and the nomination committee of the Board. Mr. Xu has over 30 years of experience in pharmaceutical industry. Mr. Xu is currently the general manager of Tianjin Wanjia Pharmacy Company Limited* (天津市萬嘉製藥有限公司) since September 2005. He worked as a sale director of Beijing Tri-Prime Gene Pharmaceutical Company Limited and Beijing Xiehe Pharmaceutical Company Limited* (北京協和藥業) from February 2001 to September 2005 and April 1999 to February 2001, respectively. Mr. Xu was also a regional manager of Jiangsu Cuccess Pharmaceutical Company Limited (now known as Simcere Pharmaceutical Group) from October 1997 to March 1999.

Report of the Directors

The directors (the “Directors”) of Grand Investment International Ltd. (the “Company”) have pleasure in presenting their report and the audited financial statements of the Company for the year ended 31 March 2018 (the “Year”), which were approved by the board of directors (the “Board”) of the Company on 28 June 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment company incorporated on 15 April 2003 with limited liability as an exempted company in Bermuda. The Company is principally engaged in investing in listed and unlisted enterprises established in Hong Kong and the People’s Republic of China (the “PRC”) with potential for earnings growth and capital appreciation.

During the Year, the Company continued to carry on investment management and monitor the existing investment portfolio. As at 31 March 2018, the Company had available-for-sale investments in unlisted equity interests in private enterprises in the PRC, namely Tianjin Yishang Friendship Holdings Co., Ltd. (“Tianjin Yishang”) and Joyport Holdings Limited (“Joyport”) and fund investment focusing on companies in the technology-enabled services and products industries with markets and/or operations in the PRC, the CMHJ Technology Fund II, L.P (“CMHJ”). Tianjin Yishang together with its group companies operates department stores in the PRC and Joyport is engaged in the business of online game development and distribution. The directors of the Company continue to review the business development and growth potential of these investments and consider if there have been material changes to their fair values and if any provision for impairment loss is required. During the Year, provision for impairment loss of approximately HK\$527,000 has been made for investment in Joyport.

The available-for-sale investments have been reclassified from non-current assets to current assets during the Year as the Company intends to divest these investments to raise working capital for other potential investments. However, as these investments are private enterprises, there is no active market for these investments and identifying the right acquirer with reasonable disposal terms is not guaranteed.

In October 2017, the Company disposed of one of its available-for-sale investments, being the 14.42% equity interests in 730 Arizona which indirectly held a 40% interests in a commercial building in California, United States, at a cash consideration of HK\$3,000,000. Loss on disposal of this investment of approximately HK\$1,558,000 was recognised during the year.

On 1 December 2017, the Company entered into a share transfer agreement to dispose of all the equity interests in Tianjin Yishang held by the Company at a cash consideration of HK\$15,000,000 (the “TJYS Disposal”). The completion of the TJYS Disposal took place on 28 May 2018 after the end of the reporting period. Immediately upon completion of the TJYS Disposal, the Company ceased to have any equity interest in Tianjin Yishang. The gain on disposal of this available-for-sale investment of approximately HK\$4,300,000 will be recognized in the financial year ending 31 March 2019. Details of the TJYS Disposal are set out in the “Event After the Reporting Period” section below.

Further details on the risks and uncertainties facing the Company, its operating results and prospects are set out in the Management Discussion and Analysis on pages 4 to 6 of this Annual Report.

Report of the Directors

The Company is committed to complying with and had during the Year complied with all environmental and social policies and other relevant laws and regulations related to its business operating environment. The Company also encouraged its employees to understand, comply with and keep themselves abreast of the laws, rules and regulations applicable to their positions and the operation of the business of the Company. Trainings were offered to its employees from time to time to equip themselves with better knowledge and make them more capable of and confident in handling the possible challenges ahead. The Board realises the importance of fostering loyalty and mutual trust with its employers and stakeholders as a good relationship is instrumental to the sustainable development of the business of the Company. The Board considers that the Company has overall maintained a good relationship with its employees, stakeholders and others that have a significant impact on the Company and on which its success depends. The Environmental, Social and Governance Report set out on pages 30 to 35 of this Annual Report provides a review on the steps taken and efforts and performance made to achieve the above purposes. The Corporate Governance Report set out on pages 7 to 17 of this Annual Report also provides a review on the Company's corporate governance performance during the Year.

FINANCIAL RESULTS

The loss and cash flows of the Company for the year ended 31 March 2018 and the state of affairs of the Company as at 31 March 2018 are set out in the financial statements on pages 40 to 77.

DIVIDEND

The Directors do not recommend the payment of a dividend for the Year (2017: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "Annual General Meeting") will be held on 15 August 2018.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Company for the Year is set out on page 78. This summary does not form part of the audited financial statements.

RESERVES

Details of movements in the reserves of the Company during the Year are set out in note 17 to the financial statements and in the statement of changes in equity set out on page 42.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's securities.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 16 to the financial statements.

DONATIONS

The Company did not make any donations for charitable or other purposes during the Year.

Report of the Directors

PURCHASE, SALE OR REDEMPTION OF OWN SHARES

The Company did not purchase, sell or redeem any of its shares during the Year.

COMPETING INTERESTS

As at 31 March 2018, in so far as the Directors were aware, none of the Directors or their respective associates had any interest in a business apart from the Company's business that competed or was likely to compete, either directly or indirectly, with the businesses of the Company.

SHARE OPTION SCHEME

The Company did not maintain any share option scheme during the Year.

DIRECTORS

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

Executive Directors

Ms. Lee Wai Tsang, Rosa (*chairman until re-designation on 16 Jun 2017*)

Dr. Huang Zhijian (*resigned on 16 June 2017*)

Mr. Lee Wai Wang, Robert (*resigned on 16 June 2017*)

Non-executive Director

Mr. He Luling (*appointed on 16 June 2017*)

Independent Non-executive Directors

Ms. Ma Yin Fan (*appointed on 16 June 2017*)

Ms. Yan Yan (*appointed on 16 June 2017*)

Mr. Xu Yanfa (*appointed on 16 June 2017*)

Mr. Lu Fan (*resigned on 16 June 2017*)

Dr. Chow Yunxia, Carol (*resigned on 16 June 2017*)

Mr. Lam Chi Wai (*resigned on 16 June 2017*)

The terms of office for all Directors are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the bye-laws of the Company ("Bye-laws"). In accordance with Bye-Law 113(A) of the Bye-laws, Mr. He Luling and Ms. Ma Yin Fan will retire at the forthcoming Annual General Meeting and being eligible, offers themselves for re-election at the forthcoming Annual General Meeting.

The Company has received the confirmations of independence from Ms. Ma Yin Fan, Ms. Yan Yan and Mr. Xu Yanfa pursuant to Rule 3.13 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange") and in the opinions of the Directors having regard to the assessment of their independence by the nomination committee of the Company (the "Nomination Committee"), they remain to be considered as independent.

Report of the Directors

DIRECTORS' SERVICE CONTRACTS

None of the Directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company was a party and in which any Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

PERMITTED INDEMNITY PROVISION

The Bye-laws provide that the Directors are entitled to be indemnified out of the assets of the Company against all losses or liabilities which they may sustain or incur in their respective offices. During the year, appropriate directors' and officers' liabilities insurance coverage had been arranged in respect of legal action that might be taken against the Directors and officers of the Company.

DIRECTORS' AND/OR EXECUTIVE'S INTEREST IN SHARES

As at 31 March 2018, as far as the Directors are aware, the directors, chief executives and their associates had the following interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules:

Directors' interests in the shares of associated corporations

Name of associated corporation	Name of Director or chief executive	Capacity	Long/short position	Number of ordinary shares in the associated corporation	Approximate percentage of the issued share capital in the associated corporation
Renown Future Limited	He Luling	Beneficial owner	Long position	1	20%
	Ji Qiang	Beneficial owner	Long position	1	20%

Other than as disclosed above, none of the Company's directors, chief executive nor their associates had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of the SFO as at 31 March 2018.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2018, as far as the Directors are aware, the Company had been notified of the following substantial shareholders' interests or short positions in the shares and underlying shares in the Company (representing 5% or more of the Company's issued share capital) which were recorded in the register maintained by the Company under Section 336 of the SFO:

Name	Capacity	Long/short position	Number of Shares	Approximate percentage of existing shareholding
Renown Future Limited	Beneficial owner	Long position	88,129,080	51.00%
Treasure Isle Global Limited	Beneficial owner	Long position	25,954,878 <i>(Note 1)</i>	15.02%
Li Bohan ("Mr. Li")	Interest of a controlled corporation	Long position	25,954,878 <i>(Note 1)</i>	15.02%
Zhang Jianming ("Mr. Zhang")	Interest of a controlled corporation	Long position	25,954,878 <i>(Note 1)</i>	15.02%
Blue Canary Consulting Group Limited	Beneficial Owner	Long position	15,516,042 <i>(Note 2)</i>	8.98%
Chan Man Fung	Interest of a controlled corporation	Long position	15,516,042 <i>(Note 2)</i>	8.98%

Notes:

1. Treasure Isle Global Limited is a company incorporated in the British Virgin Islands and is beneficially owned as to 50% by Mr. Li and 50% by Mr. Zhang. Each of Mr. Li and Mr. Zhang is deemed to be interested in the 25,954,878 Shares held by Treasure Isle Global Limited under Part XV of the SFO.
2. Blue Canary Consulting Group Limited is a company incorporated in Samoa and is solely owned by Mr. Chan Man Fung. Mr. Chan Man Fung is taken to be interested in the shares of the Company held by Blue Canary Consulting Group Limited under Part XV of the SFO.
3. The percentage of shareholding is calculated on the basis of 172,800,000 shares in the Company in issue as at 31 March 2018.

Save as disclosed above, as far as the Directors are aware, the Company had not been notified by any other persons, and none of the other Directors or chief executive (if any) of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of the Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 31 March 2018.

Report of the Directors

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial parts of the business of the Company were entered into or existed during the Year.

CONNECTED TRANSACTIONS

Investment Management Agreement

Pursuant to the investment management agreement dated 3 November 2016 (“Investment Management Agreement”), the Company appointed Evergrande Securities (Hong Kong) Limited (“Evergrande”) (formerly known as Grand Investment (Securities) Limited) (“GIS”) as the Company’s investment manager to provide the Company with investment management services for a term of one year, commencing on 1 December 2016 subject to renewal, at the investment management fee of HK\$345,000 per annum. After the expiration of the term of one year, the Investment Management Agreement has been extended on a monthly basis at an investment management fee of HK\$28,750 per month until 30 June 2018.

Evergrande is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules. Accordingly, the transactions under the Investment Management Agreement constituted continuing connected transactions for the Company. During the Year, the aggregate amount of investment management fees paid to Evergrande under the Investment Management Agreement amounted to HK\$345,000. Since each of the applicable percentage ratios under Rules 14.07 of the Listing Rules (as appropriate) on an annual basis is less than 5% and the total consideration is less than HK\$3,000,000, the transaction contemplated under the Investment Management Agreement was not subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Tenancy Agreement

Pursuant to a tenancy agreement dated 25 October 2016 entered into between Evergrande as landlord and the Company as tenant (the “Tenancy Agreement”), Evergrande had leased the office premises located on A301, 32/F, United Center, No. 95, Queensway, Hong Kong to the Company at a monthly rent of HK\$38,866.67 (exclusive of operating charges, rates and other outgoings) for a term of one year commencing on 20 November 2016 subject to renewal. The Tenancy Agreement expired on 19 November 2017.

As aforementioned, Evergrande is a connected person of the Company. Accordingly, the Tenancy Agreement constituted a continuing connected transaction of the Company. During the Year, the aggregate amount of rent paid to Evergrande under the Tenancy Agreement amounted to HK\$296,682. Since each of the applicable percentage ratios under Rule 14.07 of the Listing Rules (as appropriate) on an annual basis is less than 5% and the total consideration is less than HK\$3,000,000, the transaction contemplated under the Tenancy Agreement was not subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Report of the Directors

Custodian Agreement

The Company appointed DBS Bank Ltd, (“DBS”) as its custodian under a custodian agreement (“Custodian Agreement”) that took effect from 1 December 2010 in respect of, among others, the safe custody of cash and documents of title, physical settlement of the securities in the investment portfolio of the Company and the collection of dividends and other entitlements in respect of such securities. The Custodian Agreement would continue in full force until terminated by either the Company or DBS by giving to the other not less than three months’ advance notice in writing.

Pursuant to the Custodian Agreement, a custody fee at the rate of 0.125% per annum of the average month-end balance, with minimum US\$500 per month, of the aggregate value of the investments deposited by the Company with DBS (subject to revision as notified by the DBS to the Company from time to time with the approval of the Company in accordance with the terms set out in the Custodian Agreement) is payable by the Company to DBS for the provision of securities custodian services.

DBS is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules. Accordingly, the transactions under the Custodian Agreement constituted continuing connected transactions for the Company.

During the Year, the aggregate amount of custody fee and other charges paid to DBS amounted to HK\$46,500. Since each of the applicable percentage ratios under Rules 14.07 of the Listing Rules (as appropriate) on an annual basis is less than 5% and the total consideration is less than HK\$3,000,000, the transaction contemplated under the Custodian Agreement was not subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Sharing of Administrative Expenses

During the Year, the Company has reimbursed Grand Finance Group Company Limited (“GFG”) for the administrative expenses shared by the Company on a cost basis. Ms. Lee Wai Tsang, Rosa, the director of the Company is also a director of GFG. Accordingly, the reimbursement constituted continuing connected transactions of the Company.

During the Year, the aggregate amount of administrative expenses reimbursed to GFG amounted to HK\$155,291. Since each of the applicable percentage ratios under Rules 14.07 of the Listing Rules (as appropriate) on an annual basis is less than 5% and the total consideration is less than HK\$3,000,000, the transaction was not subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The independent non-executive Directors had reviewed the above continuing connected transactions respectively contemplated under the aforementioned Investment Management Agreement, the Tenancy Agreement, the Custodian Agreement and the sharing of administrative expenses (each a “Transaction” and collectively, the “Transactions”) for the Year and confirmed that each of the Transactions have been entered into:

- (i) in the ordinary and usual course of the Company’s business;

Report of the Directors

- (ii) on normal commercial terms;
- (iii) (as regards the Investment Management Agreement) in accordance with the Investment Management Agreement on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole;
- (iv) (as regards the Tenancy Agreement) in accordance with the Tenancy Agreement on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole;
- (v) (as regards the Custodian Agreement) in accordance with the Custodian Agreement on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole; and
- (vi) (as regards the sharing of administrative expenses) on terms that are fair and reasonable and in the interest of the Company and its shareholders as a whole.

The auditors of the Company also confirmed that:

- (i) each of the Transactions was approved by the Board;
- (ii) the Transaction contemplated under the Investment Management Agreement was entered into in accordance with the terms of the Investment Management Agreement;
- (iii) the Transaction contemplated under the Tenancy Agreement was entered into in accordance with the terms of the Tenancy Agreement;
- (iv) the Transaction contemplated under each of the Custodian Agreement was entered into in accordance with the respective terms of the Custodian Agreement;
- (v) the total investment manager fee paid by the Company in relation to the Investment Management Agreement during the Year does not exceed HK\$345,000;
- (vi) the total rent paid by the Company in relation to the Tenancy Agreement during the Year does not exceed HK\$296,682;
- (vii) the total custody fee paid by the Company in relation to the Custodian Agreement during the Year does not exceed HK\$46,500; and
- (viii) the total administrative expenses paid by the Company in relation to the reimbursement of administrative expenses to GFG during the Year does not exceed HK\$155,291.

To the extent that the “Related Party Transactions” as disclosed in note 23 to the financial statements for the Year constituted connected transaction as defined in the Listing Rules, the Company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Year.

Report of the Directors

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights in respect of the shares of the Company under the Bye-laws of the Company although there are no restrictions against such rights under the laws of Bermuda. There is no information necessary to enable Shareholders to obtain any relief from taxation to which they are entitled by reason of being the Company's shareholder.

AUDIT COMMITTEE

The Company has established an Audit Committee in accordance with Rule 3.21 of the Listing Rules for the purpose of, among other duties, reviewing and providing supervision over the Company's financial reporting procedures and internal control system. The Audit Committee, comprising the non-executive director and all three independent non-executive Directors, had reviewed with the management of the Company the audited financial statements of the Company for the Year.

EVENT AFTER THE REPORTING PERIOD

On 1 December 2017, the Company entered into a conditional share transfer agreement (the "TJYS Share Transfer Agreement") with an independent third party (the "Purchaser") to dispose of all the 8,711,964 shares, representing approximately 3.955% of the entire equity interest in Tianjin Yishang held by the Company (the "Sale Interest") at a cash consideration of HK\$15,000,000. The disposal of the Sale Interest (the "TJYS Disposal") constituted a very substantial disposal for the Company under the Listing Rules. A special general meeting of the Company was held on 15 February 2018 in which the TJYS Disposal was approved by the shareholders of the Company. On 29 March 2018, the Company and the purchaser mutually agreed to extend the longstop date of the TJYS Share Transfer Agreement from 31 March 2018 to 31 May 2018 as additional time was required for the fulfilment of the conditions precedent to completion of the TJYS Disposal. The completion of the TJYS Disposal took place on 28 May 2018 after the end of the reporting period. Immediately upon completion of the TJYS Disposal, the Company ceased to have any equity interest in Tianjin Yishang. The gain on disposal of this available-for-sale investment of approximately HK\$4,300,000 will be recognized in the statement of comprehensive income for the financial year ending 31 March 2019.

Save as disclosed above, the Directors are not aware of any significant event since the end of the Year and as at the date of this Annual Report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float under as at the date of this annual report.

Report of the Directors

AUDITORS

East Asia Sentinel Limited, Certified Public Accountants, was appointed as auditors of the Company for the Year. The financial statements of the Company for the Year have been audited by East Asia Sentinel Limited.

East Asia Sentinel Limited would retire as auditors of the Company upon expiration of its current term of office with effect from the conclusion of the forthcoming annual general meeting of the Company. The Audit Committee will identify appropriate candidate , and if considered appropriate, will make recommendation to the Board on the appointment of new auditors of the Company to fill the casual vacancy arising from the retirement of East Asia Sentinel Limited.

By order of the Board

He Luling

Chairman

Hong Kong, 28 June 2018

Environmental, Social and Governance Report

ABOUT THIS REPORT

This is the environmental, social and governance (the “ESG”) report for the Company. This report is designed to allow the shareholders, investors (including potential investors) of the Company and the public to have a more comprehensive and profound understanding of the work done on the ESG issues of the Company for the Year. This report elaborates the philosophy and practice in respect of social responsibility and the achievements it has made in economic, environment and social aspects. The Company primarily adopts the principles and basis of Environmental, Social and Governance Reporting Guide (the “ESG Guide”) set out in Appendix 27 to the Listing Rules as its standards, with an aim to establishing a sound environmental, social and governance structure. For information on the Company’s corporate governance, please refer to the “Corporate Governance Report”.

The management of the Company is responsible for monitoring and managing ESG-related risks and the effectiveness of the ESG management system. During the year ended 31 March 2018, the Company has complied with the “comply and explain” provisions set out in the ESG Guide.

The board of directors of the Company believes that a sound environmental, social and governance structure is vital for continued sustainability and development of the Company’s activities. The Company is willing to take more responsibilities for the society but with a view to balancing the shareholders’ interests and the society’s benefits. We will continue to strengthen its efforts in information collection for better performance in the ESG areas and broader disclosure of related information in sustainable development. We welcome any comments and suggestions on this report as well as the Company’s performance in sustainability development.

A summary of material ESG issues, which are covered in this report, is listed below: –

ENVIRONMENTAL

Being an investment vehicle company, we are also conscious of our investment decision and its potential impact to the environment. Should the opportunity arises, we would consider projects for its risk and return dynamics as well as positive environmental effects it will have.

The Company has been persistent in conducting business in an environmentally responsible manner and it has been the Company’s mission to reduce possible environmental impact from its operations, tackle climate change and to reduce risks for the society in the most effective way.

Environmental, Social and Governance Report

Emission

Taking into account the nature of the Company's businesses, there is no direct emission of exhaust gas and greenhouse gas, discharge of wastewater and discharges into land, production of hazardous nor non-hazardous waste, etc..

During the Year, the biggest contributor to the Company's carbon footprint was indirect greenhouse gas ("GHG") emission from electricity consumption, paper waste disposed at landfills and travelling of staffs:

Scope of Greenhouse Gas Emissions	Emission Sources	Type of emission	Emission	Intensity (per employee)
Scope 1				
Direct Emission	Nil			
Scope 2				
Indirect emission	Purchased electricity	CO ₂	2.72 tonnes	0.68 tonnes
Scope 3				
Other indirect emission	Paper waste disposed at landfills	CO ₂	0.06 tonnes	0.0156 tonnes
	Travelling	CO ₂	24.74 tonnes	6.18 tonnes
Total		CO ₂	27.52 tonnes	6.88 tonnes

During the Year, the Company adopted a number of energy-saving initiatives and efficiency practices to reduce greenhouse gas emission and conserve energy usage, encompassing:

- indoor temperature is maintained at an optimal level for comfort;
- employees are encouraged to turn off the computers, monitors and other personal electronic devices before they leave the office;
- telecommunication system is encouraged to avoid unnecessary travel arrangement;
- signages are put on at appropriate areas to raise the awareness of energy saving;
- encouraging employees to make the best use of the video conference facilities so as to avoid unnecessary travel arrangement.

Hazardous Waste and Non-hazardous Waste

The Company generated no hazardous waste in its operation. Non-hazardous waste from the Company's operation was mainly office paper but the management of the Company believed that the impact of non-hazardous waste arose from the waste paper is insignificant.

Nonetheless in the effort to address environmental responsibilities, the Company has implemented energy-saving measures to further reduce these indirect emissions as described in the later section headed "Use of Resources".

Environmental, Social and Governance Report

During the Year, the Company had not received any complaint regarding the noncompliance to laws or regulations related air pollution and waste handling. The Company believes that there is no significant environmental impact generated by its business operations. We are committed to protecting environment and focusing on environmental protection in our operation, hoping that through rigorous supervision and control to reduce our long-term negative impact on environment.

Use of Resources

With the aim to better manage the use of resources, regular assessments of use of resources are performed by the Company by analyzing the data collected by the management of the Company.

Electricity

The Company is committed to improving the energy efficiency of operations by supporting the “Indoor Temperature Energy Saving Charter” and the “No Incandescent Light Bulbs (“ILB”) Energy Saving Charter”. The indoor air temperature of our office is set at a comfortable range, and all incandescent light bulbs have been fully deactivated.

During the Year, the electricity consumption by the Company was 4,316 kWh, with an energy intensity of 1,079 kWh per employee.

Water

The Company consumes water in the office from a centralized water and sanitation system implemented in the building. The cost of water consumption of the Company is inclusive in the monthly rent, and the building management does not individually measure the water consumption of each tenant and hence no relevant data can be collected. In spite of this, we strive to reduce water consumption in daily operation by encouraging employees to give priority to effective water-saving products.

Packaging material

There was no packaging material used in the Company’s business operation.

Paper

The Company practices paper saving initiatives, such as encouraging employees to use duplex printing for internal documents and adopt environmentally friendly photocopy habit. Apart from reducing paper waste at source, paper recycling also contributes to conserving resources such as forests, energy and water. To efficiently recycle used paper, waste segregation and collection are particularly important.

During the Year, a total of 0.06 tonnes of paper has been used for daily office operations Paper recycling practice is engaged and promoted regularly to raise employees’ awareness on conserving paper.

Environment and Natural Resources

The Company constantly assesses and monitors the environmental risks in its daily operation and formulates corresponding mitigation measures promptly when discovering any potential risk to the environment, so as to ensure such risk can be controlled and reduced to an acceptable level. The Company is committed to making the most efficient use of natural resources and reducing waste.

The Company will continue to put more effort on resources saving and strive for better protection of our environment.

Environmental, Social and Governance Report

EMPLOYMENT AND LABOUR PRACTICES

Employment

Employees are regarded as the greatest and valuable assets and core competitive advantage of the Company. The Company aims to provide employees with respectful and fair working environment through maintaining a sound system of human resources management covering various aspects such as recruitment, promotion, compensation and other benefits and welfare.

We strictly follow the relevant laws and regulations and our employment policies to select candidates based on skillsets, experience and expertise. Equality and diversity is highly respected in our corporate philosophy during the process of employment, remuneration, promotion and termination. The recruitment and promotion of the Company are fair and open for all employees, and are not affected by age, gender, physical or mental health status, marital status, family status, race, nationality, religion, political affiliation and sexual orientation. In order to provide a good and fair working environment and safeguard the well-being of our employees, the Company seriously considers all valuable opinions from our employees to enhance workplace productivity and harmony.

The Company offers competitive remuneration, promotional opportunity, compensation and benefit packages to attract and retain talents. Remuneration packages are reviewed periodically based on the Company's operating results, individual performance and market information. The Company aims to reward and motivate the contribution and performance of employees and assist them in their career development and promotion within the Company.

We safeguard the rights of our employees by strictly complying with the requirements of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and relevant employment regulations related to compensation, welfare, working hours, rest periods, anti-child labour and anti-force labour.

During the Reporting Year, there were no non-compliance cases identified relevant to laws and regulations on recruitment, employment, benefits and welfare, and anti-discrimination.

Health and Safety

The Company is committed to providing a safe and healthy working environment for all employees and protecting them from any potential occupational hazards. In order to protect our employees from injuries and accidents under adverse weather, we have included adverse weather working arrangement in the employees' handbook. We have also ensured that our employees are under the coverage of employees' compensation insurance.

The Company has offered various facilities to address the health and safety needs of our employees, encompassing:

- ensuring ample space between workstations and clean and tidy common space such as corridors and pantry;
- maintaining sufficient ventilation and lighting system in the offices;
- offering adjustable chairs and monitor screens for eye protection at each individual workstation.

Our employees are mainly office-based, performing routine office work, thus safety issues are not as pertinent.

During the Year, the Company complied with all relevant laws and regulations including but not limited to the Occupational Safety and Health Ordinance in Hong Kong.

Environmental, Social and Governance Report

Development and Training

The Company attaches the great importance to the staff development and quality of employee. We provide the employees with effective training and develop a clear promotion ladder, ensuring that the employees have the required skills. The Company conducts performance evaluation annually and based on the assessment result to provide the staff with appropriate training and offer job development and promotion opportunities for outstanding employees.

During the Year, the average training hours per employee was 9.38 hours.

Labour Standards

The Company does not employ staffs who are below 18 years of age. Our Company also follows The Convention on the Elimination of All Forms of Discrimination against Women in our hiring process by encouraging women to participate in economic, social and cultural life.

The Company strictly complies with applicable laws and regulations in the localities of its operation, and the relevant administrative rules and measures are strictly enforced. These rules and regulations specify the requirements relating to employment, labor relations, employees' remuneration, social insurances, housing fund, mandatory provident fund and welfare to protect the rights of employees.

OPERATING PRACTICES

Supply Chain Management

The Company attaches importance to developing and maintaining long-term relationships with our suppliers, looking forward to forming long-term partnerships with them. We take a fair and open principle on procurement of materials and services. We support and encourage the suppliers to promote efficient use of resources and environmental protection and fulfill corporate social responsibility. The Company also conducts follow-up assessment on the suppliers, and, if necessary, reviews them through a third-party organization.

Our suppliers should comply with all relevant local and national laws and regulations in relation to unethical behaviour, bribery, corruption and other prohibited business practices.

Product Responsibility

The Company is principally engaged in investment trading, and hence the Company does not deliver a product or service.

We are committed to protecting privacy and confidentiality of personal data of our employees, business partners and other identifiable individuals. Our employees are instructed to handle confidential information with due care. We collect and use information in a responsible and non-discriminatory manner by restricting the use of the information for the purposes consistent with those identified in the contracts. During the Reporting Period, there were no issues occurred concerning the losses of data.

Anti-Corruption

The Company advocates a high standard of business integrity throughout its operations and has no tolerance of corruption or bribery in any form. The Company strictly adheres to the laws and regulations in regard to anti-corruption and bribery in all locations where the Company is conducting business. Employees at all levels are expected to conduct in an appropriate manner, with integrity, impartiality and honesty. All staff members are to comply with provisions included in the Staff Handbook.

Environmental, Social and Governance Report

During the Year, the Company was not involved in any litigation regarding corruption, bribery, fraud or money laundering.

COMMUNITY

The Company pursues sustainable development of the community by supporting initiatives that create effective and lasting benefits to the local communities. Going beyond corporate philanthropy, the Company supports long-term community investment by encouraging our employees to participate in volunteer work.

Our employees had the opportunity to participate in community service organized under Hong Kong Movie Star Sports Association Ltd., which included, for the Year, visiting senior citizens living alone. In September 2017, our volunteers distributed oatmeal and rice to the elderly and spent time conversing with the seniors and kept them accompanied during the visits.

Our employees participated in the “Dress Casual Day 2017.10.12” in support of the Community Chest of Hong Kong for fundraising and care for those in need.

Our employees participated in activities arranged by the Hong Kong Women’s Commission to further promote gender equality on a corporate level for senior management. Our Company follows guideline within the Convention on the Elimination of All Forms of Discrimination against Women, as well as makes the perspectives and needs of both genders mainstream consideration for achieving gender equality.

During the Year, the Company’s staffs had donated to the following charitable institutions or activities:

Institutions/Activities

Hong Kong Movie Star Sports Association Charities Limited
Shanghai Fraternity Association HK Ltd
Heifer International – HK Limited
The Community Chest
Food for Good
Hong Kong Anti-cancer Society
Kids4kids
University of Chicago
HKIS

Beneficiaries

Elderly
Elderly
Poverty
Hong Kong community
Community and reduce food wastes
Patient
Young people
Students
Students

Independent Auditors' Report



East Asia Sentinel Limited 衛亞會計師事務所有限公司

Certified Public Accountants

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Ref : 185815

TO THE SHAREHOLDERS OF GRAND INVESTMENT INTERNATIONAL LTD.

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the financial statements of the Grand Investment International Ltd. (the "Company") set out on pages 40 to 77, which comprise the statements of financial position as at 31 March 2018, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKASs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Available-for-sale investments

Refer to note 11 to the financial statements.

Independent Auditors' Report

TO THE SHAREHOLDERS OF GRAND INVESTMENT INTERNATIONAL LTD.

(Incorporated in Bermuda with limited liability)

KEY AUDIT MATTER *(continued)*

Key audit matter

The Company tested the amount of available-for-sale investments for impairment. This impairment test is significant to our audit because the carrying amount of available-for-sale investments of HK\$13,679,000 as at 31 March 2018 is material to the financial statements. These available-for-sale investments are stated at cost less provision for impairment loss. The Company's impairment test involves application of judgement and is based on assumptions and estimates.

Based on the management assessment, an impairment loss on available-for-sale investments of HK\$527,000 was recognised in the statement of comprehensive income for the year.

How our audit addressed the key audit matter

Our procedures in relation to the impairment assessment of the available-for-sales investments included:

- Evaluating the methodology and key assumptions for impairment assessment adopted by the management;
- Assessing available financial information of investments;
- Considering the potential impact of reasonably possible downside change in these key assumptions;
- Obtaining and checking to the evidence to support the Company's impairment assessment; and
- Assessing the carrying amount of underlying investments in unlisted equities held by the limited partnership.

We have found the management conclusion to be consistent with the available information.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

TO THE SHAREHOLDERS OF GRAND INVESTMENT INTERNATIONAL LTD.

(Incorporated in Bermuda with limited liability)

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Audit Committee of the Company is responsible for overseeing the Company's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. This report is made solely to you, as a body, in accordance with section 90 of Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditors' Report

TO THE SHAREHOLDERS OF GRAND INVESTMENT INTERNATIONAL LTD.

(Incorporated in Bermuda with limited liability)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

(Continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditors' report is So Kwok Keung Keith.

East Asia Sentinel Limited

So Kwok Keung Keith

Practising Certificate No. P1724

Hong Kong

Date: 28 June 2018

Statement of Comprehensive Income

For the year ended 31 March 2018

	NOTE	2018 HK\$'000	2017 HK\$'000
GAIN ON INVESTMENTS	6	–	309
OTHER REVENUES	6	15	25
IMPAIRMENT LOSS ON AVAILABLE-FOR-SALE INVESTMENT	11	(527)	(2,847)
LOSS ON DISPOSAL OF AVAILABLE-FOR-SALE INVESTMENT	11	(1,558)	–
ADMINISTRATIVE EXPENSES		(8,368)	(3,464)
LOSS BEFORE TAXATION	7	(10,438)	(5,977)
TAXATION	8(a)	–	–
LOSS FOR THE YEAR		(10,438)	(5,977)
OTHER COMPREHENSIVE INCOME		–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(10,438)	(5,977)
DIVIDEND	21	–	–
LOSS PER SHARE	22		
Basic:			
For loss for the year		(HK\$0.06)	(HK\$0.03)
Diluted:			
For loss for the year		N/A	N/A

The notes on pages 44 to 77 form an integral part of these financial statements.

Statement of Financial Position

As at 31 March 2018

	<i>NOTE</i>	2018 HK\$'000	2017 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	<i>10</i>	60	–
Available-for-sale investments	<i>11</i>	–	18,561
TOTAL NON-CURRENT ASSETS		60	18,561
CURRENT ASSETS			
Available-for-sale investments	<i>11</i>	13,679	–
Deposits, other receivables and prepayments	<i>12</i>	1,396	3,102
Cash and cash equivalents	<i>13</i>	12,639	8,688
TOTAL CURRENT ASSETS		27,714	11,790
CURRENT LIABILITIES			
Other payables and accruals	<i>14</i>	524	163
Deposit received	<i>15</i>	7,500	–
TOTAL CURRENT LIABILITIES		8,024	163
NET CURRENT ASSETS		19,690	11,627
NET ASSETS		19,750	30,188
CAPITAL AND RESERVES			
Share capital	<i>16</i>	17,280	17,280
Reserves	<i>17</i>	2,470	12,908
TOTAL EQUITY		19,750	30,188
NET ASSET VALUE PER SHARE	<i>20</i>	HK\$0.11	HK\$0.17

Lee Wai Tsang, Rosa
Director

He Luling
Director

The notes on pages 44 to 77 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2018

	Share capital	Share premium	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
YEAR ENDED 31 MARCH 2017				
At 1 April 2016	17,280	37,786	(18,901)	36,165
Total comprehensive loss				
Loss for the year	–	–	(5,977)	(5,977)
At 31 March 2017	17,280	37,786	(24,878)	30,188
YEAR ENDED 31 MARCH 2018				
At 1 April 2017	17,280	37,786	(24,878)	30,188
Total comprehensive loss				
Loss for the year	–	–	(10,438)	(10,438)
At 31 March 2018	17,280	37,786	(35,316)	19,750

The notes on pages 44 to 77 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2018

	2018 HK\$'000	2017 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(10,438)	(5,977)
Adjustments for:		
Interest income	(12)	(24)
Impairment loss of available-for-sale investment	527	2,847
Loss on disposal of available-for-sale investment	1,558	–
Depreciation	12	–
Operating loss before changes in working capital	(8,353)	(3,154)
Decrease in investments at fair value through profit or loss	–	3,818
Decrease/(increase) in deposits, other receivables and prepayments	1,706	(2,333)
Increase/(decrease) in other payables and accruals	361	(24)
Increase in deposit received	7,500	–
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	1,214	(1,693)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from return of capital of available-for-sale investments	–	4,048
Net proceeds from sale of available-for-sale investments	2,797	–
Payment for purchase of property, plant and equipment	(72)	–
Interest received	12	24
NET CASH GENERATED FROM INVESTING ACTIVITIES	2,737	4,072
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,951	2,379
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	8,688	6,309
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12,639	8,688
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,742	4,168
Short-term deposit with original maturity within three months	7,897	4,520
	12,639	8,688

The notes on pages 44 to 77 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2018

1. GENERAL INFORMATION

Grand Investment International Ltd. (“the Company”) is a limited liability company incorporated in Bermuda on 15 April 2003 as an exempted company. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) since 2 April 2004.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is Unit 503, 5/F., Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Kowloon, Hong Kong.

The Company is principally engaged in investing in listed and unlisted enterprises established in Hong Kong and the People’s Republic of China.

2. BASIS OF PREPARATION

These financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which is a collective term that includes all applicable individual HKFRS, Hong Kong Accounting Standards (“HKASs”), and Interpretations (“Ints”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(a) New and amended standards adopted by the Company

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 April 2017:

- Amendments to HKAS 7 “Statement of cash flows” – Disclosure initiative
- Amendments to HKAS 12 “Income taxes” – Recognition of Deferred Tax Assets for Unrealised Losses

Notes to the Financial Statements

For the year ended 31 March 2018

2. BASIS OF PREPARATION *(continued)*

(a) New and amended standards adopted by the Company *(continued)*

Amendments to HKAS 7 “Disclosure initiative”

The amendments require a company to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including changes arising from cash flows and non-cash changes. Specifically, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

Amendments to HKAS 12 “Recognition of Deferred Tax Assets for Unrealised Losses”

The amendments clarify that a company needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference.

The adoption of these amendments did not have any impact on the amounts recognised in prior periods. Most of the amendments will also not affect the current or future periods.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are mandatory for accounting financial periods of the Company beginning on or after 1 April 2018. Some of these new standards and interpretations are relevant and applicable to the Company; however, they have not been early adopted in these financial statements. The Company has commenced, but not yet completed, an assessment of the impact of the applicable standards and interpretations on its results of operations and financial positions.

	Effective for accounting periods beginning on or after
HKFRS 9 “Financial instruments”	1 January 2018
HKFRS 15 “Revenue from contracts with customers”	1 January 2018
Amendments to HKFRS 2 “Classification and Measurement of Share-based Payment Transactions”	1 January 2018
Amendments to HKFRS 1 “First time adoption of HKFRS”	1 January 2018
Amendments to HKAS 28 “Investments in associates and joint ventures”	1 January 2018
Amendments to HKAS 40 “Transfers of investment property”	1 January 2018
HK (IFRIC) 22 “Foreign Currency Transactions and Advance Consideration”	1 January 2018
“Annual Improvements to HKFRSs 2014-2016 Cycle”	1 January 2018
Amendments to HKFRS 9 “Prepayment Features with Negative Compensation”	1 January 2019
Amendments to HKFRS 16 “Leases”	1 January 2019
Amendments to HKAS 19 “Employee Benefits”	1 January 2019
Amendments to HKAS 28 “Long-term Interests in Associates and Joint Ventures”	1 January 2019
HK (IFRIC) 23 “Uncertainty over Income Tax Treatments”	1 January 2019
Amendments to HKFRS 10 and HKAS 28 “Sale or contribution of assets between an investor and its associate or joint venture”	to be determined
“Annual Improvements to HKFRSs 2015-2017 Cycle”	1 January 2019

Notes to the Financial Statements

For the year ended 31 March 2018

2. BASIS OF PREPARATION *(continued)*

(b) New standards and interpretations not yet adopted *(continued)*

The Company's assessment of the impact of these new standards and interpretations is set out below:

HKFRS 9 “Financial Instruments”

HKFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss. Classification is driven by the entity's business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss.

HKFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a ‘three stage’ approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

HKFRS 9 applies to all hedging relationships, with the exception of portfolio fair value hedges of interest rate risk. The new guidance better aligns hedge accounting with the risk management activities of an entity and provides relief from the more “rule-based” approach of HKAS 39.

With respect to the Company's unlisted equity securities and investments in limited partnerships measured at cost less impairment and classified as available-for-sale investments as at 31 March 2018, upon adoption of HKFRS 9, limitation circumstance by using the cost model would not apply to the Company. It is expected that these securities will be designated as financial asset at fair value through other comprehensive income.

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an ‘earnings processes’ to an ‘asset-liability’ approach based on transfer of control.

Notes to the Financial Statements

For the year ended 31 March 2018

2. BASIS OF PREPARATION *(continued)*

(b) New standards and interpretations not yet adopted *(continued)*

HKFRS 15 “Revenue from Contracts with Customers” *(continued)*

HKFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

HKFRS 15 replaces the previous revenue standards: HKAS 18 Revenue and HKAS 11 Construction Contracts, and the related Interpretations on revenue recognition: HK(IFRIC) 13 Customer Loyalty Programmes, HK(IFRIC) 15 Agreements for the Construction of Real Estate, HK(IFRIC) 18 Transfers of Assets from Customers and SIC-31 Revenue-Barter Transactions Involving Advertising Services.

HKFRS 2 “Classification and Measurement of Share-based Payment Transactions”

The HKICPA has issued amendments to HKFRS 2 “Classification and Measurement of Share-based Payment Transactions”. These amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modification from cash settled awards to equity-settled awards. It also introduces an exception to the principles in HKFRS 2 that requires an award to be treated as if it is wholly equity-entitled, where an employer is obliged to withhold an amount for the employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority.

HKFRS 1 “First time adoption of HKFRSs”

The amendment is part of the annual improvements to HKFRSs 2014-2017 cycle. This deletes the short-term exemptions covering transition provisions of HKFRS 7, HKAS 19, and HKFRS 10. These transition provisions were available to entities for passed reporting periods and are therefore no longer applicable.

HKAS 28 “Investments in associates and joint ventures”

The amendment is part of the annual improvements to HKFRSs 2014-2017 cycle. HKAS 28 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss (FVTPL). This election should be made separately for each associate or joint venture at initial recognition.

HKAS 40 “Transfers of investment property”

The amendment clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition. This change must be supported by evidence. A mere change in management’s intention, in isolation, is not enough to support a transfer.

HK(IFRIC) 22 “Foreign currency transactions and advance consideration”

HK (IFRIC) 22 is set out in accordance with HKAS 21 The effect of changes in foreign exchange rate requires an entity to record a foreign currency transaction by applying the exchange rate at the date of the transaction. HKAS 21 states that the date of the transaction is the date on which the transaction first qualifies for recognition in accordance with HKFRSs. When an entity pays or receives consideration in advance in a foreign currency, it generally recognises a non-monetary asset or non-monetary liability before the recognition of the related asset, expense or income. HK(IFRIC) 22 addresses how to determine a date of the transaction for the purpose of determining the exchange rate to use an initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

Notes to the Financial Statements

For the year ended 31 March 2018

2. BASIS OF PREPARATION *(continued)*

(b) New standards and interpretations not yet adopted *(continued)*

HKFRS 9 “Prepayment Features with Negative Compensation”

The amendment clarifies that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met, instead of at fair value through profit or loss.

HKFRS 16 “Leases”

HKFRS 16 “Leases” addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. The standard replaces HKAS 17 “Leases”, and related interpretations. HKFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under this new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not change significantly.

The Company does not expect the adoption of HKFRS 16 on 1 April 2019 would result in significant impact of the Company’s financial performance but is expected that certain portion of these lease commitments will be required to be recognized in the statement of financial position as right-to-use assets and lease liabilities upon adoption. As at 31 March 2018, the amount of operating lease commitment of the Company is approximately HK\$689,000 as disclosed in note 19 to the financial statements.

HKAS 19 “Employee Benefits”

The amendment requires entities to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the reporting period after a change is made to a plan. The amendment also clarifies how the requirements for accounting for a plan amendment, curtailment or settlement affect the asset ceiling requirements, but does not address the accounting for “significant market fluctuations” in the absence of a plan amendment, curtailment or settlement.

HKAS 28 “Long-term Interest in Associates and Joint Ventures”

The amendment clarifies that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using HKFRS 9. In applying HKFRS 9, the entity does not take account of adjustments to the carrying amount of long-term interests that arise from applying this standard.

HK (IFRIC) 23 “Uncertainty over Income Tax Treatments”

The Interpretations Committee clarified how the recognition and measurement requirements of HKAS 12 Income taxes, are applied where there is uncertainty over income tax treatments.

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that approach will be accepted by the tax authority. HK(IFRIC) 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

Notes to the Financial Statements

For the year ended 31 March 2018

2. BASIS OF PREPARATION *(continued)*

(b) New standards and interpretations not yet adopted *(continued)*

HKFRS 10 and HKAS 28 “Sale or contribution of assets between an investor and its associate or joint venture”

The amendments address an inconsistency between HKFRS 10 and HKAS 28 in the sale or contribution of assets between an investor and its associate or joint venture.

A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

The Company is in the process of making an assessment of what further impact of these new standards, amendments and interpretations is expected to be in the period of initial application. At this stage, the Company does not intend to adopt these new standards and interpretations before their effective date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the Company’s various lines of business and geographical locations.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Hong Kong dollars, which is the Company’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(c) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Company transfers substantially all the risks and rewards of ownership of the assets; or the Company neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in the statement of comprehensive income.

Notes to the Financial Statements

For the year ended 31 March 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

(i) Loans and receivables

Loans and receivables, including deposits and other receivables, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, unless the discounting effect would be immaterial, in which case they are stated at cost. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within administrative expenses. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the statement of comprehensive income.

(ii) Available-for-sale investments

Available-for-sale investments are non-derivatives investments in unlisted equity securities and investments in limited partnerships that are either designated in this category or not classified in any of the other categories. At each financial report period end subsequent to initial recognition, available-for-sale investments assets are measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investments valuation reserve until the investment is sold, the difference between the net sale proceed and the carrying value, and the accumulated fair value adjustments recognised in other comprehensive income and retained in the fair value reserve are reclassified from the fair value reserve to the profit or loss as a reclassification adjustment, or until the investment is determined to be impaired, at which time the cumulative gain or loss is recognised in the statement of comprehensive income.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

Impairment losses recognized in the statement of comprehensive income on such unlisted equity instruments are not reversed through profit or loss.

Available-for-sale investments are included in non-current assets unless the investments will mature or the Company intends to dispose of the investments within 12 months of the end of the reporting period.

Notes to the Financial Statements

For the year ended 31 March 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Financial instruments *(continued)*

(iii) Investments at fair value through profit or loss

Investments at fair value through profit or loss are either investments held for trading or designated as at fair value through profit or loss upon initial recognition. Investments at fair value through profit or loss are initially recognised at fair value, and transaction costs are charged in the statement of comprehensive income. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in the statement of comprehensive income within gain/(loss) on investment in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as income when the Company's right to receive payments is established.

(iv) Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business at the end of reporting period end. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same, a discounted cash flow analysis and other valuation techniques commonly used by market participants.

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the statement of comprehensive income during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values over the estimated useful lives on a straight line basis. The estimated useful lives are as following:

Furniture and fixtures	5 years
Computers	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within other income and gains in the statement of comprehensive income.

Notes to the Financial Statements

For the year ended 31 March 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each financial year end.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(g) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the discounting effect would be immaterial, in which case they are stated at cost. They are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability at least 12 months after the end of the reporting period.

(h) Provision

Provisions are recognised when the Company has a present legal or constructive obligation where, as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(i) Income tax

The tax expense for the year comprises current income tax and deferred income tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the Financial Statements

For the year ended 31 March 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Income tax *(continued)*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(j) Employee benefits

The Company operates a defined contribution retirement scheme under a mandatory provident fund scheme ("MPF scheme") in Hong Kong for its employees in Hong Kong, the assets of which are held in separate trustee-administered funds. The Company's contributions to the MPF scheme are based on a fixed percentage of the employees' relevant income per month. The Company has no further payment obligation once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(k) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

Profits on disposal of securities are recognised upon the completion of securities sale contract.

Interest income is recognised on a time-proportion basis.

Dividend income from listed and unlisted investments is recognised when the shareholders' right to receive payment has been established.

Unrealised gain on investments is recognised when the fair value of the investments is above the carrying value of the investments at the end of the reporting period.

Notes to the Financial Statements

For the year ended 31 March 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged in the statement of comprehensive income on a straight-line basis over the period of the lease.

(m) Related parties

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

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of the parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also 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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Notes to the Financial Statements

For the year ended 31 March 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Estimation of realisability of deferred tax assets

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Company carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences arising from depreciation of fixed assets. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. Management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

As at 31 March 2018, the Company has unrecognised deferred tax asset of approximately HK\$7,178,000 (2017: HK\$6,013,000) arising from accumulative tax losses carried forward and temporary differences in taxation which management consider that it is not probable to utilise the deferred tax benefit in the foreseeable future.

(ii) Impairment of available-for-sale investments

The Company follows the guidance of HKAS 39 when determining whether an investment in available-for-sale investments is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the expected timespan the Company will hold on to this investment.

5. SEGMENT REPORTING

No segment information is presented in respect of the Company's business and geographical segments. Throughout the year, the Company has been operating principally in a single business.

Notes to the Financial Statements

For the year ended 31 March 2018

6. GAIN ON INVESTMENTS AND OTHER REVENUES

The Company's gain on investments and other revenues recognised during the year are as follows:

	2018 HK\$'000	2017 HK\$'000
GAIN ON INVESTMENTS		
Net realised gain on disposal of investments at fair value through profit or loss	-	257
Dividend income	-	52
	-	309
OTHER REVENUES		
Bank interest income	12	13
Exchange gain	3	1
Other interest income	-	11
	15	25
Total gain on investments and other revenues	15	334

7. LOSS BEFORE TAXATION

The Company's loss before taxation is stated after charging the following:

	2018 HK\$'000	2017 HK\$'000
Auditors' remuneration		
– Audit services	173	190
– Non-audit services	380	-
Impairment loss on available-for-sale investment	527	2,847
Loss on disposal of available-for-sale investment	1,558	-
Investment manager fee	345	307
Legal and professional fees (<i>Note</i>)	2,153	357
Depreciation	12	-
Operating lease payments	785	466
Staff costs (excluding directors' emoluments)		
– Salaries, bonus and allowances	1,654	239
– Mandatory provident fund contributions	26	9

Note: During the year ended 31 March 2018, legal and professional fees of approximately HK\$1,105,000 (2017:HK\$200,000) was incurred for the general offer in May 2017.

There was no other exceptional item identified for the years ended 31 March 2018 and 2017.

Notes to the Financial Statements

For the year ended 31 March 2018

8. TAXATION

- (a) No provision for Hong Kong Profits Tax has been made in these financial statements as the Company has no assessable profits derived from its operation in Hong Kong during the year (2017: Nil).
- (b) No provision for overseas tax has been made in these financial statements, as the Company has no profit derived from overseas.
- (c) Deferred tax assets are recognised for tax loss carried forward to the extent that the realization of the related tax benefit through utilisation against future taxable profits is probable. At 31 March 2018, the Company had tax losses of approximately HK\$43,553,000 (2017: approximately HK\$36,243,000) that are available to be carried forward indefinitely for offsetting against future taxable profits. The unused tax losses have not been agreed with the Hong Kong Inland Revenue Department.

No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future tax profit streams.

- (d) Reconciliation between tax expenses and accounting loss at applicable tax rate is as follows:

	2018 HK\$'000	2017 HK\$'000
Loss before taxation	(10,438)	(5,977)
Tax at the applicable rate of 16.5% (2017: 16.5%)	(1,722)	(986)
Tax effect of non-taxable income	(2)	(13)
Tax effect of non-deductible expenses	526	470
Tax effect of temporary difference not recognised	(8)	–
Tax effect of tax loss not recognised	1,206	529
Total income tax	–	–

Notes to the Financial Statements

For the year ended 31 March 2018

9. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and section 383 of the Hong Kong Companies Ordinance (Cap. 622), is as follows:

	2018 HK\$'000	2017 HK\$'000
<i>Fees:</i>		
Executive Director	10	50
Non-executive Director	63	–
Independent Non-executive Directors	301	150
<i>Other emoluments:</i>		
Executive Directors		
– Salaries and benefits in kind	1,105	995
– Retirement benefit scheme contributions	18	18
	1,497	1,213

The emoluments of each director, on a named basis, for the year ended 31 March 2018 are set out below:

	Directors' fees HK\$'000	Salaries HK\$'000	Discretionary Bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
<i>Executive Directors</i>					
Lee Wai Tsang, Rosa ⁽¹⁾	–	820	245	18	1,083
Huang Zhijian ⁽²⁾	–	40	–	–	40
Lee Wai Wang, Robert ⁽²⁾	10	–	–	–	10
<i>Non-Executive Director</i>					
He Luling ⁽³⁾	63	–	–	–	63
<i>Independent Non-executive Directors</i>					
Ma Yin Fan ⁽³⁾	142	–	–	–	142
Yan Yan ⁽³⁾	63	–	–	–	63
Xu Yanfa ⁽²⁾	63	–	–	–	63
Lu Fan ⁽²⁾	11	–	–	–	11
Chow Yunxia, Carol ⁽²⁾	11	–	–	–	11
Lam Chi Wai ⁽²⁾	11	–	–	–	11
	374	860	245	18	1,497

Notes to the Financial Statements

For the year ended 31 March 2018

9. BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

(a) Directors' emoluments *(continued)*

The emoluments of each director, on a named basis, for the year ended 31 March 2017 are set out below:

	Directors' fees HK\$'000	Salaries HK\$'000	Discretionary Bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
<i>Executive Directors</i>					
Lee Wai Tsang, Rosa ⁽¹⁾	–	807	–	18	825
Huang Zhijian ⁽²⁾	–	188	–	–	188
Lee Wai Wang, Robert ⁽²⁾	50	–	–	–	50
<i>Independent Non-executive Directors</i>					
Lu Fan ⁽²⁾	50	–	–	–	50
Chow Yunxia, Carol ⁽²⁾	50	–	–	–	50
Lam Chi Wai ⁽²⁾	50	–	–	–	50
	200	995	–	18	1,213

(1) Lee Wai Tsang, Rosa was the Chairman of the board of directors until her re-designation on 16 June 2017.

(2) Huang Zhijian, Lee Wai Wang, Robert, Lu Fan, Chow Yunxia, Carol and Lam Chi Wai resigned as director of the Company on 16 June 2017.

(3) He Luling, Ma Yin Fan, Yan Yan and Xu Yanfa were appointed as directors of the Company on 16 June 2017.

During the year, there was no arrangement under which a director waived or agreed to waive any remuneration. No emoluments were paid by the Company to any of the directors as an inducement to join or upon joining the Company or as compensation for loss of office (2017: Nil).

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Notes to the Financial Statements

For the year ended 31 March 2018

9. BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

(c) Highest paid individuals

Of the individuals with the highest remuneration in the Company, the numbers of directors and individuals are as follows:

	2018 HK\$'000	2017 HK\$'000
Number of directors	2	3
Number of individuals	3	2
	5	5

The emoluments of the above directors are included in the disclosure in note 9(a).

The emoluments of the above individuals are as follows:

	2018 HK\$'000	2017 HK\$'000
Salaries, allowances and benefits in kind	1,643	204
Retirement benefit scheme contributions	26	9
	1,669	213

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	2018 Number of employees	2017 Number of employees
Nil to HK\$500,000	1	2
HK\$500,001 to HK\$1,000,000	2	–
	3	2

Notes to the Financial Statements

For the year ended 31 March 2018

9. BENEFITS AND INTERESTS OF DIRECTORS *(continued)*

(c) Highest paid individuals *(continued)*

During the year, there was no arrangement under which an individual waived or agreed to waive any remuneration. No emoluments were paid by the Company to any of the individuals as an inducement to join or upon joining the Company or as compensation for loss of office (2017: Nil).

During the year, no share options were granted to any of these directors or the above highest paid individuals in respect of their services to the Company.

10. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures HK\$'000	Computers HK\$'000	Total HK\$'000
Cost:			
At 1 April 2016 and 31 March 2017	–	–	–
Additions	30	42	72
At 31 March 2018	30	42	72
Accumulated depreciation:			
At 1 April 2016 and 31 March 2017	–	–	–
Charge for the year	4	8	12
At 31 March 2018	4	8	12
Not book value:			
At 31 March 2018	26	34	60
At 31 March 2017	–	–	–

Notes to the Financial Statements

For the year ended 31 March 2018

11. AVAILABLE-FOR-SALE INVESTMENTS

	2018 HK\$'000	2017 HK\$'000
Investment securities, at cost:		
Equity securities, unlisted shares (note (a))	10,985	15,340
Less: Provision for impairment loss	(1,307)	(780)
	9,678	14,560
Investments in limited partnerships, at cost (note (b))	13,393	13,393
Less: Provision for impairment loss	(9,392)	(9,392)
	4,001	4,001
<hr/>		
Total available-for-sale investments	13,679	18,561
Less: Current portion	(13,679)	–
	–	18,561

During the year, the available-for-sale investments have been reclassified to current assets as the Company intends to divest these investments to raise working capital for other potential investments.

(a) Equity securities

The equity securities represent investments in unlisted equity interest in private enterprises in the People's Republic of China (the "PRC"), and the United States.

There is no active market for these equity securities as the companies are privately held. The fair values of these equity securities are determined firstly by reference to the investment considerations, which were negotiated at arm's length between the directors and the investee companies. In addition, the directors have considered the development of the investee companies of the future growth potential and the prospective growth of the value of the shares. On account of such analysis, the directors would consider if there have been any material changes to the equity securities that would lead to a change in the carrying values of these available-for-sale investments from the dates of their acquisition to 31 March 2018. Impairment loss on these investments was recognised under relevant accounting principles in statement of comprehensive income in accordance with the policy set out in note 3(c).

Notes to the Financial Statements

For the year ended 31 March 2018

11. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

(a) Equity securities *(continued)*

Particulars of the equity securities as at the end of the year are as follows:

Name of issuer	Nature of business	No. of share held	Equity Interest held (%)	Net asset attributable to the investment (%)	2018 Cost less impairment HK\$'000	2017 Cost less impairment HK\$'000
Tianjin Yishang Friendship Holdings Company Ltd.	Operation of department stores and home retail shops	8,711,965 (2017: 8,711,965)	3.955% (2017: 3.955%)	48% (2017: 31%)	9,434	9,434
Joyport Holdings Limited	Online game development, distribution and operation	1,231,600 (2017: 1,231,600)	5.00% (2017: 5.00%)	1% (2017: 3%)	244	771
730 Arizona Avenue II, LLC	Management of commercial building	- (2017: 800)	- (2017: 14.42%)	- (2017: 14%)	-	4,355
					9,678	14,560

	2018 HK\$'000	2017 HK\$'000
Equity securities, at cost		
At beginning of the year	15,340	17,186
Capital investment returned during year	-	(1,846)
Disposal of investment	(4,355)	-
At end of the year	10,985	15,340
Provision for impairment loss	(1,307)	(780)
At end of the year	9,678	14,560

Notes to the Financial Statements

For the year ended 31 March 2018

11. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

(a) Equity securities *(continued)*

The movements on the provision for impairment of equity securities are as follows:

	2018 HK\$'000	2017 HK\$'000
At beginning of the year	(780)	–
Impairment loss on available-for-sale investment	(527)	(780)
At end of the year	(1,307)	(780)

A brief description of the business information of the equity securities is as follows:

Tianjin Yishang Friendship Holdings Company Ltd (“Tianjin Yishang”)

Tianjin Yishang is a sino-foreign enterprise incorporated in the PRC on 6 January 2006 under a re-organisation whereby Tianjin Yishang Development Company Limited, a stated-owned enterprise in the PRC, was converted into Tianjin Yishang. The business activities of Tianjin Yishang and its subsidiaries and branches are to operate department stores and home retail shops in the PRC.

The financial information of Tianjin Yishang was approximately as follows:

	For the year ended 31/12/2017 RMB'000 (Unaudited)	For the year ended 31/12/2016 RMB'000 (Audited)
Profit for the year	8,305	26,069
Net asset value	743,018	734,712

During the year, the Company did not receive any cash dividend from Tianjin Yishang (2017: Nil).

Notes to the Financial Statements

For the year ended 31 March 2018

11. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

(a) Equity securities *(continued)*

Tianjin Yishang Friendship Holdings Company Ltd (“Tianjin Yishang”) *(continued)*

On 1 December 2017, the Company entered into a conditional share transfer agreement (the “TJYS Share Transfer Agreement”) with an independent third party to dispose of all the 8,711,964 shares, representing approximately 3.955% of the entire equity interests in Tianjin Yishang held by the Company (the “Sale Interest”) at a cash consideration of HK\$15,000,000. The disposal of the Sale Interest (the “TJYS Disposal”) constituted a very substantial disposal of the Company under the Listing Rules. A special general meeting of the Company was held on 15 February 2018 in which the TJYS Disposal was approved by the shareholders of the Company. First payment of the disposal consideration of HK\$7,500,000 was received by the Company in February 2018 in accordance with the terms of the TJYS Share Transfer Agreement and has been recognized as deposit received in the statement of financial position as at 31 March 2018. On 29 March 2018, the Company and the purchaser mutually agreed to extend the longstop date of the TJYS Share Transfer Agreement from 31 March 2018 to 31 May 2018 as additional time was required for the fulfilment of the conditions precedent to completion of the TJYS Disposal. The completion of the TJYS Disposal took place on 28 May 2018 after the end of the reporting period. Immediately upon completion of the TJYS Disposal, the Company ceased to have any equity interests in Tianjin Yishang. The gain on disposal of this available-for-sale investment of approximately HK\$4,300,000 will be recognized in the statement of comprehensive income for the financial year ending 31 March 2019.

Joyport Holdings Limited (“Joyport”)

Joyport is a limited liability company registered in the British Virgin Islands. It is engaged in the business of online game development, distribution and operation, and other related business directly or indirectly through its subsidiaries, affiliates and associated companies in the PRC. Joyport focuses on game development including but not limited to massive multiplayer online role-playing games and mobile games.

The unaudited financial information of Joyport was approximately as follows:

	For the year ended 31/12/2017 RMB'000	For the year ended 31/12/2016 RMB'000
Profit for the year	4,764	8,798
Net asset value	11,154	12,602

During the year, the Company did not receive any cash dividend from Joyport (2017: Nil).

Notes to the Financial Statements

For the year ended 31 March 2018

11. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

(a) Equity securities *(continued)*

730 Arizona Avenue II, LLC ("730 Arizona")

730 Arizona is a limited liability company registered in the United States that invested in a Delaware limited liability company which holds a 40% interest in a commercial building at 730 Arizona Avenue, Santa Monica, California 90401 (the "Property"). The Property is a four-storey office building which was constructed in 1989, with two floors of underground parking and has a total rental area of approximately 28,822 square feet. The commercial building is managed by 730 Arizona Avenue Management LLC, a limited liability company registered in California, the United States.

The unaudited financial information of 730 Arizona was approximately as follows:

	For the year ended 31/12/2017 US\$'000	For the year ended 31/12/2016 US\$'000
Loss for the year	N/A	(587)
Net asset value	N/A	3,037

During the year, the Company did not receive any cash dividend from 730 Arizona (2017: Nil).

On 5 October 2017, the Company entered into a transfer agreement with an independent third party to dispose of the Company's 14.42% equity interests in 730 Arizona for a cash consideration of HK\$3,000,000. The disposal was completed in October 2017. Loss on disposal of this investment of approximately HK\$1,558,000 was recognized in the statement of comprehensive income for the year.

(b) Investment in limited partnerships

There is no active market for the investment as the interest in the limited partnership is privately held. The fair values of this investment are determined firstly by reference to the investment considerations, which were negotiated at arm's length between the general partners and the third parties. In addition, the directors have considered the development of the limited partnership, and the prospective growth of the value of the investment. On account of such analysis, the directors consider that there have not been any material changes to the equity securities that would lead to a change in the fair value of this available-for-sale investment from the date of its acquisition to 31 March 2018. Impairment loss on this investment was recognised under relevant accounting principles in statement of comprehensive income in accordance with the policy set out in note 3(c).

Notes to the Financial Statements

For the year ended 31 March 2018

11. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

(b) Investment in limited partnerships *(continued)*

Particulars of the limited partnership are as follows:

Name of limited partnerships	Nature of business	Percentage of interest held (%)	Net assets attributable to the investment (%)	2018 Cost less impairment	2017 Cost less impairment
CMHJ Technology Fund II, L.P. ("CMHJ")	Investing in equity securities of privately held companies in the industries of technologies enabled services and products industries in the PRC	2.8% (2017: 2.8%)	20% (2017: 13%)	4,001	4,001
				4,001	4,001

	2018 HK\$'000	2017 HK\$'000
At beginning of the year	13,393	15,595
Capital investment returned during year	–	(2,202)
At end of the year	13,393	13,393
Provision for impairment loss	(9,392)	(9,392)
At end of the year	4,001	4,001

The movements on the provision for impairment of investment in limited partnerships are as follows:

	2018 HK\$'000	2017 HK\$'000
At beginning of the year	(9,392)	(7,325)
Impairment loss on available-for-sale investment	–	(2,067)
At end of the year	(9,392)	(9,392)

Notes to the Financial Statements

For the year ended 31 March 2018

11. AVAILABLE-FOR-SALE INVESTMENTS *(continued)*

(b) Investment in limited partnerships *(continued)*

A brief description of the business information of the limited partnership is as follows:

CMHJ TECHNOLOGY FUND II, L.P. ("CMHJ")

CMHJ is a limited partnership registered pursuant to the Exempted Limited Partnership Law of the Cayman Islands on 28 September 2005. The principal activity of CMHJ is to make venture capital investments, principally by investing in and holding equity and equity-oriented securities of privately held early stage to Pre-IPO companies in the technology-enabled services and products industries with markets and/or operations in Mainland China.

The audited net assets attributable to shareholders of CMHJ were approximately as follows:

	As at 31/12/2017 US\$'000	As at 31/12/2016 US\$'000
Net asset value attributable to shareholders	32,870	39,027

During the year, the Company did not receive any cash dividend from CMHJ (2017: Nil).

12. DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS

	2018 HK\$'000	2017 HK\$'000
Deposits and other receivables	186	2,927
Prepayments	1,210	175
	1,396	3,102

The carrying amounts of deposits and other receivables approximated their fair values as at 31 March 2018 and 2017. The Company does not hold any collateral over these balances.

The deposits and other receivables do not contain impaired assets.

Notes to the Financial Statements

For the year ended 31 March 2018

12. DEPOSITS, OTHER RECEIVABLES AND PREPAYMENTS *(continued)*

The carrying amounts of deposits, other receivables and prepayments were denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
Hong Kong dollars	1,288	1,694
United States dollars	61	1,408
Renminbi	47	–
	1,396	3,102

13. CASH AND CASH EQUIVALENTS

	2018 HK\$'000	2017 HK\$'000
Cash and bank balances	4,742	4,173
Short-term bank deposits	7,897	4,515
	12,639	8,688

The carrying amounts of cash and cash equivalents were denominated in the following currencies:

	2018 HK\$'000	2017 HK\$'000
Hong Kong dollars	8,122	4,603
United States dollars	4,517	4,085
	12,639	8,688

Notes to the Financial Statements

For the year ended 31 March 2018

14. OTHER PAYABLES AND ACCRUALS

	2018 HK\$'000	2017 HK\$'000
Other payables and accruals	524	163

The carrying amounts of other payables and accruals approximated their fair values as at 31 March 2018 and 2017 and were denominated in Hong Kong dollars.

15. DEPOSIT RECEIVED

	2018 HK\$'000	2017 HK\$'000
Deposit received for the disposal of Tianjin Yishang	7,500	–

The amount represented the first payment of consideration for the TJYS Disposal received by the Company before the end of the year in accordance with the terms of TJYS Share Transfer Agreement. Details of the transaction are set out in note 11(a) to the financial statements.

The carrying amount of deposit received approximated its fair value as at 31 March 2018 and was denominated in Hong Kong dollars.

16. SHARE CAPITAL

	2018 HK\$'000	2017 HK\$'000
Authorised:		
1,000,000,000 ordinary shares of HK\$0.10 each	100,000	100,000
Issued and fully paid:		
172,800,000 ordinary shares of HK\$0.10 each	17,280	17,280

Notes to the Financial Statements

For the year ended 31 March 2018

17. RESERVES

	Share premium	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000
At 1 April 2016	37,786	(18,901)	(18,885)
Total comprehensive loss			
Net loss for the year	–	(5,977)	(5,977)
At 31 March 2017	37,786	(24,878)	12,908
Total comprehensive loss			
Net loss for the year	–	(10,438)	(10,438)
At 31 March 2018	37,786	(35,316)	2,470

(i) Share premium reserve

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

18. CAPITAL MANAGEMENT

The Company's primary objective when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company actively reviews and manages its capital structure in the light of changes in economic conditions so as to maintain a sound capital position. Total capital is defined as shareholders' funds in the statement of financial position.

The Company is not subject to internally or externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 2017.

Notes to the Financial Statements

For the year ended 31 March 2018

19. OPERATING LEASE COMMITMENT

The Company had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 31/3/2018 HK\$'000	As at 31/3/2017 HK\$'000
Not later than one year	600	297
After 1 year but within 5 years	89	–
	689	297

20. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the following information:

	As at 31/3/2018	As at 31/3/2017
Net assets (HK\$'000)	19,750	30,188
Number of ordinary share in issue ('000)	172,800	172,800

21. DIVIDEND

The directors do not propose any dividend for the year ended 31 March 2018 (2017: Nil).

22. LOSS PER SHARE

The calculation of loss per share is based on the following information:

	2018 HK\$'000	2017 HK\$'000
Net loss attributable to shareholders	(10,438)	(5,977)
	2018	2017
Number of weighted average of ordinary shares in issue ('000)	172,800	172,800

The Company has no potential dilutive ordinary shares that were outstanding during the year.

Notes to the Financial Statements

For the year ended 31 March 2018

23. RELATED PARTY TRANSACTIONS

- (a) During the year, the Company has paid rental expenses to Evergrande Securities (Hong Kong) Limited (“Evergrande”), formerly known as Grand Investment (Securities) Limited, in which its director, Mr. Lee Tak Lun is a close family member of Ms. Lee Wai Tsang, Rosa, the director of the Company. Evergrande is also the investment manager of the Company and was entitled to a monthly fee of HK\$28,750 (a monthly fee of HK\$24,000 between April and November 2016 and HK\$28,750 between December 2016 and March 2017) for the provision of investment management services to the Company. During the year, the Company has reimbursed Grand Finance Group Company Limited (“GFG”) for the administrative expenses shared by the Company on a cost basis. Ms. Lee Wai Tsang, Rosa, the director of the Company, is also a director of GFG.

Details of related party transactions are as below:

	2018 HK\$'000	2017 HK\$'000
Investment manager fee paid to a related company	345	307
Rental expenses paid to a related company	297	466
Sharing of administrative expenses paid to a related company	155	–

Evergrande is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules and GFG is connected person of the Company under Rule 14A.07 of the Listing Rules. Accordingly, the transactions also constituted continuing connected transactions for the Company.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Company, including amounts paid to the Company's directors and certain of the highest paid employees as disclosed in note 9, is as follows:

	2018 HK\$'000	2017 HK\$'000
Short-term employee benefits	2,447	1,213

24. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as at 31 March 2018

	Loans and receivables HK\$'000	Available- for-sale financial investments HK\$'000	Total HK\$'000
Unlisted equity investments	–	13,679	13,679
Deposits and other receivables	186	–	186
Cash and cash equivalents	12,639	–	12,639
	12,825	13,679	26,504

Notes to the Financial Statements

For the year ended 31 March 2018

24. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

Financial assets as at 31 March 2017

	Loans and receivables HK\$'000	Available- for-sale financial investments HK\$'000	Total HK\$'000
Unlisted equity investments	–	18,561	18,561
Deposits and other receivables	2,927	–	2,927
Cash and cash equivalents	8,688	–	8,688
	11,615	18,561	30,176

Financial liabilities as at 31 March 2018

	Financial liabilities at amortized cost HK\$'000
Other payables and accruals	524

Financial liabilities as at 31 March 2017

	Financial liabilities at amortized cost HK\$'000
Other payables and accruals	163

Notes to the Financial Statements

For the year ended 31 March 2018

25. FINANCIAL RISKS MANAGEMENT

The main risks arising from the Company's financial instruments are credit risks, foreign exchange risks, interest rate risk and liquidity risk. The directors meet periodically to analyse and formulate measures to manage the Company's exposure to these risks. Generally, the Company introduces conservative strategies on its risk management. The directors review and agree policies for managing each of these risks and they are summarised as follows:

(i) Credit risks

The credit risk of the Company's other financial assets, which comprise deposits and other receivables, cash and cash equivalents and available-for-sale investments arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

In order to minimise the credit risk, the management of the Company reviews the recoverable amount of each individual debt investments at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the directors of the Company consider that the Company's credit risk is significantly reduced.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk.

(ii) Foreign exchange risk

Foreign exchange risk arises when commercial transactions, assets or liabilities are denominated in a currency that is not the functional currency of the Company. The Company operates mainly in Hong Kong and is exposed to foreign currency exchange rate risk arising from various foreign currency exposures, primarily with respect to United States dollars.

The directors are of the opinion that the Hong Kong dollars are reasonably stable with the United States dollars under the Linked Exchange Rate System, and accordingly, no sensitivity analysis of United States dollars with respect to Hong Kong dollars is performed. As at 31 March 2018, only one unlisted equity investment held by the Company used Renminbi as functional currency. This investment was subsequently disposed of in May 2018 and the disposal consideration was denominated in Hong Kong dollars. In this regards, the directors of the Company consider that the Company had no significant foreign exchange risk on Renminbi as at 31 March 2018 and therefore no sensitivity analysis of Renminbi with respect to Hong Kong dollars was performed (2017: if Renminbi had strengthen/weaken by 8% against the Hong Kong dollars with all other variables held constant, loss for the year would have been HK\$630,189 higher/lower, mainly as a result of foreign exchange losses/gains on translation of Renminbi-denominated net assets, representing available-for-sale investments).

Notes to the Financial Statements

For the year ended 31 March 2018

25. FINANCIAL RISKS MANAGEMENT *(continued)*

(iii) Interest rate risk

The interest rate risk mainly arises from interest-bearing bank deposits. Other than the cash at banks which carry interest at prevailing market interest rates, the Company has no other significant interest-bearing assets or liabilities, therefore the Company's exposure to the interest rate risk is considered to be minimal.

(iv) Liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash and bank deposits to meet liquidity requirements in the short and longer term. The directors are of the opinion that the Company does not have significant liquidity risk.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2018 HK\$'000	2017 HK\$'000
Less than one year		
– Other payables and accruals	524	163

26. FAIR VALUE ESTIMATION

The carrying values of cash and cash equivalents, deposits and other receivables, other payables and accruals and deposit received are a reasonable approximation of their fair values. Given these terms, it is not meaningful to disclose the fair value of such balances.

Notes to the Financial Statements

For the year ended 31 March 2018

27. EVENT AFTER THE REPORTING PERIOD

As set out in note 11 to the financial statements, on 1 December 2017, the Company entered into a share transfer agreement with an independent third party to dispose of its equity interests in Tianjin Yishang. The completion of the TJYS Disposal took place on 28 May 2018 after the end of the reporting period. Immediately upon completion of the TJYS Disposal, the Company ceased to have any equity interest in Tianjin Yishang. The gain on disposal of this available-for-sale investment of approximately HK\$4,300,000 will be recognized in the statement of comprehensive income for the financial year ending 31 March 2019.

Save as disclosed above, the Directors are not aware of any significant events since the end of the year and as at the date of these financial statements.

28. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 28 June 2018.

Five-Year Financial Summary

For the year ended 31 March 2018

	2018 HK'000	2017 HK'000	2016 HK'000	2015 HK'000	2014 HK'000
RESULTS					
Gain on investments	–	309	(1,349)	117	155
(Loss)/Profit before taxation	(10,438)	(5,977)	(11,922)	1,131	(3,876)
Taxation	–	–	–	–	–
(Loss)/Profit attributable to equity holders of the Company	(10,438)	(5,977)	(11,922)	1,131	(3,876)
ASSETS AND LIABILITIES					
Total assets	27,774	30,351	36,352	48,250	47,105
Total liabilities	(8,024)	(163)	(187)	(163)	(149)
Equity attributable to equity holders of the Company	19,750	30,188	36,165	48,087	46,956
NET ASSET VALUE PER SHARE	HK\$0.11	HK\$0.17	HK\$0.21	HK\$0.28	HK\$0.27