萬隆控股集團有限公司
Ban Loong Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 30)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

The board of directors (the "Board") of Ban Loong Holdings Limited (the "Company") hereby announces that the consolidated statement of profit or loss and other comprehensive income and statement of financial position of the Company and its subsidiaries (the "Group") for the year ended 31 March 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** *HK$*	2017 *HK$*
Continuing operations			
Revenue	*3*	**767,607,149**	299,259,373
Cost of sales		**(711,567,937)**	(271,265,726)
Gross profit		**56,039,212**	27,993,647
Other income and gain		**60,305**	155,280
Impairment of amounts due from De-consolidated Subsidiaries		**–**	(71,145,551)
Loss on de-consolidation of subsidiaries		**–**	(115,847,836)
Fair value loss on derivative component of convertible bonds		**–**	(201,806)
Share of result of an associate		**(175,837)**	–
Selling and distribution expenses		**(408,532)**	–
General and administrative expenses		**(51,049,546)**	(24,870,504)
Finance costs	*4*	**(4,650,000)**	(4,654,889)
Loss before tax	*5*	**(184,398)**	(188,571,659)
Income tax expenses	*7*	**(1,309,522)**	(2,661,092)
Loss for the year from continuing operations		**(1,493,920)**	(191,232,751)

	Notes	**2018** *HK$*	2017 *HK$*
Discontinued operations			
Loss for the year from discontinued operations		**–**	(7,852,169)
Loss for the year		**(1,493,920)**	(199,084,920)
Other comprehensive income/(expense) for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operation		**13,071,812**	(3,859,423)
Exchange reserve released on de-consolidation of subsidiaries		**–**	908,026
Exchange reserve released on disposal of subsidiaries		**–**	(9,723)
Other comprehensive income/(expense) for the year		**13,071,812**	(2,961,120)
Total comprehensive income/(expense) for the year		**11,577,892**	(202,046,040)
Loss for the year attributable to owners of the Company			
– from continuing operations		**(1,465,735)**	(191,218,035)
– from discontinued operations		**–**	(6,664,156)
Loss for the year attributable to owners of the Company		**(1,465,735)**	(197,882,191)
Loss for the year attributable to non-controlling interests			
– from continuing operations		**(28,185)**	(14,716)
– from discontinued operations		**–**	(1,188,013)
Loss for the year attributable to non-controlling interests		**(28,185)**	(1,202,729)
		(1,493,920)	(199,084,920)
Total comprehensive income/(expense) for the year attributable to:			
Owners of the Company		**11,637,689**	(200,149,098)
Non-controlling interests		**(59,797)**	(1,896,942)
		11,577,892	(202,046,040)
Loss per share	*8*		
From continuing and discontinued operations			
– Basic and diluted *(HK cents)*		**(0.03)**	(6.04)
From continuing operations			
– Basic and diluted *(HK cents)*		**(0.03)**	(5.83)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 HK$	2017 HK$
Non-current assets			
Property, plant and equipment		**4,073,539**	4,594,205
Interest in an associate		**558,803**	–
Loan receivable	*10*	**1,019,488**	–
Deferred tax asset		**209,642**	138,112
		5,861,472	4,732,317
Current assets			
Trade receivables	*9*	**29,280,334**	10,391,604
Loan and interest receivables	*10*	**358,909,116**	231,903,888
Other receivables, deposits and prepayments		**198,195,178**	99,586,992
Tax recoverable		**1,414,296**	–
Bank balances and cash		**144,042,321**	114,323,600
		731,841,245	456,206,084
Current liabilities			
Trade and other payables	*11*	**109,100,093**	43,601,911
Amounts due to non-controlling shareholders of subsidiaries		**4,375,651**	4,375,651
Tax payable		**3,303**	1,809,441
Bonds		**67,629,000**	66,829,000
		181,108,047	116,616,003
Net current assets		**550,733,198**	339,590,081
Net assets		**556,594,670**	344,322,398

	Notes	**2018**	2017
		HK$	*HK$*
Capital and reserves			
Share capital		**54,481,522**	45,401,268
Reserves		**501,650,399**	299,327,384
Equity attributable to owners of the Company		**556,131,921**	344,728,652
Non-controlling interests		**462,749**	(406,254)
Total equity		**556,594,670**	344,322,398

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

For the year ended 31 March 2018

1. GENERAL INFORMATION

Ban Loong Holdings Limited (the "Company") is incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Room 2709-10, 27/F., China Resources Building, No.26 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is an investment holding company. The Company's subsidiaries (together with the Company collectively referred to as the "Group") are principally engaged in money lending business and trading of goods and commodities. The mining operation was de-consolidated from the Group with effect from 1 April 2016.

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

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

In the current year, the Group has applied, for the first time, the following amended HKFRSs and HKASs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12 included in Annual improvements to HKFRSs 2014-2016 Cycle	Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12

None of the above amendments to HKFRSs has had a significant financial effect on these consolidated financial statements.

A reconciliation between the opening and closing balances of these items is provided in note to the financial statements. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note to the financial statements, the application of these amendments has had no impact on the Group's consolidated financial statements. Except as described above, the application of the other new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle[1]
Amendments to HKAS 40	Transfer of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
HKFRS 9	Financial Instruments[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[4]
HK (IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK (IFRIC) – Int 23	Uncertainty over Income Tax Treatments[2]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after a date to be determined
[4] Effective for annual period beginning on or after 1 January 2021

2.2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or liability, the Group takes into account the characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Share-based Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

De-consolidation

The management of the Company became aware during the year ended 31 March 2017 of a civil ruling dated 9 January 2017 (the "First Civil Ruling") and a civil judgement dated 10 October 2016 (the "Second Civil Judgement"). The First Civil Ruling ordered, inter alia, the freezing of the entire equity holding of Tong Bai County Yin Di Mining Company Limited ("Yin Di Mining"), an indirect subsidiary of the Company, and the mining license owned by Yin Di Mining. The Second Civil Judgement ordered, inter alia, that the equity transfer agreement dated 28 February 2011 signed between Zhengzhou Jinfuyuan Mining Company Limited ("Jinfuyuan Mining"), an indirect subsidiary of the Company, and Henan Guiyuan Industry Co. Ltd ("Henan Guiyuan") for the transfer of equity of Yin Di Mining at the consideration of RMB28,000,000 payable in cash (the "Equity Transfer Agreement") be terminated and all equity holding of Yin Di Mining be re-transferred to Henan Guiyuan.

Also, upon searches of public records conducted by the Group's legal advisers, the management of the Company became aware of a ruling enforcement order dated 23 November 2016 (the "Enforcement Order") issued by Henan Province Zhengzhou City Intermediate People's Court ("Zhengzhou Court") ordering Jinfuyuan Mining to transfer the entire equity holding in Yin Di Mining to Henan Guiyuan. Subsequently, according to the public record searches, the 90% equity interest in Yin Di Mining held by Jinfuyuan Mining was purportedly transferred to Henan Guiyuan on 17 January 2017.

As revealed in the Second Civil Judgement, Henan Guiyuan alleged that Jinfuyuan Mining only paid RMB3,000,000 by way of deposit to Henan Guiyuan between March and November 2011 even though Henan Guiyuan had completed the transfer of the 95% equity of Yin Di Mining to Jinfuyuan Mining in April 2011 in performance of the terms of the Equity Transfer Agreement and that on 30 May 2011, both parties signed a supplemental agreement such that if Jinfuyuan Mining failed to pay the balance of RMB25,000,000 within 60 days, then it shall, inter alia, re-transfer the equity holding in Yin Di Mining to Henan Guiyuan unconditionally and allow the RMB3,000,000 deposit to be forfeited. Henan Guiyuan further alleged that on 18 December 2015, Jinfuyuan Mining signed a declaration and gave it to Henan Guiyuan, confirming that it owed the outstanding consideration to Henan Guiyuan and agreed to re-transfer its equity holding in Yin Di Mining to Henan Guiyuan.

Given the above circumstances, the Group faced obstructions in exercising control over, and gathering information and documents regarding Yin Di Mining and its subsidiary (collectively, the "De-consolidated Subsidiaries"), and the Group regards that it has lost control over the entire operations of the De-consolidated Subsidiaries and the directors of the Company have determined to exclude the financial position, results and cash flows of the Deconsolidated Subsidiaries from the Group's consolidated financial statements as at and for the year ended 31 March 2017 (the "2017 Consolidated Financial Statements"). Hence the De-consolidated Subsidiaries have been deconsolidated with effect from 1 April 2016 in the 2017 Consolidated Financial statements.

Under Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements", the carrying amounts of assets and liabilities of, and non-controlling interests in, the De-consolidated Subsidiaries should be derecognized from the consolidated financial statements of the Group at the date when control over the De-consolidated Subsidiaries was lost. As at the date of approval for issuance of the Group's consolidated financial statements as at and for the year ended 31 March 2018, the investigations by the PRC legal advisers into, inter alia, the factual circumstances and the claims and allegations of Henan Guiyuan, as instructed by the Company, was still in progress and the Company is not yet in a position to assess the impact of the First Civil Ruling and Second Civil Judgement on the operations and financial position of the Group. Further, we were unable to gain access to the books and records of the De-consolidated Subsidiaries. Consequently, we were unable to obtain sufficient appropriate audit evidence and explanation to assess the appropriateness of the accounting treatment adopted by the Group of treating the De-consolidated Subsidiaries as subsidiaries of the Group before the date of their deconsolidation. We were also unable to obtain sufficient appropriate audit evidence and explanation to satisfy ourselves as to the date when the Group lost control over the De-consolidated Subsidiaries. Had we been able to assess these matters, many elements in the consolidated financial statements for the current financial year and previous financial years might have been materially affected, including the assets and liabilities of the Group as at 31 March 2017 and 2018, the loss and cash flows of the Group for the years ended 31 March 2017 and 2018, and the related disclosures thereof in the consolidated financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries). If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein. Non-controlling interests in the result of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

Investment in associate

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

3. REVENUE AND SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resources allocation and assessment of segment performance focus on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in products and services. No operating segments identified by the CODM have been aggregated in arriving at the reporting segments of the Group.

Specifically, the Group's reporting and operating segments under HKFRS 8 are as follows:

(i) Money lending segment engages in the provision of financing services;

(ii) Trading segment engages in the trading of goods and commodities; and

(iii) Mining operations segment engages in sale of mineral products and leasing of mining right, exploration rights and related assets.

Due to obstructions faced by the Company in exercising control over, and gathering information and documents regarding the De-consolidated Subsidiaries, the Company regards that it has lost control over the De-consolidated Subsidiaries. Given that it was impracticable for the directors of the Company to ascertain the segment information on mining operations, no representation is therefore made by the directors of the Company as to the completeness, existence and accuracy of the segment information on mining operations of the Company for the years ended 31 March 2018 and 2017 as of the date of approval of the consolidated financial statements.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segments:

For the year ended 31 March 2018

Continuing operations

	Money lending *HK$*	**Trading** *HK$*	**Mining operations** *HK$*	**Total** *HK$*
Revenue	**46,749,499**	**720,857,650**	**–**	**767,607,149**
Segment profit/(loss)	**42,220,089**	**(508,202)**	**–**	**41,711,887**
Unallocated corporate income and gain				**24,154**
Unallocated corporate expenses				**(37,270,439)**
Finance costs				**(4,650,000)**
Loss before tax				**(184,398)**

For the year ended 31 March 2017

Continuing operations

	Money lending *HK$*	Trading *HK$*	Mining operations *HK$*	Total *HK$*
Revenue	25,607,494	273,651,879	–	299,259,373
Segment profit/(loss)	23,743,941	(843,033)	–	22,900,908
Unallocated corporate income and gain				144,440
Fair value loss on derivative component of convertible bonds				(201,806)
Impairment of amounts due from De-consolidated Subsidiaries			(71,145,551)	(71,145,551)
Loss on de-consolidation of subsidiaries			(115,847,836)	(115,847,836)
Unallocated corporate expenses				(19,766,925)
Finance costs				(4,654,889)
Loss before tax				(188,571,659)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in current year (2017: nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) from each segment without allocation of directors' salaries, certain bank interest income included in other income and gain, impairment of amounts due from De-consolidated Subsidiaries and loss on de-consolidation of subsidiaries, certain general and administrative expenses, and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	2018 ***HK$***	2017 *HK$*
Segment assets		
Continuing operations		
Money lending	**379,878,650**	235,708,888
Trading	**275,173,080**	145,926,521
Unallocated corporate assets	**82,650,987**	79,302,992
Consolidated assets	**737,702,717**	460,938,401

	2018	2017
	HK$	*HK$*
Segment liabilities		
Money lending	**925,453**	2,620,022
Trading	**94,166,102**	40,048,122
Unallocated corporate assets	**86,016,492**	73,947,859
Consolidated liabilities	**181,108,047**	116,616,003

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

– all assets are allocated to reportable and operating segments other than certain property, plant and equipment, interest in an associate, certain other receivables, deposits and prepayments and certain bank balances and cash which are managed on a group basis.

– all liabilities are allocated to reportable and operating segments other than certain other payables and bonds which are managed on a group basis.

In measuring the Group's segment assets and liabilities, tax recoverable of HK$1,414,296 (2017: tax payable of HK$1,809,441) and deferred tax asset of HK$209,642 (2017: HK$138,112) were allocated to money lending segment. However, the relevant income tax expense of HK$1,309,522 (2017: HK$2,661,092) was not included in the measurement of segment results.

Other segment information

For the year ended 31 March 2018

Continuing Operations

	Money lending	**Trading**	**Mining operations**	**Unallocated**	**Total**
	HK$	***HK$***	***HK$***	***HK$***	***HK$***
Amounts include in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	**511,478**	**180,656**	**–**	**987,437**	**1,679,571**
Additions to non-current assets *(note)*	**16,950**	**349,994**	**–**	**722,536**	**1,089,480**
Bank interest income	**(1)**	**(36,150)**	**–**	**(24,154)**	**(60,305)**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:					
Finance costs	**–**	**–**	**–**	**4,650,000**	**4,650,000**
Income tax expenses	**1,273,717**	**35,805**	**–**	**–**	**1,309,522**

For the year ended 31 March 2017

Continuing Operations

	Money lending *HK$*	Trading *HK$*	Mining operations *HK$*	Unallocated *HK$*	Total *HK$*
Amounts include in the measure of segment results or segment assets:					
Depreciation of property, plant and equipment	509,920	110,962	–	439,772	1,060,654
Additions to non-current assets *(note)*	–	26,864	–	1,988,796	2,015,660
Bank interest income	–	(10,840)	–	–	(10,840)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:					
Finance costs	–	–	–	4,654,889	4,654,889
Income tax expenses	2,645,590	15,502	–	–	2,661,092
Loss on de-consolidation of subsidiaries	–	–	115,847,836	–	115,847,836
Impairment of amounts due from De-consolidated Subsidiaries	–	–	71,145,551	–	71,145,551

Note: Non-current assets excluded deferred tax asset and interest in an associate.

Revenue from major product and services

The following is an analysis of the Group's revenue from continuing operations from sales of its major products and provision of services to external customers:

	2018 *HK$*	2017 *HK$*
Revenue from money lending	**46,749,499**	25,607,494
Revenue from trading of goods	**720,857,650**	273,651,879
	767,607,149	299,259,373

Geographical information

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC").

Information about the Group's revenue from continuing operations from external customers is presented based on the location of operations. Information about the Group's non-current assets, excluding deferred tax asset and interest in an associate, is presented based on the geographical location of the assets.

	Hong Kong		PRC (excluding Hong Kong)		Total	
	2018	2017	**2018**	2017	**2018**	2017
	HK$	*HK$*	***HK$***	*HK$*	***HK$***	*HK$*
For the year ended 31 March						
Segment revenue	**53,203,676**	25,607,494	**714,403,473**	273,651,879	**767,607,149**	299,259,373
At 31 March						
Non-current assets	**4,293,812**	4,033,753	**799,215**	560,452	**5,093,027**	4,594,205

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2018	2017
	HK$	*HK$*
Customer A[1]	**149,764,995**	127,407,835
Customer B[1]	**N/A[2]**	48,064,812

1 Revenue from trading

2 The corresponding revenue did not contribute over 10% of the total revenue of the Group

4. FINANCE COSTS

	2018	2017
	HK$	*HK$*
Continuing operations		
Effective interest expense on bonds	**4,650,000**	4,650,000
Effective interest expense on convertible bonds	**–**	4,889
	4,650,000	4,654,889

5. LOSS BEFORE TAX

	2018	2017
	HK$	*HK$*
Continuing operations		
Auditors' remuneration	**1,300,000**	1,050,000
Cost of inventories recognised as expense	**711,567,937**	271,265,726
Depreciation of property, plant and equipment	**1,679,571**	1,060,654
Exchange loss, net	**585,015**	521,183
Employee benefit expenses	**9,439,801**	7,799,527
Minimum lease payment under operating leases in respect of land and buildings	**4,313,312**	5,042,622

Due to the obstructions faced by the Company in exercising control over, and gathering information and documents regarding, the De-consolidated Subsidiaries, the Company regard that it has lost control over the De-consolidated Subsidiaries since 1 April 2016. Given that it was impracticable for the directors of the Company to ascertain the segment information on mining operations, no representation is therefore made by the directors of the Company as to the completeness, occurrence and accuracy of those expenses for the years ended 31 March 2018 and 2017 as of the date of approval of the consolidated financial statements.

6. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2018, nor has any dividend been proposed since the end of the reporting period (2017: nil).

7. INCOME TAX EXPENSES

	2018	2017
	HK$	*HK$*
Continuing operations		
Current tax:		
– Hong Kong Profits Tax	**1,348,550**	2,735,047
– PRC Enterprise Income Tax	**32,502**	–
Deferred tax	**(71,530)**	(73,955)
	1,309,522	2,661,092

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 March 2018 and 2017.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries registered in the PRC is 25% from 1 January 2008 onwards.

8. LOSS PER SHARE

For continuing and discontinued operations

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

	2018	2017
	HK$	*HK$*
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(1,465,735)**	(197,882,191)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**4,928,214,351**	3,278,272,384

For continuing operations

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

	2018	2017
	HK$	*HK$*
Loss for the year attributable to owners of the Company	**(1,465,735)**	(197,882,191)
Less: Loss for the year from discontinued operation	**–**	6,664,156
Loss for the purpose of basic and diluted loss per share from continuing operations	**(1,465,735)**	(191,218,035)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

For discontinued operations

For the year ended 31 March 2017, basic and diluted loss per share for the discontinued operation is 0.21 HK cents, based on the loss for the year from the discontinued operation of HK$6,664,156 and the denominators detailed above for both basic and diluted loss per share.

9. TRADE RECEIVABLES

	2018	2017
	HK$	*HK$*
Trade receivables	**29,280,334**	10,391,604

Trade receivables in relation to trading are having an average credit period of 90 days (2017: 90 days).

The following is an ageing analysis of the Group's receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

	2018	2017
	HK$	*HK$*
0-3 months	**29,280,334**	10,391,604

At the end of reporting period, none of the Group's trade receivables was past due but not impaired at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collaterals for receivables above.

10. LOAN AND INTEREST RECEIVABLES

	2018	2017
	HK$	*HK$*
Loan receivables		
Secured	**39,187,274**	102,000,000
Unsecured	**318,500,000**	128,400,000
	357,687,274	230,400,000
Interest receivables	**2,241,330**	1,503,888
	359,928,604	231,903,888

The maturity profile of the loan receivables at the end of the reporting period, analysed by the maturity date, is as follows:

	2018	2017
	HK$	*HK$*
Within one year	**356,667,786**	230,400,000
Two to five years	**1,019,488**	–
	357,687,274	230,400,000
Carrying amount analysed for reporting purpose:		
Current assets	**358,909,116**	231,903,888
Non-current assets	**1,019,488**	–
	359,928,604	231,903,888

The secured and unsecured loans advanced to the customers arising under the Group's money lending business had an average loan period of 45 days to 5 years (2017: 90 days to 1 year). The loans provided to customers bore fixed interest rate ranging from 1% – 2.5% per month (2017: 1% – 2.5%), depending on the individual credit evaluations of the borrowers. These evaluations focus on the borrowers' financial background, individual credit rating, current ability to pay, and take into account information specific to the borrowers as well as the guarantees and/or security from the borrowers. The loans provided to borrowers are repayable in accordance with the loan agreement, in which interest portion will be repaid in monthly basis while the principal amounts are repayable on maturity.

The following is an aged analysis of loan and interest receivables, presented based on the dates which loans are granted to borrowers and interests are accrued.

	2018	2017
	HK$	*HK$*
Within 90 days	**198,928,604**	29,003,888
91-180 days	**108,000,000**	70,600,000
181-365 days	**53,000,000**	132,300,000
	359,928,604	231,903,888

The Group's financing advances to customers included in the loan receivables are due as of the due date specified in respective loan agreements. At 31 March 2018 and 2017, all the loan and interest receivables are neither past due nor impaired and represented loans granted to creditworthy borrowers for whom there were no recent history of default.

11. TRADE AND OTHER PAYABLES

	2018	2017
	HK$	*HK$*
Trade payables *(notes (a) and (b))*	**899,821**	–
Receipt in advance	**88,771,002**	13,950,050
Other payables and accrued charges *(note (c))*	**19,429,270**	29,651,861
	109,100,093	43,601,911

Notes:

(a) The ageing of trade payables were within 3 months based on the invoice date at the end of the reporting period.

(b) An average credit period of 45 to 180 days is granted by the service providers. The average credit period on purchases of goods in trading segment is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

(c) Balance included advances from certain independent third parties of HK$5,356,092 (2017: HK$26,045,426) that are interest-free, unsecured and repayable on demand.

12. EVENTS AFTER THE REPORTING PERIOD

On 28 September 2017, the re-trial application made by the Company was accepted by the Henan High People's Court, P.R. China ("Henan High Court") in relation to the Second Civil Judgment and Enforcement Order (the "Re-trial Application"). Subsequent to the end of the reporting period, the Henan High Court rendered a ruling dated 14 May 2018 that the re-trial application of the Group be rejected.

As the carrying amounts of assets and liabilities of, and non-controlling interests in, the De-consolidated Subsidiaries were already de-consolidated and derecognized from the consolidated financial statements of the Group for the year ended 31 March 2017 with effect from 1 April 2016, the rejection of the re-trial is not expected to cause any further impact on the Group's financial results and position. Detail please refer to the Company's announcement dated 31 May 2018.

EXTRACT OF INDEPENDENT AUDITORS' REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Ban Loong Holdings Limited (the "Company") and its subsidiaries (collectively referred as the "Group") which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and as to whether the consolidated financial statements have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINON

(a) De-consolidation of subsidiaries

The management of the Company became aware during the financial year ended 31 March 2017 of a civil ruling dated 9 January 2017 (the "First Civil Ruling") and a civil judgement dated 10 October 2016 (the "Second Civil Judgement"). The First Civil Ruling ordered, inter alia, the freezing of the entire equity holding of Tong Bai County Yin Di Mining Company Limited ("Yin Di Mining"), an indirect subsidiary of the Company, and the mining license owned by Yin Di Mining. The Second Civil Judgement ordered, inter alia, that the equity transfer agreement dated 28 February 2011 signed between Zhengzhou Jinfuyuan Mining Company Limited ("Jinfuyuan Mining"), an indirect subsidiary of the Company, and Henan Guiyuan Industry Co. Ltd ("Henan Guiyuan") for the transfer of equity of Yin Di Mining for the consideration of RMB28,000,000 payable in cash (the "Equity Transfer Agreement") be terminated and all equity holding of Yin Di Mining be re-transferred to Henan Guiyuan.

Also, upon searches of public records conducted by the Group's legal advisers, the management of the Company became aware of a ruling enforcement order dated 23 November 2016 (the "Enforcement Order") issued by Henan Province Zhengzhou City Intermediate People's Court ("Zhengzhou Court") ordering Jinfuyuan Mining to transfer the entire equity holding in Yin Di Mining to Henan Guiyuan. Subsequently, according to the public record searches, the 90% equity interest in Yin Di Mining held by Jinfuyuan Mining was purportedly transferred to Henan Guiyuan on 17 January 2017.

As revealed in the Second Civil Judgement, Henan Guiyuan alleged that Jinfuyuan Mining only paid RMB3,000,000 by way of deposit to Henan Guiyuan between March and November 2011 even though Henan Guiyuan had completed the transfer of the 95% equity of Yin Di Mining to Jinfuyuan Mining in April 2011 in performance of the terms of the Equity Transfer Agreement and that on 30 May 2011, both parties signed a supplemental agreement such that if Jinfuyuan Mining failed to pay the balance of RMB25,000,000 within 60 days, then it shall, inter alia, retransfer the equity holding in Yin Di Mining to Henan Guiyuan unconditionally and allow the RMB3,000,000 deposit to be forfeited. Henan Guiyuan further alleged that on 18 December 2015, Jinfuyuan Mining signed a declaration and gave it to Henan Guiyuan, confirming that it owed the outstanding consideration to Henan Guiyuan and agreed to re-transfer its equity holding in Yin Di Mining to Henan Guiyuan.

Given the above circumstances, the Group faced obstructions in exercising control over, and gathering information and documents regarding, Yin Di Mining and its subsidiary (collectively, the "De-consolidated Subsidiaries"). The Group regards that it has lost control over the entire operations of the De-consolidated Subsidiaries and the directors of the Company have determined to exclude the financial position, results and cash flows of the Deconsolidated Subsidiaries as at and for the years ended 31 March 2017 and 2018 from the Group's consolidated financial statements. Hence the De-consolidated Subsidiaries have been deconsolidated with effect from 1 April 2016 in the consolidated financial statements of the Group. The resulting loss arising from the deconsolidation of HK$115,847,836 has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2017 and the resulting adjustments of HK$908,026 and HK$99,376,259 have been made to the exchange reserve and non-controlling interests respectively in the year ended 31 March 2017.

Under Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements", the carrying amounts of assets and liabilities of, and non-controlling interests in, the De-consolidated Subsidiaries should be derecognised from the consolidated financial statements of the Group at the date when control over the De-consolidated Subsidiaries was lost. As at the date of approval for issuance of the consolidated financial statements for the year ended 31 March 2018, the investigations by the PRC legal advisers into, inter alia, the factual circumstances and the claims and allegations of Henan Guiyuan, as instructed by the Company, was still in progress and the Company is not yet in a position to assess the impact of the First Civil Ruling and Second Civil Judgement on the operations and financial position of the Group. Further, we were unable to gain access to the books and records and management personnel of the De-consolidated Subsidiaries. Consequently, we were unable to obtain sufficient appropriate audit evidence and explanation to assess the appropriateness of the accounting treatment adopted by the

Group of treating the De-consolidated Subsidiaries as subsidiaries of the Group from 2011 onwards and until the date of their deconsolidation. We were also unable to obtain sufficient appropriate audit evidence and explanation to satisfy ourselves as to the date when the Group lost control over the De-consolidated Subsidiaries. Had we been able to assess these matters, many elements in the consolidated financial statements for the current financial year and previous financial years might have been materially affected, including the assets and liabilities of the Group as at 31 March 2018 and 2017, the loss and cash flows of the Group for the years ended 31 March 2018 and 2017 and the related disclosures thereof in the consolidated financial statements.

(b) Amounts due from the De-consolidated Subsidiaries

During the year ended 31 March 2017, the Group recorded an impairment of amounts due from the Deconsolidated Subsidiaries of HK$71,145,551 due to the circumstances described in paragraph (a) above. We were unable to obtain sufficient appropriate audit evidence regarding the validity, existence and impairment assessment of the amounts due from the De-consolidated Subsidiaries as at 31 March 2018 and 2017 because: (i) there was inadequate documentary evidence available for us to verify the validity, existence and nature of the amounts due from the De-consolidated Subsidiaries; (ii) we were unable to carry out any effective confirmation procedures in relation to the amounts due from the De-consolidated Subsidiaries for the purpose of our audit; (iii) there was inadequate documentary evidence available for us to satisfy ourselves as to whether the impairment testing in respect of the amounts due from the De-consolidated Subsidiaries were properly recorded and accounted for and in compliance with the requirements of applicable Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards, including Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement"; and (iv) there were no alternative audit procedures that we could perform to satisfy ourselves as to whether the amounts due from the De-consolidated Subsidiaries as at 31 December 2018 and 2017 were free from material misstatement. In addition, the scope limitation explained in paragraph (a) above as to the date when the Group lost control over the De-consolidated Subsidiaries would also affect the appropriate accounting period in which the impairment loss should be recognised. Any adjustments that might have been found necessary may have a significant consequential effect on the carrying amount of, and impairment loss on, the amounts due from the De-consolidated Subsidiaries and hence on the net assets of the Group as at 31 March 2018 and 2017 and the loss and cash flows of the Group for the years ended 31 March 2018 and 2017, and the related disclosures thereof in the consolidated financial statements.

(c) Contingent liabilities and commitments

Due to circumstances described in paragraph (a) above, we have not been able to obtain sufficient appropriate audit evidence and explanations as to whether the contingent liabilities and commitments committed by the Group were properly recorded and accounted for and in compliance with the requirements of applicable HKFRSs, including Hong Kong Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets". There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the contingent liabilities and commitments were free from material misstatements. Any adjustment that would be required may have a consequential significant effect on the net assets of the Group as at 31 March 2018 and 2017 and the loss and cash flows of the Group for the years ended 31 March 2018 and 2017, and the related disclosures thereof in the consolidated financial statements.

(d) Related party transactions

The scope limitation explained in paragraph (a) above as to the date when the Group lost control over the De-consolidated Subsidiaries would affect the disclosures of related party transactions in the consolidated financial statements in the event that the date of loss of control is actually after 1 April 2016. Accordingly, we have not been able to obtain sufficient appropriate audit evidence as to whether the related party transactions disclosures were properly recorded and accounted for and in compliance with the requirements of applicable HKFRSs, including Hong Kong Accounting Standard 24 "Related Party Disclosures". There were no practical alternative procedures that we could perform over the related party transactions which occurred during the years ended 31 March 2018 and 2017.

Report on Other Matters under sections 407(2) and 407(3) of the Hong Kong Companies Ordinance

In respect alone of the inability to obtain sufficient appropriate audit evidence as described in the Basis for Disclaimer of Opinion section of our report above:

- we were unable to determine whether adequate accounting records had been kept; and

- we have not obtained all the information or explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of the audit.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

The financial results of the Group for the year ended 31 March 2018 were highlighted as follows:

- Revenue during the year ended 31 March 2018 was HK$767.6 million, representing an increase of approximately 156.5% from HK$299.3 million in 2016/2017. The increase was mainly attributable to (i) increase in income from money lending segment due to increase in demand in loans of borrowers and the fund as well as the lending ability of the Group; and (ii) the growing in size of the operation of trading segment.

- Gross profit amounted to HK$56.0 million during the year ended 31 March 2018, representing an increase of 100.2% from HK$28.0 million in 2016/2017. Gross profit margin was 7.3% in the current year, while the gross profit margin was 9.4% in 2016/2017. Gross profit margin was a weighted average figure of all active operating segments. Money lending segment, which with high gross profit margin, was the main contributor of gross profit during the year ended 31 March 2018. The overall margin was diluted, especially by the trading segment where the gross profit margin was relatively thin.

- Loss of the Group for the year ended 31 March 2018 decreased to HK$1.5 million, as compared to HK$199.1 million in 2016/2017. The significant decrease in loss was principally due to the fact that our financial results for the year ended 31 March 2018 are no longer affected by the one-off loss on de-consolidation of, and the impairment loss of amount due from, the De-consolidated Subsidiaries for the year ended 31 March 2017.

For the detailed financial results of each operating segment, please refer to the note 3 of the notes to the consolidated financial statements.

FINAL DIVIDEND

The Board did not propose a final dividend.

BUSINESS REVIEW

During the year ended 31 March 2018, the Group's operations are divided into three identifiable business segments, namely, the money lending segment, the trading segment and the mining operations segment. The money lending segment refers to the money lending business engaged in Hong Kong by Ban Loong Finance Company Limited ("Ban Loong Finance"), a wholly-owned subsidiary of the Company which is a licensed money lender in Hong Kong. The trading segment refers to (i) the trading of goods and commodities in China by Wan Long Xing Ye Commercial Trading (Shenzhen) Limited (萬隆興業商貿(深圳)有限公司) ("Wan Long Xing Ye"), a wholly-owned subsidiary of the Company and (ii) the trading of goods and commodities in Hong Kong by Wan Long Xing Ye Commercial Trading (Hong Kong) Limited ("Wan Long Xing Ye HK"), a wholly-owned subsidiary of the Company. The mining operations segment, of which the segment was deconsolidated during the year ended 31 March 2017, refers to the exploration and exploitation of mineral resources in China conducted by Jun Qiao Limited and its subsidiaries (the "Jun Qiao Group").

The Money Lending Segment

Ban Loong Finance is a money lender licensed to carry out money lending business in Hong Kong. Its business primarily focuses in the area of short-term personal and corporate loans. To maintain credit control efficiency, Ban Loong Finance does not currently conduct business at retail level. Potential borrowers were sought from the social and business networks of the management and marketing team. To safeguard assets of the Group, the management and credit control team will review and assess the credit risk of each loan application carefully to ensure recoverability of each lending. The management will then conduct background check on borrowers, including, where necessary, obtaining credit reports issued by independent credit rating agent and examining borrowers' assets backing. Depending on the result of the cost and benefit analysis, Ban Loong Finance may request loan applicants to provide adequate security and/or guarantee before approving a loan application. Generally speaking, borrowers would be requested to pay interest monthly, in order to facilitate the management's continual monitoring of the financial stability of borrowers.

During the year ended 31 March 2018, the business performance of the money lending segment was summarized below:

– Aggregate amount of lending	HK$301.6 million (2017: HK$255.0 million)
– Total number of lending	36 (2017: 27)
– Range of effective annual percentage rate (“APR”)	12%-30% (2017: 10.0%-42.6%)
– Weighted average APR	17.3% (2017: 16.6%)

During the year ended 31 March 2018, revenue generated from the segment, contributed essentially by interest received and accrued, increased from approximately HK$25.6 million in 2016/2017 to approximately HK$46.7 million.

Trading Segment

Wan Long Xing Ye carried out trading of goods and commodities business in China. During the year ended 31 March 2018, Wan Long Xing Ye mainly engaged in the trading of refined edible oil. During the year ended 31 March 2018, trading revenue amounted to approximately HK$714.4 million (2016/2017: HK$273.7 million), with trading of 121,043 tonnages (2016/2017: 40,747 tonnages) of refined edible oil being completed.

Wan Long Xing Ye HK started carrying out trading of goods and commodities business in Hong Kong during the year ended 31 March 2018. Trading revenue amounted to approximately HK$6.5 million, with trading of 36,674 units of cosmetic products being completed.

The Mining Operations Segment

The mining operations of the Group is owned by Jun Qiao Limited (晉翹有限公司) (“Jun Qiao”, a company incorporated in the British Virgin Islands with limited liability and a 60%-owned subsidiary of the Company). Jun Qiao owns 100% of the issued share capital of Xing Hua Yuan Investment Group Limited (興華源投資集團有限公司) (“Xing Hua Yuan”, a limited liability company incorporated in Hong Kong), which in turn owns 90% of the equity interest in Zhengzhou Jinfuyuan Mining Company Limited (“Jinfuyuan Mining”), a sino-foreign equity joint venture established in the People’s Republic of China (the “PRC”), which in turn owns 90% of the equity interest in Tong Bai County Yin Di Mining Company Limited (“Yin Di Mining”), a limited liability company established in the PRC. Yin Di Mining owns (a) the other 10% equity interest in Jinfuyuan Mining; (b) a mining license covering Yin Di Mining Area (銀地礦區) with an area of approximately 1.81 square kilometers situated at Tongbai County, Henan Province, the PRC; and (c) 95% of the equity interest in Xinjiang Xin Jiang

Yuan Mining Company Limited ("Xin Jiang Yuan"), a limited liability company established in the PRC, which in turn owns an exploration license which covers Hu Lei Si De Mining Area (呼勒斯德礦區) with an area of approximately 29.12 square kilometers situated at Qi Tai County (奇台縣), Xinjiang Uygur Autonomous Region (新疆維吾爾自治區), the PRC.

Reference is made to the Company's announcements dated 15 January 2017, 22 January 2017, 1 February 2017 and 31 May 2018 (the "Mining Litigation Announcements") and the Company's annual report for the year ended 31 March 2017 (the "2017 Annual Report"). Unless the context otherwise requires, capitalized terms used in this section shall have the same meanings as defined in the Mining Litigation Announcements and the 2017 Annual Report.

In January 2017, the Company was informed by Yin Di Mining's management that judgments, rulings and enforcement orders were entered into pursuant to which the Mining License owned by Yin Di Mining was frozen and the 90% equity holding in Yin Di Mining held by Jinfuyuan Mining. Due to the obstacles faced by the Group in exercising control over and gathering information and documents regarding the Mining Segment, the Group regards that it has lost control over the entire operations of the Mining Segment and all the Mining Assets since then.

The Group commenced civil actions seeking to recover the 90% equity interest of Yin Di Mining, and filed criminal complaints against any person(s)/entity(ies) who are suspected to have conducted unlawful activities in relation to the Purported Transfer. The criminal case was accepted by the Public Security Bureau on 26 January 2017.

On 28 September 2017, the re-trial application made by the Company was accepted by the Henan High People's Court, P.R. China ("Henan High Court") in relation to the Second Civil Judgment and Enforcement Order (the "Re-trial Application"). Subsequent to 31 March 2018, the Henan High Court rendered a ruling dated 14 May 2018 that the Re-trial Application of the Group be rejected. The Group is seeking opinion from its PRC legal advisers and intends to make an appeal or review application on the Second Civil Judgment. The Company will make all lawful efforts to protect and uphold its rights and interests.

GENERAL AND ADMINISTRATIVE EXPENSES

During the year ended 31 March 2018, the Group's general and administrative expenses (which mainly comprises legal and professional fees, salaries, directors' fees and office rentals) amounted to approximately HK$51.0 million (2016/2017: HK$24.9 million), which were 105.3% higher than that in 2016/2017 principally due to the increased operating costs including staff cost and professional fee as a result of the increase in size of the Group's business during the year as compared with that in 2016/2017.

FINANCE COSTS

Finance costs of HK$4.65 million almost the same as 2016/2017. The finance costs were mainly due to interest incurred on bonds issued in previous years.

INCOME TAX EXPENSES

During the year ended 31 March 2018, income tax expenses amounting to HK$1.3 million (2016/2017: HK$2.7 million) were incurred. The decrease in the income tax expenses is principally due to the combined effect of cost control measures for business divisions with lower profit margin and higher budget for business development for business divisions with higher profit margin.

LOSS PER SHARE

During the year ended 31 March 2018, the basic and diluted loss per share from continuing operations amounted to 0.03 HK cents, which is 5.80 HK cents lower than the basic and diluted loss per share from continuing operations of 5.83 HK cents in 2016/2017.

TRADE RECEIVABLES

The Group's trade receivables as at 31 March 2018 amounted to approximately HK$29.3 million which represented an increase of approximately HK$18.9 million as comparing with the trade receivables of approximately HK$10.4 million as at 31 March 2017. The change was mainly contributed by the increase in revenue in the trading segment during the year. The management did not foresee any recoverability problem as most of the amount has been settled as at the announcement date. The management will constantly review the ageing and credit standing of customers to ensure trade receivables can be fully recovered.

OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The breakdown of other receivables, deposits and prepayments were as follows:

	31 March 2018	31 March 2017
	HK$	*HK$*
Other receivables	**41,311,833**	67,509,817
Deposits	**960,515**	903,615
Prepayment	**155,922,830**	31,173,560
	198,195,178	99,586,992

The other receivables included advances to suppliers and potential suppliers who are independent third parties in the amount of HK$35,354,445 (31 March 2017: HK$62,261,126), of which HK$35,312,128 was either used for prepayment of the Group's orders or refunded in full to the Company (without interest) subsequent to the end of the reporting period. The remaining balances were not material to the Group.

FINANCIAL POSITION

The Group's consolidated statement of financial position remained solid. Shareholders' equity increased from HK$344.3 million to HK$556.6 million. Total assets increased by 60.0% to HK$737.7 million mainly due to the completion of the issuance and allotment of 908,025,360 shares to Yunnan Baiyao Holdings Company Limited ("Yunnan Baiyao Holdings") at the subscription price of HK$0.22 per share (the "Subscription") in October 2017 and increase in the trade deposit received from trading business. Net assets increased by 61.6% from HK$344.3 million to HK$556.6 million primarily due to the Subscription and the total comprehensive income recorded during the year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2018, the Group's cash and cash equivalents amounted to HK$144.0 million (31 March 2017: HK$114.3 million).

As at 31 March 2018, the Group had outstanding unsecured 5.5% per-annum 7-years (due between January and July 2021) corporate bonds (the "Bonds") with aggregate principal sum of HK$70 million. The repayment obligations of the Company under the instruments of the Bonds are guaranteed by Jun Qiao. Under the terms of the subscription agreements in relation to the Bonds, to the extent which is legally permissible, the Company and Jun Qiao undertook to continue to maintain its interests in the Mining Assets and not to dispose of, transfer or sell any of the Mining Assets until the maturity of the Bonds, unless the consent of the majority of the bondholders is obtained. Due to the purported transfer of 90% equity of Yin Di Mining to Henan Guiyuan and related incidents as disclosed in the Company's announcements dated 15 January 2017, 22 January 2017 and 1 February 2017, the Company de-consolidated the De-consolidated Subsidiaries. As a matter of prudent treatment, the Bonds were classified as current liabilities. The Company is seeking opinion from its PRC legal advisers and intends to make all lawful efforts to protect and uphold its rights and interests.

	As at 31 March 2018	As at 31 March 2017
Current ratio (current assets/current liabilities)	**4.0 times**	3.9 times
Gearing ratio (total liabilities/total assets)	**25%**	25%

The Group's liquidity remains healthy. Nevertheless, as the Company is still keen on looking for strategic investment to diversify its business operation, additional financing might be required when suitable investment opportunity was identified. The management will assess and consider various possible fund raising alternatives to strengthen the capital base and financial position of the Company and to make sure that the Company will have sufficient working capital to support its future operational and investment needs.

SHARE CAPITAL AND FUND RAISING ACTIVITIES

As at 31 March 2018, the total number of issued ordinary shares of the Company was 5,448,152,160 shares (31 March 2017: 4,540,126,800 shares).

The Company has conducted the following equity fund raising exercises during the year ended 31 March 2018. On 7 September 2017, the Company announced the Subscription under the refreshed general mandate granted to the Directors at the special general meeting of the Company held on 18 May 2017. The Subscription was completed on 27 October 2017 whereby a total of 908,025,360 placing shares have been successfully issued.

EVENTS AFTER THE REPORTING PERIOD

On 28 September 2017, the re-trial application made by the Company was accepted by the Henan High People's Court, P.R. China ("Henan High Court") in relation to the Second Civil Judgment and Enforcement Order (the "Re-trial Application"). Subsequent to the end of the reporting period, the Henan High Court rendered a ruling dated 14 May 2018 that the re-trial application of the Group be rejected.

As the carrying amounts of assets and liabilities of, and non-controlling interests in, the Deconsolidated Subsidiaries were already de-consolidated and derecognized from the consolidated financial statements of the Group for the year ended 31 March 2017 with effect from 1 April 2016, the rejection of the re-trial is not expected to cause any further impact on the Group's financial results and position.

PLEDGE OF ASSETS

As at 31 March 2018, no assets of the Group were pledged to secure general banking facilities granted to the Group.

CAPITAL COMMITMENTS

As at 31 March 2018, the Group had no material capital commitments.

CONTINGENT LIABILITIES

As at 31 March 2018, the Group had no material contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's assets and liabilities are either denominated in Hong Kong dollars or Renminbi, and most of the Group's cash balances are deposited in Hong Kong dollars or Renminbi with banks in Hong Kong and the PRC. Certain portions of the Group's sales, purchases and expenses were denominated in foreign currencies which exposed the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy as the foreign currency risk is considered not significant. However, the management will continue to closely monitor the Group's foreign exchange risk exposure and may consider hedging significant foreign exchange exposure if and when necessary.

COMMODITY PRICE RISK

The price of the Group's products of the mining operations is influenced by international and domestic market prices and changes in global supply and demand for such products. Price volatility of metals is also affected by the global and the PRC economic cycles as well as the fluctuations of the global currency market. Both the international and domestic market price of metals as well as the volatility of their supply and demand are beyond the control of the Company. Therefore, the volatility of commodity price may affect the revenue from the Group's mining operation and thus the comprehensive income of the Group. The Group did not engage in nor enter into any trading contracts and price arrangements to hedge the risk of volatility of metals prices.

EMPLOYEE REMUNERATION POLICY

As at 31 March 2018, the Group had 27 employees (31 March 2017: 25 employees). For the year ended 31 March 2018, the total salaries, commissions, incentives and all other staff related costs decreased to approximately to HK$9.4 million (31 March 2017: HK$15.2 million), principally due to the saving of staff costs as a result of the disposal of the discontinued operation of financial information services in January 2017. Our remuneration policies are in line with prevailing market practices and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds, life insurance and medical assistance benefit. The Company may also grant share options to eligible employees to motivate their performance and contribution to the Group.

PROSPECTS

Money Lending Business

During and subsequent to the year ended 31 March 2018, the Group has made several short-terms loans to customers. The Group would normally request customers to provide adequate guarantees before releasing loan money. The management considered the potential of the segment was high and the segment could help to provide a constant cash inflow to the Group. The Group plans to gradually increase the overall loan portfolio size to achieve better economy of scale and efficiency optimisation.

The management expected the money lending segment will be one of the major revenue and profit contributors of the Group in the coming years.

Trading Segment

During the year ended 31 March 2018, the trading segment of the Group successfully diversified its trading goods categories from refined edible oil to cosmetic products. In addition, the Group established its trading department in Hong Kong to cater for the increased business size. The Group will continue to explore business opportunities in China and Hong Kong with the view to further broadening its product range and scope of services, improving profit margin and minimizing product concentration risks.

The management has planned to increase the size of trading volume with a view to achieving economy of scale and improving the gross profit margin. The segment is expected to remain as the main revenue contributor of the Group in the coming years.

The Mining Operations

Due to the obstructions faced by the Company in exercising control over, and gathering information and documents regarding, the De-consolidated Subsidiaries, the Company regards that it has lost control over the De-consolidated Subsidiaries. The Company commenced civil actions seeking to recover the 90% equity interest of Yin Di Mining, and filed criminal complaints against any person(s)/entity(ies) who are suspected to have conducted unlawful activities in relation to the Purported Transfer.

Before the de-consolidation, the scale of the Group's mining operations is considered small and limited. The Group can only be a market follower, and has no influence on the market price and sales of ores and ores concentrates in the local market.

The Group had made the Re-trial Application on 28 September 2017. Subsequent to the end of the reporting period, Henan High Court rendered a ruling dated 14 May 2018 that the Re-trial Application was rejected. The Group is seeking opinion from its PRC legal advisers and intended to make an appeal or review application on the Second Civil Judgment. The Group will make all lawful efforts to protect and uphold its rights and interests.

Other

The management always believes that it is in the best interest of the Company and the shareholders to diversify the Group's business portfolio. The Company will continue to identify appropriate potential investment opportunities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Group had in the year under review complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the following deviation:

Code Provision A.2.1

Under the code provision A.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 23 January 2017 onwards, the roles of chairman and chief executive of the Company were performed by Mr. Chow Wang.

The Board considers that vesting the roles of chairman of the Board and chief executive of the Company in the same individual is beneficial to the business prospects and management of the Company. The Board will nevertheless review this structure from time to time and will consider the segregation of the two roles at the appropriate time.

Code Provision A.4.1

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. All non-executive directors of the Company were not appointed for a specific term, but every director of the Company will be subject to retirement no later than the third annual general meeting after his election, under the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are not less exacting than those in the Code.

Code Provision A.6.7

Code Provision A.6.7 stipulates that independent non-executive directors ("INEDs") and other non-executive directors ("NEDs") should attend general meeting. Out of three INEDs of the Company, only two INEDs attended the annual general meeting of the Company held on 27 September 2017 (the "2017 AGM") and one INED and one NED were unable to attend the 2017 AGM due to other business engagement.

SHARE OPTION SCHEME

The new share option scheme of the Company was adopted on 30 September 2013 (the "New Option Scheme"). Pursuant to the New Option Scheme, the Directors are authorized to grant options to any executive or non-executive directors, any executives and employees and those persons who have contributed or will contribute to the Group as incentive schemes and rewards. Apart from the New Option Scheme, the Company did not have any other share option scheme.

During the period under review, no options were granted or exercised under the New Option Scheme.

BOARD DIVERSITY POLICY

With an aim to achieve diversity on the Board of the Company, the Board has approved and adopted a Board Diversity Policy (the "Policy") and revision to the terms of reference of the Nomination Committee of the Board to ensure the appropriate implementation of the Policy. The Policy was made with a view to achieving a sustainable and balanced development of the Company, through the invitation and selection of different talents to join the Board having due regard to the importance of Board diversity.

The Company is committed to established procedures of candidates selection based on a range of diversity perspectives including gender, age, cultural background, ethnicity, educational background, professional experience, skills and knowledge.

The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of this Policy.

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

The Audit Committee, currently comprising three independent non-executive directors, namely, Mr. Jiang Zhi, Mr. Leung Ka Kui, Johnny and Ms. Wong Chui San, Susan *(Chairman)* was established by the Board with specific terms of reference, whose purposes include the reviewing of the accounting principles and practices adopted by the Group and discussing auditing, internal control, risk management and financial reporting matters. The Audit Committee has reviewed the audited financial results of the Group for the year ended 31 March 2018.

NOMINATION COMMITTEE

The Nomination Committee has been established on 29 March 2012 with specific terms of reference, whose purposes include the reviewing of the Board composition, advising the Board on the appointment and succession planning of Directors and assessing the independence of Independent Non-executive Directors. The Nomination Committee consists of two executive directors, namely, Mr. Chow Wang *(Chairman)* and Mr. Chu Ka Wa and three independent non-executive directors, namely, Mr. Jiang Zhi, Mr. Leung Ka Kui, Johnny and Ms. Wong Chui San, Susan.

REMUNERATION COMMITTEE

The Remuneration Committee has been set up by the Board with specific terms of reference, whose purposes include the reviewing of the remuneration of Directors and the remuneration policies of the Group. Currently, the Remuneration Committee consists of two executive directors, namely, Mr. Chow Wang and Mr. Chu Ka Wa and three independent non-executive directors, namely, Mr. Jiang Zhi, Mr. Leung Ka Kui, Johnny *(Chairman)* and Ms. Wong Chui San, Susan.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the full set of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors of the Company. The prohibitions on securities dealing and disclosure requirements in the Model Code also apply to the Group's senior management and persons who are privy to price sensitive information of the Group. All Directors confirmed to the Company that they have complied with the Model Code during the year and up to the date of publication of this announcement.

PUBLICATION OF FINANCIAL INFORMATION

This result announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.0030hk.com). The Company's annual report for the year ended 31 March 2018 will be dispatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board of
Ban Loong Holdings Limited
Chow Wang
Chairman & Chief Executive Officer

Hong Kong, 29 June 2018

As at the date of this announcement, the Board of the Company comprises:

Executive Directors:
Mr. Chow Wang *(Chairman & Chief Executive Officer)*
Mr. Chu Ka Wa *(Chief Financial Officer)*
Mr. Wang Zhaoqing *(Chief Operating Officer)*

Non-Executive Director:
Mr. Fong For

Independent Non-executive Directors:
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan