CHANCETON FINANCIAL GROUP LIMITED

川盟金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8020)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Chanceton Financial Group Limited (the "Company" and together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or in this announcement misleading.

HIGHLIGHTS

- Audited revenue of the Group for the year ended 31 March 2014 amounted to approximately HK$10.40 million, representing an increase of approximately 22.0% over last year.

- Audited loss attributable to owners of the Company for the year ended 31 March 2014 of approximately HK$21.72 million as compared to audited loss attributable to owners of the Company of approximately HK$9.17 million last year. Such loss was mainly due to (i) share of loss arising from an approximately 25% owned associate of the Company, namely Revenue Synthesis Limited, of approximately HK$15.39 million as a result of the completion of acquisition of additional approximately 5% equity interest in Revenue Synthesis Limited in June 2013 and to reflect the effect of share of loss of the associate of the Company for a full financial year; (ii) imputed interest incurred in connection with the convertible bonds issued by the Company in relation to the acquisition of 20% of Revenue Synthesis Limited in December 2012 of approximately HK$4.81 million to reflect the effect of the imputed interest for a full financial year; (iii) the recognition of net loss (2013: Nil) on financial assets at fair value through profit or loss of approximately HK$1.36 million which was incurred due to the settlement of professional fees from the Company's certain listed clients by means of issue and allotment of shares; (iv) net loss on cancellation of contingent consideration payable of approximately HK$1.83 million arising from the forfeiture on second tranche convertible bonds from Refulgent Sunrise Limited in January 2014 due to the anticipated delay in schedule in phase IIb clinical trial of AIDS medication capsule; and (v) gain on change in fair value of contingent consideration payable of approximately HK$4.49 million which partially net-off the effect.

- **The Board wishes to emphasis that items (i), (ii) and (iv) of the abovementioned losses of approximately HK$22.03 million are non-cash in nature and have no cash flow impact to the Group. The Group remains in a healthy and solid financial condition. For illustrative purposes only, excluding these non-cash losses, the operating loss of the Group for the year ended 31 March 2014 was only approximately HK$3.00 million.**

- The Board does not recommend the payment of a dividend for the year ended 31 March 2014.

ANNUAL RESULTS (AUDITED)

The board of Directors (the "**Board**") of Chanceton Financial Group Limited (the "**Company**") is pleased to present the audited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2014 (the "**Financial Year**"), together with the audited comparative figures for the corresponding period in 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	**2014** **HK$'000**	2013 HK$'000
Revenue	5	**10,400**	8,526
Other gains and losses	5	**(1,208)**	112
Administrative and operating expenses		**(11,559)**	(11,009)
Impairment loss recognised in respect of interest in an associate		**(66,088)**	–
Change in fair value of contingent consideration payable		**4,487**	(47)
Gain on cancellation of contingent consideration payable		**64,258**	–
Finance cost	6	**(4,813)**	(1,494)
Share of result of an associate		**(15,385)**	(5,444)
Loss before tax	7	**(19,908)**	(9,356)
Income tax	8	**(1,815)**	188
Loss for the year		**(21,723)**	(9,168)
Other comprehensive loss, net of income tax			
Item that may be reclassified subsequently to profit or loss:			
Share of changes in other comprehensive income in an associate		**(10)**	(3)
Other comprehensive loss for the year, net of income tax		**(10)**	(3)
Total comprehensive loss for the year		**(21,733)**	(9,171)
Loss for the year attributable to:			
Owners of the Company		**(21,723)**	(9,168)
Total comprehensive loss attributable to owners of the Company for the year		**(21,733)**	(9,171)
Loss per share			
Basic and diluted (HK cents)	10	**(0.98)**	(0.42)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
ASSETS			
Non-current assets			
Plant and equipment		**96**	93
Interest in an associate		**202,000**	235,483
		202,096	235,576
Current assets			
Trade receivables	*11*	**1,178**	786
Financial assets at fair value through profit or loss		**342**	–
Prepayments, deposits and other receivables		**571**	399
Amounts due from related companies		**118**	62
Tax recoverable		**–**	953
Cash and cash equivalents		**45,001**	96,810
		47,210	99,010
Less: Current liabilities			
Other payables and accruals		**604**	731
Contingent consideration payable		**–**	68,745
Tax payable		**566**	–
		1,170	69,476
Net current assets		**46,040**	29,534
Total assets less current liabilities		**248,136**	265,110
Less: Non-current liabilities			
Convertible bond		**66,418**	61,605
Deferred tax liabilities		**3,478**	9,430
		69,896	71,035
Net assets		**178,240**	194,075

	Notes	2014 HK$'000	2013 HK$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	*12*	**22,200**	5,550
Reserves		**156,040**	188,525
Total equity		**178,240**	194,075

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

	Attributable to owners of the Company						
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Other reserve** *HK$'000* *(Note (i))*	**Exchange translation reserve** *HK$'00* *(Note (ii))*	**Convertible bond reserve** *HK$'000* *(Note (iii))*	**Retained profits/ (accumulated losses)** *HK$'000*	**Total equity** *HK$'000*
At 1 April 2012	5,000	29,456	529	–	–	7,699	42,684
Loss for the year	–	–	–	–	–	(9,168)	(9,168)
Other comprehensive loss for the year, net of income tax	–	–	–	(3)	–	–	(3)
Total comprehensive loss for the year	–	–	–	(3)	–	(9,168)	(9,171)
Equity component of First Convertible Bond	–	–	–	–	27,375	–	27,375
Equity component of contingent consideration payable	–	–	30,996	–	–	–	30,996
Deferred tax arising on issue of First Convertible Bond and contingent consideration payable	–	–	(5,165)	–	(4,519)	–	(9,684)
Issue of consideration shares	250	53,500	–	–	–	–	53,750
Issue of ordinary shares	300	59,700	–	–	–	–	60,000
Transaction costs attributable to issue of ordinary shares	–	(1,875)	–	–	–	–	(1,875)
At 31 March 2013 and 1 April 2013	5,550	140,781	26,360	(3)	22,856	(1,469)	194,075
Loss for the year	–	–	–	–	–	(21,723)	(21,723)
Other comprehensive loss for the year, net of income tax	–	–	–	(10)	–	–	(10)
Total comprehensive loss for the year	–	–	–	(10)	–	(21,723)	(21,733)
Issue of bonus shares	16,650	(16,650)	–	–	–	–	–
Cancellation of contingent consideration payable	–	–	(25,831)	–	–	31,729	5,898
As at 31 March 2014	**22,200**	**124,131**	**529**	**(13)**	**22,856**	**8,537**	**178,240**

Notes:

(i) For the year ended 31 March 2013, the amount represented the equity component of the contingent consideration payable. On 10 January 2014, Refulgent Sunrise Limited, the vendor to the acquisition of acquired immune deficiency syndrome ("AIDS") mediation business of the Group, has forfeited all its rights to the convertible bond of principal amounting to HK$100,000,000 as the second milestone of the AIDS medication business could not be completed on or before the agreed date of 31 March 2014 as disclosed in the announcements of the Company dated 24 August 2012 and 5 December 2012. For the year ended 31 March 2014, the amount represented the cancellation of the equity component of the contingent consideration payable after adjusted for the deferred tax.

(ii) The amount represented the share of changes in other comprehensive income in an associate which is the exchange differences relating to the translation of the net assets of the associate's foreign operations from their functional currencies to the associate's presentation currency.

(iii) The amount represented the equity component of the First Convertible Bond issued during the year ended 31 March 2013.

Notes:

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 20 April 2011. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681 KY1-1111, Cayman Islands. The principal place of business is located at Unit A, 23/F, CMA Building, 64-66 Connaught Road Central, Hong Kong.

The Company had its primary listing on GEM of the Stock Exchange on 12 October 2011.

The Company acts as an investment holding company. Details of the principal activities of its subsidiaries are set out in the annual report for the year ended 31 March 2014.

In the opinion of the directors, the ultimate holding company of the Company is Kate Glory Limited, which is incorporated in British Virgin Islands.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company. All values are rounded to the nearest thousand, unless otherwise stated.

2. 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 new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial period beginning 1 April 2013. A summary of the new HKFRSs are set out as below:

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 & HKFRS 12(Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The application of the above new HKFRSs had no material effect on the results and financial positions of the Group reported for the current period and prior years but may affect the accounting for future transactions or arrangements. The impact of the application of the new HKFRSs is discussed below.

Amendments to HKFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*

The Group has applied the amendments to HKFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

(a) recognised financial instruments that are set off in accordance with HKAS 32 *Financial Instruments: Presentation*; and

(b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

As the Group does not have any offsetting arrangements or any master netting agreements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in these consolidated financial statements.

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

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

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

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

Impact of the application of HKFRS 10

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

Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. Some guidance included in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

Impact of the application of HKFRS 11

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

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

Impact of the application of HKFRS 12

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

HKFRS 13 Fair Value Measurement

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

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

HKFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

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

HKAS 19 Employee Benefits (as revised in 2011)

The Group has applied HKAS 19 *Employee Benefits* (as revised in 2011) and the related consequential amendments for the first time.

HKAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net interest' amount under HKAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognised in profit or loss and other comprehensive income in prior years (see the tables below for details). In addition, HKAS 19 (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures. Specific transitional provisions are applicable to first-time application of HKAS 19 (as revised in 2011).

Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012

The Annual Improvements to *HKFRSs 2009 – 2011 Cycle* include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include:

- amendments to HKAS 1 *Presentation of Financial Statements*;
- amendments to HKAS 16 *Property, Plant and Equipment*; and
- amendments to HKAS 32 *Financial Instruments: Presentation*.

HKAS 1 (Amendments)

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

HKAS 16 (Amendments)

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise.

HKAS 32 (Amendments)

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 *Income Taxes*.

Except for the above, the application of these new HKFRSs had no material impact on the Group's consolidated financial performance and positions for the current and prior years. Accordingly, no prior period adjustments had been required.

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

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[5]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[2]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 9	Financial Instruments[4]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014

2 Effective for annual periods beginning on or after 1 July 2014

3 Effective for annual periods beginning on or after 1 January 2016

4 No mandatory effective date yet determined but is available for adoption

5 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described below:

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

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

HKFRS 14 *Regulatory Deferral Accounts*

HKFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous Generally Accepted Accounting Principles ("GAAP") requirements when they adopt HKFRS. However, to enhance comparability with entities that already apply HKFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents HKFRS financial statements is not eligible to apply the standard.

The amendments are effective for annual periods beginning on or after 1 January 2016 with earlier application permitted.

Amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

Amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

Amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

HK (IFRIC) – Int 21 *Levies*

HK (IFRIC) – Int 21 *Levies* addresses the issue of when to recognise a liability to pay a levy. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The Group is in the process of assessing the potential impact of the above new HKFRSs upon initial application but is not yet in a position to state whether the above new HKFRSs will have a significant impact on the Group's and the Company's results of operations and financial position.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and financial liabilities that are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations) issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

4. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performances focuses on corporate finance advisory business. During the years ended 31 March 2014 and 2013, the Group only focuses on corporate finance advisory business and all the assets and major revenue are located and derived in Hong Kong. Accordingly, no segment and geographical analysis is presented.

Information about major clients

Revenue from major clients, each of them amounted to 10% or more of the Group's revenue, are set out below:

	Year ended 31 March	
	2014	2013
	HK$'000	*HK$'000*
Customer A	**3,410**	3,020
Customer B	**1,510**	–
Customer C	**1,200**	–
Customer D	**–**	1,000

5. REVENUE AND OTHER GAINS AND LOSSES

Revenue represents income received from corporate finance advisory services rendered during the years.

Other gains/(losses) received during the years are as follows:

	Year ended 31 March	
	2014	2013
	HK$'000	*HK$'000*
Management fee income	**49**	41
Bank interest income	**1**	1
Sundry income	**106**	70
Unrealised gain on financial assets at FVTPL	**214**	–
Realised loss on financial assets at FVTPL	**(1,578)**	–
	(1,208)	112

6. FINANCE COST

	Year ended 31 March	
	2014	2013
	HK$'000	*HK$'000*
Imputed interest on convertible bond	**4,813**	1,494

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Year ended 31 March	
	2014	2013
	HK$'000	*HK$'000*
Depreciation	**77**	94
Auditors' remuneration	**320**	320
Minimum lease payments under operation leases:		
– Property rental	**815**	658
Employee benefit expenses (including directors' emoluments)		
– Wages, salaries, allowances and bonuses	**5,209**	3,811
– Pension scheme contributions	**192**	143
	5,401	3,954

8. INCOME TAX

Hong Kong profits tax is calculated at the rate of 16.5% (2013: 16.5%) of the estimated assessable profit arising in Hong Kong during the year.

	Year ended 31 March	
	2014	2013
	HK$'000	*HK$'000*
Current tax	**506**	66
Under-provision in prior year	**1,363**	–
Deferred tax	**(54)**	(254)
	1,815	(188)

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

	Year ended 31 March			
	2014		2013	
	HK$'000	*%*	*HK$'000*	*%*
Loss before tax	**(19,908)**		(9,356)	
Tax expenses at the Hong Kong Profits Tax rate of 16.5%	**(3,285)**	**16.5**	(1,544)	16.5
Tax effect of expenses not deductible for tax purposes	**10,266**	**(51.6)**	1,066	(11.4)
Tax effect of taxable temporary difference not recognised	**(10,594)**	**53.2**	12	(0.1)
Tax effect of tax losses not recognised	**4,065**	**(20.4)**	278	(3.0)
Under-provision in prior year	**1,363**	**(6.8)**	–	–
Tax credit for the year	**1,815**	**(9.1)**	(188)	2.0

9. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend in respect of the year ended 31 March 2014 (2013: Nil).

10. LOSS PER SHARE

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

	Year ended 31 March	
	2014	2013
	HK$'000	*HK$'000*
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	**(21,723)**	(9,168)

	Year ended 31 March	
	2014	2013
	'000	*'000*
Adjusted weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,220,000**	2,174,575

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share for the years ended 31 March 2013 have been adjusted for the effect of the completion of bonus issue on the basis of three bonus shares for every one existing share on 8 May 2013.

During the years ended 31 March 2014 and 2013, the Company's outstanding convertible bond was not included in the calculation of diluted loss per share because the effect of the Company's outstanding convertible bond was anti-dilutive and therefore the diluted loss per share are the same as the basic loss per share.

11. TRADE RECEIVABLES

The Group

The Group's trade receivables arose from corporate finance advisory services rendered during the years ended 31 March 2014 and 2013.

The Group's trading term with its clients is, in general, due upon the issuance of invoices. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables arising from the provision of corporate advisory are non-interest-bearing.

	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**1,178**	1,416
Less: Impairment loss recognised	**–**	(630)
	1,178	786

An aged analysis of trade receivables as at the end of the reporting period, based on the invoice date, net of impairment loss, is as follow:

	2014	2013
	HK$'000	*HK$'000*
Current to 30 days	**152**	328
31 – 60 days	**50**	70
61 – 90 days	**–**	213
Over 91 days	**976**	175
	1,178	786

The credit term is repayable upon the issuance of invoices. Trade receivables disclosed above are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Movements of impairment loss on trade receivables:

	2014	2013
	HK$'000	*HK$'000*
At the beginning of the year	**630**	–
Impairment loss recognised	**–**	630
Amounts written off	**(630)**	–
At the end of the year	**–**	630

For the year ended 31 March 2014, no impairment loss was recognised. For the year ended 31 March 2013, the Group recognised impairment loss of approximately HK$630,000. The individual impaired receivables related to customers that were in financial difficulties and directors assessed that the receivables were not expected to be recovered. The impairment loss has been included in the administrative expenses in the consolidated statement of profit or loss and other comprehensive income. The Group does not hold any collateral of these balances.

An aged analysis of the impaired trade receivables as at the end of the reporting period is as follows:

	2014	2013
	HK$'000	*HK$'000*
Over 365 days	**–**	630

12. SHARE CAPITAL

The movements of share capital of the Company are as follows:

	Notes	**Number of ordinary shares of HK$0.01 each**	**Nominal value of ordinary shares** *HK$*
Authorised:			
Upon incorporation on 20 April 2011, 31 March 2013, 1 April 2013 and 31 March 2014	*(a)*	**20,000,000,000,000**	**200,000,000,000**
Issued and fully paid:			
1 April 2012		500,000,000	5,000,000
Issue of consideration shares	*(b)*	25,000,000	250,000
Issue of shares	*(c)*	30,000,000	300,000
At 31 March 2013 and 1 April 2013		555,000,000	5,550,000
Issue of bonus shares	*(d)*	1,665,000,000	16,650,000
At 31 March 2014		**2,220,000,000**	**22,200,000**

Notes:

(a) Upon incorporation of the Company on 20 April 2011, the authorised share capital was HK$200,000,000,000 divided into 20,000,000,000,000 ordinary shares of HK$0.01 each, of which one fully-paid share of HK$0.01 was allotted and issued to the subscriber to the memorandum of association the Company, and was transferred to Kate Glory on the same date at par value.

(b) On 5 December 2012, 25,000,000 consideration shares of HK$0.01 were issued at a price of HK$2.15 per share in relation to the acquisition of 20% equity interest in Revenue Synthesis Limited. A share premium of approximately HK$53,500,000 had credited to share premium account.

(c) On 13 March 2013, 30,000,000 shares of HK$0.01 were issued at a price of HK$2.00 per share. A share premium of approximately HK$59,700,000 had credited to share premium account. The gross proceeds of approximately HK$60,000,000 are intended to be used for as general working capital of the Company.

(d) On 8 May 2013, 1,665,000,000 bonus shares were issued at a price of HK$0.01 per share. Share capital of approximately HK$16,650,000 had credited as fully paid by way of capitalisation of an amount in the share premium account of the Company.

FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the year ended 31 March 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC. The Group continues seeking to position itself as one of the active local corporate finance advisory service providers in Hong Kong. The Group provides a broad range of corporate finance advisory services to its clients, including:

(i) advising on the Listing Rules, the GEM Listing Rules and Takeovers Code;

(ii) acting as independent financial adviser to transactions of listed issuers falling under the Listing Rules, the GEM Listing Rules and the Takeovers Code;

(iii) advising on M&A activities and other corporate activities; and

(iv) advising on corporate resumption.

During the Financial Year, despite the strong rallies of US and European markets, the Hong Kong market underperformed due to the uncertainties on the Mainland's economic outlook and credit conditions. Given the weak local market situation, the Group, continued to focus on the provision of corporate finance advisory services to its clients, meanwhile, actively explore business opportunities to diversify business and financial risk as well as broaden the sources of income of the Group.

In order to maintain competitiveness of the Group against competitors in such volatile capital market, the Group had invested much effort on marketing and promotion activities to facilitate new client referrals and client retention. The Group recorded revenue of approximately HK$10.40 million for the year ended 31 March 2014 (2013: HK$8.53 million), representing an increase of approximately 22.0% when compared to the corresponding period in 2013.

Investment in an associate relating to AIDS medication business

Following the acquisition of 20% equity interest in Revenue Synthesis Limited relating to AIDS medication business in December 2012, on 9 May 2013, Mysteriously Time Investments Limited (a wholly-owned subsidiary of the Company), Mr. Tsang Yan, Refulgent Sunrise Limited and Revenue Synthesis Limited entered into an acquisition and subscription agreement in relation to the acquisition and subscription of additional approximately 5% of the enlarged share capital in Revenue Synthesis Limited at a cash consideration of HK$48 million. The acquisition and subscription was completed on 13 June 2013. Following the completion, the Group is currently interested in approximately 25% equity interests in Revenue Synthesis Limited. Details were disclosed in the announcements of the Company dated 9 May 2013 and 13 June 2013.

On 8 July 2013, the Company, Revenue Synthesis Limited and 北京世紀康醫藥科技有限公司 entered into an exclusive agreement (the "Exclusive Agreement") to grant the Company a worldwide exclusive right, for 3 years from the signing of the Exclusive Agreement, to act as either distributor or management consultant for the marketing, distribution and sale of the health supplement, AIDS medication capsule and other related medical and pharmaceutical products and, in return, the Company will resell the products as distributor or Revenue Synthesis Limited shall pay the Company a management fee at a rate to be fixed by formal agreements as management consultant. As at the date of this report, no fixed formal agreement has been entered.

On 17 October 2013, the Company established a medical committee which comprises three reputable medical and pharmaceutical experts in the PRC, namely Academician Zeng Yi, Professor Li Zelin and Professor Liu Shuwen to assist and consult the Company on the AIDS medication business.

On 10 January 2014, the Company was informed by a notice (the "Notice") delivered by Refulgent Sunrise Limited, the vendor to the acquisition of AIDS medication business and a substantial shareholder of the Company, that Refulgent Sunrise Limited has forfeited all its rights to the remaining consideration to the acquisition, which is the second tranche convertible bonds in the principal amount of HK$100,000,000 with immediate effect as the vendor expects that the whole process of phaseIIb of the clinical trials of the AIDS medication capsule would be delayed as additional time is required for preparation to launch the phaseIIb of the clinical trials. As such, its was expected that the second milestone could not be completed on or before the agreed date of 31 March 2014.

With the establishment of the medical committee and after due and careful monitoring by the Company, the Directors are of the view that the current progress of the AIDS medication business is satisfactory and are confident that the AIDS medication business would create value to the shareholders of the Company in future.

The Board is of the view that the AIDS medication business is in line with one of the business strategies of the Group which is to seek investment in high-return projects. The Board considers that the AIDS medication business will diversify the Group's business and in the best interests of the shareholders of the Company as a whole.

The Company's Directors and management will continue to dedicate their best effort to lead the Group to strive for the best interests for its shareholders.

FINANCIAL REVIEW

Revenue

For the Financial Year, revenue of the Group increased by approximately 22.0% to approximately HK$10.40 million from approximately HK$8.53 million last year. Such increase was mainly due to the continuous effort of the Company both in terms of marketing and quality of service for new client exploration and existing client retention.

Administrative and other operating expenses

The Group's administrative and operating expenses for the Financial Year increased by approximately 5.00% to approximately HK$11.56 million compared to approximately HK$11.01 million last year. The increase was mainly due to the increase in staff cost by approximately 36.7% to approximately HK$5.40 million compared with approximately HK$3.95 million in last year to cope with expansion of the Group and partially net-off by the decrease in legal and professional fees of approximately 26.7% to approximately HK$2.20 million in 2014 as compared with approximately HK$3.00 million in 2013.

Loss for the Financial Year attributable to owners of the Company

The Group recorded audited loss attributable to owners of the Company for the year ended 31 March 2014 of approximately HK$21.72 million as compared to audited loss attributable to owners of the Company of approximately HK$9.17 million last year. Such loss was mainly due to (i) share of loss arising from an approximately 25% owned associate of the Company, namely Revenue Synthesis Limited, of approximately HK$15.39 million as a result of the completion of acquisition of additional approximately 5% equity interest in Revenue Synthesis Limited in June 2013 and to reflect the effect of share of loss of the associate of the Company for a full financial year; (ii) imputed interest incurred in connection with the convertible bonds issued by the Company in relation to the acquisition of 20% of Revenue Synthesis Limited in December 2012 of approximately HK$4.81 million to reflect the effect of the imputed interest for a full financial year; (iii) the recognition of net loss (2013: Nil) on financial assets at fair value through profit or loss of approximately HK$1.36 million which was incurred due to the settlement of professional fees from the Company's certain listed clients by means of issue and allotment of shares; (iv) net loss on cancellation of contingent consideration payable of approximately HK$1.83 million arising from the forfeiture of second tranche convertible bonds from Refulgent Sunrise Limited in January 2014 due to the anticipated delay in schedule of phase IIb clinical trial of AIDS medication capsule; and (v) gain on change in fair value of contingent consideration payable of approximately HK$4.49 million which partially net-off the effect. **The Board wishes to emphasis that items (i), (ii) and (iv) of the abovementioned losses of approximately HK$22.03 million are non-cash in nature and have no cash flow impact to the Group. The Group remains in a healthy and solid financial condition. For illustrative purposes only, excluding these non-cash losses, the operating loss of the Group for the year ended 31 March 2014 was only approximately HK$3.00 million.**

Liquidity and financial resources

During the Financial Year, the Group mainly financed its operations with its own working capital.

As at 31 March 2014, the Group had net current assets of approximately HK$46.04 million (2013: approximately HK$29.53 million). The Group had cash and bank balances of approximately HK$45.00 million (2013: approximately HK$96.81 million). Current ratio as at 31 March 2014 was approximately 40.35 (2013: 1.43). Such improvement in current ratio was mainly attributable to the cancellation of contingent consideration payable of approximately HK$68.75 million upon receipt by the Company a notice from Refulgent Sunrise Limited to release the Company's payment obligation to issue the second tranche convertible bonds to Refulgent Sunrise Limited due to the expected delay in schedule of phaseIIb of the clinical trials of the AIDS medication capsule. Details were disclosed in the announcement of the Company dated 10 January 2014.

The Group's gearing ratios as at 31 March 2014 was 37.26% (2013: 67.16%). Gearing ratio is calculated by dividing total net debt with the total equity.

Throughout the Financial Year, the Group had minimal exposure in foreign currency risk as most of the business transactions, assets and liabilities were denominated in Hong Kong dollars. The Group will continue to monitor its foreign currency exposure closely.

CAPITAL COMMITMENTS

As at 31 March 2014, the Group did not have any significant capital commitments (31 March 2013: Nil).

CAPITAL STRUCTURE

As at 31 March 2014, the issued share capital of the Company was HK$22,200,000 divided into 2,220,000,000 shares.

SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries and the approximately 25% equity interest in Revenue Synthesis Limited relating to AIDS medication business, during the Financial Year, the Group did not hold any significant investment in equity interest in any company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Company's prospectus dated 28 September 2011 (the "Prospectus") and as refer to the announcements of the Company dated 7 April 2014 and 22 May 2014 in connetion with the Possible VSA, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Financial Year, the Group acquired approximately 5% equity interests in Revenue Synthesis Limited at a cash consideration of HK$48 million. Save as disclosed above, Group had no other material acquisitions and disposal of subsidiaries and affiliated companies during the Financial Year.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2014 (31 March 2013: Nil).

OUTLOOK

The Company will continue to pursue its core business, the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong and the PRC, and to strengthen it by enhancing technical competence, expanding the alliance network, improving public awareness, expanding the pre-initial public offering ("Pre-IPO") fundraising business for non-listed companies. The Group will also continue to try to retain its existing clients by offering outstanding and competitive services and to obtain more new engagements from broadening of the client base, while maintaining its existing cost-effective business structure to stay competitive in the industry.

The Board is of the view that the AIDS medication business in line with one of the business strategies of the Group as stated in the Prospectus which is to seek investment in high-return projects. The Board is believes that Chinese herbs, in general, are milder, have fewer side effects and are affordable to patients and the growing potential of the China's herbal medicine market for treating AIDS with few competitors, the AIDS medication business represents an important milestone to the Group given the huge market potential in the AIDS medication industry.

References are made to the announcements of the Company dated 22 May 2014 and 7 April 2014, we have entered into sale and purchase agreements with respective vendors in relation to the acquisition of the equity interests in a target company on 4 April 2014 which may constitute a very substantial acquisition to the Company. However, as recent developments have occurred that may result in possible material alterations to the form and substance of the Possible VSA and therefore active negotiations remain continue. We are confident that if the Possible VSA could be materialized would definitely deliver significant positive impact to the Group's financial performance as well as maximize wealth to all shareholders of the Company. We will keep our shareholders updated of any progress on the Possible VSA as and where appropriate from time to time. The Group will continue to study feasible projects with good potential returns to contribute a maximum wealth to the Company's shareholders.

The Company's Directors and management will continue to dedicate their best effort to lead the Group to strive for the best interests for its shareholders.

FOREIGN EXCHANGE EXPOSURE

The Group continues to adopt a conservative treasury policy with all bank deposits being kept in either Hong Kong dollars, keeping a minimum exposure to foreign exchange risks.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

PLEDGE OF ASSETS

As at 31 March 2014, the Group did not pledge any of its assets (2013: Nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2014, the Group had 19 full-time employees (2013: 16), including the Directors. Total staff cost (including Directors' emoluments) were approximately HK$5.40 million for the Financial Year as compared to approximately HK$3.95 million in last year. Remuneration is determined with reference to market terms, performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical benefit to its employees in Hong Kong. In addition, the Group adopted a share option scheme for eligible employees (including Directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from 1 April 2013 to 31 March 2014 is set out below:

Business objectives for the period from 1 April 2013 to 31 March 2014 as stated in the Prospectus	Actual business progress up to 31 March 2014
1. Enhancement of technical competence	
➤ Provide regular training to staff	➤ The Group had provided regular in-house and external training to staff on a monthly basis
2. Expansion of the alliance network	
➤ Continue the marketing campaign	➤ The Group's marketing team co-operate with its professional PR firm to promote the Group. In addition, the Group has been posting advertisement regularly on a magazine, namely "The Rail Monthly" (直通車) to promote the Group both in Hong Kong and in the PRC.
➤ Continue to form additional strategic partner alliances in Hong Kong and the PRC and strengthen the existing partner alliances in Hong Kong and the PRC	➤ The Group had broadened its professional party's network in different industries (including energy sector, gambling sector and insurance sector etc.) to explore business opportunities to facilitate various corporate finance advisory services in those industries.
➤ Review the marketing campaign and make improvement	➤ The Group had broadened the marketing campaign coverage to Taiwan.
3. Improvement of public awareness and brand building	
➤ Implement systematic marketing plans	➤ The Group, together with the professional PR firm had implemented certain systematic marketing plans, inter alia (i) regular posting of advertisement in the "The Rail Monthly" magazine; (ii) organize reporters conference to update the Group's latest business development when and where appropriate; and (iii) participation in several commercial seminars to increase our Group's exposure to public.

4. Provision of a wider range of financial services and engagement in investment

➤ Continue to provide a wide range of business and financial advisory services	➤ The Group had provided regular in-house and external training to its staff to improve quality of service to its clients and potential clients. In addition, the Group had begun to explore business opportunities in the provision of investment immigration advisory service.
➤ Continue to review and evaluate the newly developed business	➤ Following completion of the acquisition of approximately 25% equity interest in Revenue Synthesis Limited which involve in AIDS medication business, the Group had established a medical committee which comprised three reputable medical and pharmaceutical experts in the PRC to assist and consult the Board on the development and status of the AIDS medication business.
➤ Review existing business and financial advisory services and make improvement	➤ Internal progress meeting on the Group's corporate finance advisory services was held weekly to update the progress and/or make improvement on our existing corporate financial advisory projects while monthly meeting was held to update and follow up the progress of the AIDS medication business.

Looking ahead, the Group will continue to streamline its existing business operations and to explore other business opportunities which are in line with the Group's development strategy and will provide long-term benefits to the Company's shareholders.

USE OF PROCEEDS

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 20 April 2011 and became the holding company of the companies now comprising the Group on 21 September 2011. As part of the preparation for listing of the shares of the Company, the Company implemented a capitalisation issue of 379,999,900 shares and an issue of 120,000,000 new shares during placing for listing in October 2011 (the "Placing"). All such shares were ordinary shares and the 120,000,000 new shares were issued at HK$0.30 per share.

The net proceeds from the listing of the Company were approximately HK$30.96 million. During the period from the listing date on 12 October 2011 (the "Listing Date") to 31 March 2014, the net proceeds from the listing were applied as follows:

	Planned use of proceeds as stated in the Prospectus from the Listing Date to 31 March 2014 *HK$ million*	**Actual use of proceeds from the Listing Date to 31 March 2014** *HK$ million*	**Unutilised amount of the planned use of proceeds as stated in the Prospectus from the Listing Date to 31 March 2014** *HK$ million*
Enhancement of technical competence			
– Recruit additional staff	0.30	0.30	–
– Enhance computer system	0.30	0.30	–
Expansion of the alliance network	1.00	1.00	–
Improvement of public awareness and brand building	0.70	0.70	–
Provision of a wider range of financial services and engagement in investment			
– Asset management division	6.00	0.15	5.85
– Equity capital market division	18.46	4.00	14.46
Project investment	2.50	2.50	–
Working capital	1.70	1.70	–
	30.96	10.65	20.31

In view of the current volatile capital market, the Group decided not to invest significantly on the development of asset management and equity capital market divisions and temporarily stayed on the sidelines. Meanwhile, the Group is in the process of studying and exploring on the business direction to carry out type 9 and type 1 regulated activities. As a result, the planned use of proceeds in asset management division and equity capital market division was utilised in minimal amount.

The Directors are not aware of material change to the planned use of proceeds as at the date of this report. Any net proceeds that were not applied immediately were deposited in licensed bank in Hong Kong.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2014, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Company

Name of Director and chief executive	Type of interests	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Ms. Ho Chiu Ha Maisy *(Note 1)*	Beneficial owner	336,000,000	–	15.14%
	Interest of a controlled corporation	100,000,000	140,000,000	10.81%
Mr. Wong Kam Wah *(Note2)*	Interest of a controlled corporation	960,000,000	–	43.24%
Mr. Tsang Yan *(Note 3)*	Interest of a controlled corporation	100,000,000	140,000,000	10.81%
Ms. Man Wing Yee Ginny	Beneficial owner	190,040,000	–	8.56%

Note(s):

1. Ms. Ho Chiu Ha Maisy has a total interest in 576,000,000 shares/underlying shares (representing an aggregate of approximately 25.95% shareholding in the Company), of which (i) 100,000,000 shares were issued and allotted to Refulgent Sunrise Limited, a company owned as to 36% by Ms. Ho Chiu Ha Maisy and it is an approximately 75% shareholder of Revenue Synthesis Limited, an associated corporation of the Company. As a result, Ms. Ho Chiu Ha Maisy is deemed to be interested in the approximately 75% shareholding in Revenue Synthesis Limited and the 100,000,000 shares of the Company through Refulgent Sunrise Limited by virtue of the SFO; (ii) Ms. Ho Chiu Ha Maisy personal held 336,000,000 shares; and (iii) 140,000,000 shares relate to her derivative interests in convertible bonds through her shareholding in Refulgent Sunrise Limited. Details of which are disclosed in "Convertible Bonds" below.

2. These shares are registered in the name of Kate Glory Limited. Mr. Wong Kam Wah is the beneficial owner of 100% of the issued share capital of Kate Glory Limited. By virtue of the SFO, Mr. Wong Kam Wah is deemed to be interested in 960,000,000 shares held by Kate Glory Limited.

3. Mr. Tsang Yan has a total interest in 240,000,000 shares/underlying shares, of which (i) 100,000,000 shares were allotted to Refulgent Sunrise Limited, a company owned as to 64% by Mr. Tsang Yan and it is an approximately 75% shareholder of Revenue Synthesis Limited, an associated corporation of the Company. As a result, Mr. Tsang Yan is deemed to be interested in the approximately 75% shareholding in Revenue Synthesis Limited and the 100,000,000 shares of the Company through Refulgent Sunrise Limited by virtue of the SFO; and (ii) 140,000,000 shares relate to his derivative interests in Convertible Bonds through his shareholding in Refulgent Sunrise Limited. Details of which are disclosed in "Convertible Bonds" below.

Convertible bonds

Name of bondholder	Date of issue	Conversion period	Conversion price per share *HK$*	Outstanding as at the Latest Practicable Date	Number of underlying shares	Approximate percentage of the issued share capital of the Company
Refulgent Sunrise Limited	5 December 2012	5 December 2012 – 4 December 2017	0.625	140,000,000	140,000,000	6.31%

Save as disclosed above, as at 31 March 2014, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 March 2014, so far as was known to the Directors, the following persons/ entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group were as follows:

Long positions in the Company

Name of shareholders	Capacity	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Kate Glory Limited *(Note1)*	Beneficial owner	960,000,000	–	43.24%
Mr. Wong Kam Wah *(Note1)*	Interest of a controlled corporation	960,000,000	–	43.24%
Ms. Man Wing Yee Ginny	Beneficial owner	190,040,000	–	8.56%
Ms. Ho Chiu Ha Maisy *(Note 2)*	Beneficial owner/interest of a controlled corporation	336,000,000	240,000,000	25.95%
Mr. Tsang Yan *(Note 2)*	Interest of a controlled corporation	–	240,000,000	10.81%
Refulgent Sunrise Limited *(Note 2)*	Beneficial owner	100,000,000	140,000,000	10.81%

Note:

1) Kate Glory Limited is an investment holding company incorporated in the British Virgin Islands ("BVI") with limited liability, its entire issued share capital is wholly and beneficially owned by Mr. Wong Kam Wah.

2) Refulgent Sunrise Limited is a company incorporated in BVI with limited liabilities and is owned as to 64% by Mr. Tsang Yan and 36% by Ms. Ho Chiu Ha Maisy. As a result, Ms. Ho Chiu Ha Maisy and Mr. Tsang Yan are deemed to be interested in this shareholding through Refulgent Sunrise Limited by virtue of the SFO. Ms. Ho Chiu Ha Maisy personally held 336,000,000 shares. Mr. Tsang Yan personally does not have any interest in shares.

Save as disclosed above, as at 31 March 2014, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests 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 Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

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

Neither the Company, nor any of its subsidiaries, has purchased, redeemed or sold any of the Company's listed shares during the Financial Year.

INTERESTS OF THE JOINT COMPLIANCE ADVISERS

As notified by the joint compliance advisers of the Company, Grand Vinco Capital Limited and Ample Capital Limited (the "Joint Compliance Advisers"), neither the Joint Compliance Advisers nor their directors or employees or associates had any interests in any class of securities of the Company or any other company in the Group (including options or rights to subscribe for such securities) as at 31 March 2014. Pursuant to the agreements dated 28 September 2011 entered into between the Joint Compliance Advisers and the Company, the Joint Compliance Advisers received fees for acting as the Joint Compliance Advisers throughout the year ended 31 March 2014. The agreements expired on 31 March 2014.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the Financial Year, none of the Directors, the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the Financial Year.

CODE OF CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with all the code provisions as set out in Appendix 15 to the GEM Listing Rules throughout the Financial Year.

AUDIT COMMITTEE

As required by Rule 5.28 of the GEM Listing Rules, the Company has established an audit committee with written terms of reference which deal clearly with its authority and duties. The audit committee's principal duties are the review and supervision of the Company's financial reporting process and internal control systems.

Audit committee, currently comprises three independent non-executive Directors, namely Mr. Chiu Chi Kong, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond and one executive Director, namely Mr. Lau Ling Tak, has been established to make recommendation to the Board on the Company's policy. Mr. Yau Yan Ming Raymond is the chairman of the audit committee.

The annual results of the Group for the Financial Year have been reviewed by the audit committee. The audit committee considered that the relevant financial statements have been prepared in compliance with the applicable accounting principles and requirements of the Stock Exchange and disclosures have been fully made.

During the Financial Year, the audit committee held eight meetings and performed duties including reviewing the Group's annual report, half-yearly report and quarterly reports.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT, ANNUAL REPORT AND CIRCULAR

This annual results announcement is published on the GEM websites (www.hkgem.com) and on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website (www.chanceton.com). The 2013/2014 annual report of the Company and a circular containing the notice of annual general meeting of the Company will be dispatched to shareholders of the Company and published on the above websites in due course.

By Order of the Board
Chanceton Financial Group Limited
Wong Kam Wah
Chief Executive officer and Executive Director

Hong Kong, 27 June 2014

As at the date of this announcement, the Company's executive Directors are Ms. Ho Chiu Ha Maisy (Chairman), Mr. Wong Kam Wah, Mr. Tsang Yan, Mr. Lau Ling Tak, Ms. Man Wing Yee Ginny and Mr. Leung Man Kit, and the independent non-executive Directors are Mr. Chiu Chi Kong, Mr. William Robert Majcher and Mr. Yau Yan Ming Raymond.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website (www.hkgem.com) and on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website (www.chanceton.com).