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 2016

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 2016 amounted to approximately HK$141.15 million, representing an increase of approximately 16.28 times as compared with last year.

- Audited profit attributable to owners of the Company for the year ended 31 March 2016 of approximately HK$18.49 million as compared to audited loss attributable to owners of the Company of approximately HK$41.73 million last year. Such profit was mainly attributable to (i) the contribution of net profit from the Company's dry bulk shipping business of approximately HK$19.88 million for the year ended 31 March 2016; (ii) increase in profit from the Company's corporate finance advisory business of approximately 6.64 million; (iii) gain on fair value changes in contingent consideration payables in connection with the acquisition of Ture Yield Limited of approximately HK$38.91 million; (iv) share of loss arising from an approximately 25% owned associate of the Company, namely Revenue Synthesis Limited, of approximately HK$22.66 million which partially net-off the gain; (v) imputed interest incurred in connection with the convertible bond issued by the Company of approximately HK$5.59 million which partially net-off the gain; and (vi) loss on fair value changes in available-for-sale financial assets and financial assets at fair value through profit or loss of approximately 15.70 million relating to the acquisition of 20% equity interest in Bao Sheng Ventures Limited and unlisted share options received by the Group from its client which partially net-off the gain. For illustrative purpose only, if excluding the financial effect on the above-mentioned non-cash items, the Group would have recorded an operating profit of approximately HK$23.53 million for the year ended 31 March 2016.

- **The Board wishes to emphasis that items (iii) to (vi) of the above-mentioned 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, if excluding the financial effect on the above-mentioned non-cash items, the Group would have recorded an operating profit of approximately HK$23.53 million for the year ended 31 March 2016.

- The Board does not recommend the payment of a dividend for the year ended 31 March 2016.

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 2016 (the "**Financial Year**"), together with the audited comparative figures for the corresponding period in 2015, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Revenue	5	**141,151**	8,666
Cost of operations		**(96,530)**	–
Gross profit		**44,621**	8,666
Other gains and losses	5	**(7,059)**	1,020
Administrative and operating expenses		**(16,660)**	(13,546)
Impairment loss recognised in respect of available-for-sale financial assets		**(8,000)**	(11,000)
Impairment loss recognised in respect of trade receivables		**(320)**	(405)
Change in fair value of contingent consideration payables		**38,909**	–
Finance cost	6	**(5,594)**	(5,179)
Share of result of an associate		**(22,657)**	(21,972)
Profit/(loss) before tax	7	**23,240**	(42,416)
Income tax	8	**(4,749)**	689
Profit/(loss) for the year		**18,491**	(41,727)
Other comprehensive income/(loss)			
Item that may be reclassified subsequently to profit or loss:			
Share of changes in other comprehensive income/(loss) in an associate		**79**	(2)
Other comprehensive income/(loss) for the year, net of income tax		**79**	(2)
Total comprehensive income/(loss) for the year		**18,570**	(41,729)
Profit/(loss) for the year attributable to:			
Owners of the Company		**18,491**	(41,727)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		**18,570**	(41,729)
Earnings/(loss) per share			
Basic and diluted (HK cents)	10	**0.83**	(1.88)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**221**	33
Goodwill		**237,948**	–
Interest in an associate		**157,448**	180,026
Available-for-sale financial assets		**2,000**	10,000
		397,617	190,059
Current assets			
Trade receivables	*11*	**2,547**	945
Financial assets at fair value through profit or loss		**381**	2,534
Prepayments, deposits and other receivables		**22,913**	531
Promissory note receivable		**3,000**	–
Amount due from a related company		**72**	52
Tax recoverable		**–**	304
Cash and cash equivalents		**15,531**	19,042
		44,444	23,408
Less: Current liabilities			
Other payables and accruals		**1,779**	781
Tax payable		**5,346**	–
		7,125	781
Net current assets		**37,319**	22,627
Total assets less current liabilities		**434,936**	212,686
Less: Non-current liabilities			
Convertible bond		**77,191**	71,597
Contingent consideration payables		**178,609**	–
Deferred tax liabilities		**1,701**	2,624
		257,501	74,221
Net assets		**177,435**	138,465
EQUITY			
Equity attributable to owners of the Company			
Share capital	*12*	**22,600**	22,200
Reserves		**154,835**	116,265
Total equity		**177,435**	138,465

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Attributable to owners of the Company							
	Share capital	**Share premium**	**Other reserve**	**Exchange translation reserve**	**Convertible bond reserve**	**Share option reserve**	**Retained profits/ (accumulated losses)**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(Note (i))	*(Note (ii))*	*(Note (iii))*	*(Note (iv))*		
At 1 April 2014	22,200	124,131	529	(13)	22,856	–	8,537	178,240
Loss for the year	–	–	–	–	–	–	(41,727)	(41,727)
Other comprehensive loss for the year, net of income tax	–	–	–	(2)	–	–	–	(2)
Total comprehensive loss for the year	–	–	–	(2)	–	–	(41,727)	(41,729)
Recognition of equity-settled share-based payments	–	–	–	–	–	1,954	–	1,954
At 31 March 2015 and 1 April 2015	22,200	124,131	529	(15)	22,856	1,954	(33,190)	138,465
Profit for the year	–	–	–	–	–	–	18,491	18,491
Other comprehensive income for the year, net of tax	–	–	–	79	–	–	–	79
Total comprehensive income for the year	–	–	–	79	–	–	18,491	18,570
Issue of consideration shares	400	20,000	–	–	–	–	–	20,400
As at 31 March 2016	**22,600**	**144,131**	**529**	**64**	**22,856**	**1,954**	**(14,699)**	**177,435**

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$10,000,000 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.

(iv) The amount represented the equity-settled share-based payments recognised during the year ended 31 March 2015.

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 has been changed to Room 801B, 8/F., Tsim Sha Tsui Centre, No.66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong with effect from 15 December 2015.

The Company had its primary listing on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 12 October 2011.

The Company acts as an investment holding company.

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 (HK$'000), 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 and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accounts (the "HKICPA"), which are effective for the Group's financial year beginning on 1 April 2015. A summary of the new and revised HKFRSs are set out as below:

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contributions

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

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

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[2]
HKFRS 9	Financial Instruments[2]
HKFRS 10 and HKAS 28 (Amendments)	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception[1]
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operation[1]
HKFRS 14	Regulatory Deferral Accounts[3]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[5]
HKAS 1 (Amendments)	Disclosure Initiative[1]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[1]

[1] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2018, with earlier application permitted.

[3] Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group.

[4] No mandatory effective date is determined but is available for early adoption.

[5] Effective for annual periods beginning on or after 1 January 2019.

Amendments to Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 *Disclosure – Offsetting Financial Assets and Financial Liabilities* issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 *Interim Financial Reporting*.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in July 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a fair value through other comprehensive income ("FVTOCI") measurement category for certain simple debt instruments.

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, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised; and

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of nonfinancial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018.

The directors anticipate that the adoption of HKFRS 9 in the future may have an impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) *Investment Entities: Applying the Consolidation Exception*

The amendments to HKFRS 10, HKFRS 12 and HKAS 28 clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The directors do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to HKFRS 10 and HKAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 11 *Accounting for Acquisition of Interests in Joint Operation*

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group's consolidated financial statements.

HKFRS 14 *Regulatory Deferral Accounts*

HKFRS 14 Regulatory Deferral Accounts, describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with IFRS/HKFRS 14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate regulated goods or services.

The amendments to HKFRS 14 apply prospectively for annual periods beginning on or after 1 January 2016. The directors do not anticipate that the application of HKFRS 14 will have a material impact on the Group's consolidated financial statements.

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 *Leases*

HKFRS 16 supersedes HKAS 17 *Leases*, HK(IFRIC) – Int 4 *Determining whether an Arrangement contain a Lease*, HK(SIC) – Int 15 *Operating Lease – Incentives* and HK(SIC) – Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17 *Leases*. Under HKFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities. There are some exemptions. HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, including the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer). HKFRS 16 substantially carries forward the lessor's accounting requirements in HKAS 17.

Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. In classifying a sublease, an intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows:

(a) if the head lease is a short-term lease that the entity, as a lessee, the sublease shall be reclassified as an operating lease; (b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components. The Company is in the process of making an assessment of the potential impact of application of HKFRS 16, the directors consider that it is not practicable to provide a reasonable estimate of the effect of the adoption of HKFRS 16 until the Company performs a detailed review.

The directors do not anticipate that the application of these amendments to HKFRS 16 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments to HKAS 1 give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors do not anticipate that the application of these amendments to HKAS 1 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or

(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

The directors do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 *Equity Method in Separate Financial Statements*

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

– At cost;

– In accordance with HKFRS 9 *Financial Instruments* (or HKAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted HKFRS 9); or

– Using the equity method as described in HKAS 28 *Investments in Associates and Joint Ventures*.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 *Consolidated Financial Statements* and to HKFRS 1 *First time Adoption of Hong Kong Financial Reporting Standards*.

The directors do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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 ("Listing Rules") on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance ("CO").

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

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

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

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

4. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performances focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable and operating segments under HKFRS 8 are as follows:

- corporate finance advisory service

- dry bulk shipping

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Corporate finance advisory service		**Dry bulk shipping**		**Consolidated**	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	**17,823**	8,666	**123,328**	–	**141,151**	8,666
Segment results	**11,612**	3,389	**23,965**	–	**35,577**	3,389
Unallocated corporate expenses					**(14,999)**	(8,626)
Unallocated corporate income					**4**	972
Impairment loss recognised in respect of available-for-sale financial assets					**(8,000)**	(11,000)
Change in fair value of contingent consideration payables					**38,909**	–
Share of result of an associate					**(22,657)**	(21,972)
Finance cost					**(5,594)**	(5,179)
Profit/(loss) before tax					**23,240**	(42,416)
Income tax					**(4,749)**	689
Profit/(loss) for the year					**18,491**	(41,727)

Revenue reported was generated from external customers. There were no inter-segment sales for the year (2015: Nil).

Segment results represent the profit earned/(loss incurred) by each segment without allocation of other gains and losses, impairment loss recognised in respect of available-for-sale financial assets, change in fair value of contingent consideration payables, share of result of an associate, finance cost and income tax. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Segment assets and liabilities

	Corporate finance advisory service		Dry bulk shipping		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**7,722**	3,710	**264,186**	–	**271,908**	3,710
Unallocated assets					**170,153**	209,757
Consolidated total assets					**442,061**	213,467
Segment liabilities	**1,438**	130	**4,781**	–	**6,219**	130
Unallocated liabilities					**258,407**	74,872
Consolidated total liabilities					**264,626**	75,002

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

- all assets are allocated to reportable segments other than corporate financial assets, interest in an associate, available-for-sale financial assets and promissory note receivable; and
- all liabilities are allocated to reportable segments other than convertible bond, contingent consideration payables and other corporate financial liabilities.

Other segment information

	Corporate finance advisory service		Dry bulk shipping		Unallocated		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information								
Depreciation of property, plant and equipment	**(25)**	(63)	**(12)**	–	**–**	–	**(37)**	(63)
Impairment loss recognised in respect of available-for-sale financial assets	**–**	–	**–**	–	**(8,000)**	(11,000)	**(8,000)**	(11,000)
Impairment loss recognised in respect of trade receivables	**(320)**	(405)	**–**	–	**–**	–	**(320)**	(405)
Change in fair value of contingent consideration payables	**–**	–	**–**	–	**38,909**	–	**38,909**	–
Gain on disposal of property, plant and equipment	**11**	–	**–**	–	**–**	–	**11**	–
Gain on disposal of financial assets at fair value through profit or loss	**2,805**	1,909	**–**	–	**–**	–	**2,805**	1,909
Share of result of an associate	**–**	–	**–**	–	**(22,657)**	(21,972)	**(22,657)**	(21,972)
Additions to non-current assets*	**13**	–	**238,160**	–	**–**	–	**238,173**	–

* The amount represents additions to property, plant and equipment, goodwill for the years ended 31 March 2016 and 2015.

Information about major customers

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

	Year ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
Customer A	**52,100**	–
Customer B *(Note)*	**N/A**	3,307
Customer C *(Note)*	**N/A**	2,150

Note: The customer contributed less than 10% of the total revenue of the Group during the year.

Geographical information

The Group's operations are located in Hong Kong and Overseas.

For the year ended 31 March 2016, all of the Group's revenue is derived from Hong Kong and Overseas. For the year ended 31 March 2015, the entire Group's revenue is derived from Hong Kong.

The revenues generated from corporate financial advisory service is mainly in Hong Kong and provision of dry bulk shipping business services are classified into international shipping. For the geographical information, freight revenues from dry bulk shipping are analysed based on the destination of the ports at different geographical territories.

	Revenue	
	2016	2015
	HK$'000	*HK$'000*
Hong Kong	**17,823**	8,666
Overseas:		
– Asia Pacific	**3,514**	–
– Europe	**67,714**	–
– Southwest Asia	**52,100**	–
	141,151	8,666

The following is an analysis of the carrying amount of segment assets analysed by the geographical area in which the assets are located:

	Non-current assets	
	2016	2015
	HK$'000	*HK$'000*
The PRC	**157,448**	180,026
Hong Kong	**240,169**	10,033
	397,617	190,059

5. REVENUE AND OTHER GAINS AND LOSSES

Revenue represents income received from dry bulk shipping and related business and corporate finance advisory services rendered during the year.

An analysis of the revenue of the Group by principal activities is as follows:

	Year ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
Corporate finance advisory service income	**17,823**	8,666
Dry bulk shipping business income	**123,328**	–
	141,151	8,666

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

	Year ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
Management fee income	**–**	52
Interest income from a promissory note	**599**	–
Gain on disposal of property, plant and equipment	**11**	–
Sundry income	**26**	139
Fair value change in financial assets at FVTPL:		
– Unrealised (loss)/gain on financial assets at fair value through profit or loss	**(7,500)**	693
– Realised (loss)/gain on financial assets at fair value through profit or loss	**(195)**	136
	(7,059)	1,020

6. FINANCE COST

	Year ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
Imputed interest on convertible bond	**5,594**	5,179

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	Year ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
Employee benefit expenses (including directors' and chief executive officer's emoluments)		
– Wages, salaries, allowance and bonus	**7,849**	6,192
– Contribution to retirement benefits schemes	**211**	197
	8,060	6,389
Depreciation of property, plant and equipment	**37**	63
Auditors' remuneration	**500**	400
Minimum lease payments under operation leases		
– Property rental	**606**	867
Equity-settled share-based payments expense	**–**	1,954

8. INCOME TAX

Hong Kong profits tax is calculated at the rate of 16.5% (2015: 16.5%) of the estimated assessable profit arising in Hong Kong during the year.

	Year ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
Current tax – Hong Kong	**5,672**	165
Deferred tax	**(923)**	(854)
	4,749	(689)

9. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend in respect of the year ended 31 March 2016 (2015: Nil).

10. EARNINGS/(LOSS) PER SHARE

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

	Year ended 31 March	
	2016	2015
	HK$'000	*HK$'000*
Profit/(loss) attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**18,491**	(41,727)

	Year ended 31 March	
	2016	2015
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	**2,240,603**	2,220,000

During the years ended 31 March 2016 and 2015, the Company's outstanding convertible bond and share options were not included in the calculation of diluted earnings/(loss) per share because the effect of the Company's outstanding convertible bond and share options were anti-dilutive and therefore the diluted earnings/(loss) per share are the same as the basic (earnings)/loss per share.

11. TRADE RECEIVABLES

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.

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**2,867**	1,350
Less: Impairment loss recognised	**(320)**	(405)
	2,547	945

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

	2016	2015
	HK$'000	*HK$'000*
Current to 30 days	**680**	145
31 – 60 days	**190**	160
61 – 90 days	**350**	80
Over 91 days	**1,327**	560
	2,547	945

The following is an aging analysis of the trade receivables which are past due but not impaired:

	2016	2015
	HK$'000	*HK$'000*
Current to 30 days	**680**	145
31 – 60 days	**190**	160
61 – 90 days	**350**	80
Over 91 days	**1,327**	560
	2,547	945

For the past due but not impaired trade receivables, although no collateral is held, the Group has assessed the credit worthiness, past payment history and substantial settlement after the reporting date, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. The Group seeks to maintain strict control over its outstanding trade receivables. Overdue balances are reviewed regularly by the management.

Movements of impairment loss on trade receivables:

	2016	2015
	HK$'000	*HK$'000*
As at 1 April	**405**	–
Impairment loss recognised on trade receivables	**320**	405
As at 31 March	**725**	405

Impairment loss recognised in respect of trade receivables are individually impaired trade receivables with balance of approximately HK$320,000 (2015: HK$405,000). 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 impaired trade receivables are overdue more than 91 days.

12. SHARE CAPITAL

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

	Number of shares		**Share Capital**	
	2016	2015	**2016**	2015
	'000	*'000*	***HK'000***	*HK'000*
Ordinary shares of HK$0.01 each				
Authorised:				
Balance at the beginning and at the end of the year *(Note (a))*	**20,000,000,000**	20,000,000,000	**200,000,000**	200,000,000
Issued and fully paid:				
Balance at the beginning of the year	**2,220,000**	2,220,000	**22,200**	22,200
Issue of consideration shares *(Note (b))*	**40,000**	–	**400**	–
Balance at the end of the year	**2,260,000**	2,220,000	**22,600**	22,200

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 25 September 2015, 40,000,000 consideration shares were issued at market price of HK$0.51 per share in relation to part of the consideration for the acquisition of Ture Yield Limited and its subsidiaries.

FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the year ended 31 March 2016 (2015: 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 and provision of dry bulk shipping services.

Corporate finance advisory services

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 Hong Kong market underperformed due to the uncertainties on the Mainland's economic outlook and credit conditions, the Group, continued to focus on the provision of corporate finance advisory services to its clients.

The Group recorded revenue from corporate finance advisory segment of approximately HK$17.82 million for the year ended 31 March 2016 (2015: HK$8.67 million), representing an increase of approximately 105.54% when compared to the corresponding period in 2015. Such increase was mainly attributable to our continuous effort to maintain and update our professional knowledge to keep in pace with the ever changing regulatory environment in Hong Kong. Our corporate finance advisory services recorded net profit of approximately HK$10.03 million for the year ended 31 March 2016 as compared to a net profit of approximately HK$3.39 million for the year ended 31 March 2015, representing an increase of approximately 2.96 times over last year.

Dry bulk shipping services

On 2 September 2015, the Company entered into the Sale and Purchase Agreement with the Vendor pursuant to which the Vendor has conditionally agreed to sell and transfer, and the Company has conditionally agreed to acquire and accept, the entire issued share capital of Ture Yield Limited, at the maximum consideration of HK$240 million, which will be satisfied by the issue of consideration shares of a maximum of 444 million new shares to be issued by the Company and, if applicable, the issue of the promissory note. All conditions precedent under the Sale and Purchase Agreement have been fulfilled, and the completion has taken place on 25 September 2015.

Following the completion of the acquisition of Ture Yield Limited in September 2015, the Group commenced engaging in a new business segment of dry bulk shipping business. We operate our dry bulk shipping business by implementing asset-light operation model without owning vessel in order to mitigate business risk and avoid incurring substantial capital expenditures at the beginning stage of our new business in view of the continuing challenging and market supply and demand imbalanced market. Under the asset-light operation model, it enables us to consolidate our resources to focus on providing professional and comprehensive shipping service to our customers. With the possession of ample network resources and expertise of our management team in shipping industry, we successfully implemented the asset-light operation model. Since the commencement of our shipping business to the year ended 31 March 2016, revenue contributed from dry bulk shipping business was approximately HK$123.33 million with over 80 clients. The dry bulk shipping business recorded net profit of approximately HK$19.88 million for the year ended 31 March 2016.

Investment in an associate relating to Acquired Immunodeficiency Syndrome ("AIDS") medication business

The Directors are of the view that the current progress of the AIDS medication business is satisfactory and the phase IIb of the clinical trials of the AIDS medication capsule could be completed in late 2016. The Board is confident that the AIDS medication business would create value to the shareholders of the Company (the "Shareholders") in future.

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 16.28 times to approximately HK$141.15 million from approximately HK$8.67 million last year. Such increase was mainly attributable to (i) revenue contributed from our dry bulk shipping business of approximately HK$123.33 million since completion of the acquisition on 25 September 2015. and (ii) increase in revenue from our corporate finance advisory business of approximately HK$9.15 million.

Administrative and other operating expenses

The Group's administrative and operating expenses for the Financial Year increased by approximately 23.03% to approximately HK$16.67 million compared to approximately HK$13.55 million last year. The increase was mainly due to the increase in staff cost by approximately 26.13% to approximately HK$8.06 million compared with approximately HK$6.39 million in last year to cope with expansion of the Group.

Profit for the Financial Year attributable to owners of the Company

The Group recorded audited net profit attributable to owners of the Company for the year ended 31 March 2016 of approximately HK$18.49 million as compared to audited net loss attributable to owners of the Company of approximately HK$41.73 million last year. Such profit was mainly attributable to (i) the contribution of net profit from the Company's dry bulk shipping business of approximately HK$19.88 million for the year ended 31 March 2016; (ii) increase in profit from the Company's corporate finance advisory business of approximately 6.64 million; (iii) gain on fair value changes in contingent consideration payable in connection with the acquisition of Ture Yield Limited of approximately HK$38.91 million; (iv) share of loss arising from an approximately 25% owned associate of the Company, namely Revenue Synthesis Limited, of approximately HK$22.66 million which partially net-off the gain; (v) imputed interest incurred in connection with the convertible bonds issued by the Company of approximately HK$5.59 million which partially net-off the gain; and (vi) loss on fair value changes in available-for-sale financial assets and financial assets at fair value through profit or loss of approximately 15.70 million relating to the acquisition of 20% equity interest in Bao Sheng Ventures Limited and unlisted share options received by the Group from its client which partially net-off the gain. **The Board wishes to emphasise that items (iii) to (vi) of the above-mentioned 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, if excluding the financial effect on the above-mentioned non-cash items, the Group would have recorded an operating profit of approximately HK$23.53 million for the year ended 31 March 2016.

Liquidity and financial resources

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

As at 31 March 2016, the Group had net current assets of approximately HK$37.32 million (2015: approximately HK$22.63 million). The Group had cash and bank balances of approximately HK$15.53 million (2015: approximately HK$19.04 million). Current ratio as at 31 March 2016 was approximately 6.24 (2015: 29.97).

The Group's gearing ratios as at 31 March 2016 was 144.17% (2015: 51.71%). 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 2016, the Group did not have any significant capital commitments (31 March 2015: Nil).

CAPITAL STRUCTURE

As at 31 March 2016, the issued share capital of the Company was HK$22,600,000 divided into 2,260,000,000 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

As at 31 March 2016, the Group did not have any plan for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Financial Year, the Company acquired entire issued share capital of Ture Yield Limited at the maximum consideration of HK$240 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 2016 (31 March 2015: 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 the dry bulk shipping business. For our corporate finance advisory segment, we will continue to enhance our professional knowledge to cope with the rapid changing capital market and regulatory environment in Hong Kong in order to maintain our professionalism in the corporate finance industry. We will continue to increase our exposure and improve our public awareness in the capital market to enhance our client base. For our dry bulk shipping business, we will continue to manage our business under asset-light operation model and we will further broaden our customer base.

The Company will also actively explore other business opportunities to maximize Shareholder's wealth and diversify business risk.

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 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 2016, the Group did not pledge any of its assets (2015: Nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2016, the Group had 28 full-time employees (2015: 17), including the Directors. Total staff cost (including Directors' emoluments) were approximately HK$8.06 million for the Financial Year as compared to approximately HK$6.39 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.

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 2016, 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 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	–	14.87%
	Interest of a controlled corporation	87,062,500	140,000,000	10.05%
Mr. Wong Kam Wah *(Note2)*	Interest of a controlled corporation	140,000,000	–	6.19%
Ms. Man Wing Yee Ginny	Beneficial owner	440,040,000	–	19.47%
Mr. Wang Qiang	Beneficial owner	100,000,000	–	4.42%
Mr. Lau Ling Tak	Beneficial owner	43,937,500	–	1.94%

Note(s):

1. Ms. Ho Chiu Ha Maisy has a total interest in 563,062,500 shares/underlying shares (representing an aggregate of approximately 24.91% shareholding in the Company), of which (i) 87,062,500 shares were held by 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 87,062,500 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. The 140,000,000 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 140,000,000 shares held by Kate Glory Limited.

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	6.19%

Save as disclosed above, as at 31 March 2016, 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 2016, 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 *(Note 1)*	Beneficial owner	140,000,000	–	6.19%
Mr. Wong Kam Wah *(Note 1)*	Interest of controlled corporation/ Beneficial owner	140,000,000	–	6.19%
Ms. Man Wing Yee Ginny	Beneficial owner	440,040,000	–	19.47%
Ms. Ho Chiu Ha Maisy *(Note 2)*	Interest of controlled corporation/ Beneficial owner	423,062,500	140,000,000	24.91%
Refulgent Sunrise Limited *(Note 2)*	Beneficial owner	87,062,500	140,000,000	10.05%
Ms. Li Zhaoxia	Beneficial owner	109,600,000	404,000,000	22.73%
Mr. Zhao Genlong	Beneficial owner	200,000,000	–	8.85%

Notes:

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 36% by Ms. Ho Chiu Ha Maisy. As a result, Ms. Ho Chiu Ha Maisy is 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.

Save as disclosed above, as at 31 March 2016, 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.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge the Directors, the Directors confirm that the Company has maintained the amount of public float as required under the GEM Listing Rules.

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

On 2 September 2015, the Company entered into a sale and purchase agreement with Shining International Limited (the "Vendor") pursuant to which the Vendor has conditionally agreed to sell and transfer, and the Company has conditionally agreed to acquire and accept, the entire issued share capital of Ture Yield Limited, at the maximum consideration of HK$240 million, which will be satisfied by the issue of a maximum of 444 million new shares to be issued by the Company (the "Sale and Purchase Agreement").

On 25 September 2015, there were increases in the issued share capital of the Company through the issuance of 40,000,000 new ordinary shares pursuant to the Sale and Purchase Agreement. The total number of issued share capital of the Company as at 31 March 2016 was 2,260,000,000 ordinary shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Financial Year.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the Financial Year, none of the Directors, the management shareholders of the Company and their respective close 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

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that leads to the success of the Company and balances the interests of its shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

Throughout the Financial Year, the Company had complied with all the code provisions set out in the Appendix 15 Corporate Governance Code and Corporate Governance Report (the "CG Code") of the GEM Listing Rules with the exception of the following deviation:

CODE PROVISION E.1.2

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

DEVIATION

The chairman of the Board, Ms. Ho Chiu Ha Maisy, was unable to attend the annual general meeting of the Company held on 30 September 2015 (the "AGM 2015") as she had other important business engagement. However, Mr. Wong Kam Wah, an executive Director and the then Chief Executive Officer, had chaired the AGM 2015 in accordance with the articles of association of the Company.

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 2015/2016 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
Executive Director

Hong Kong, 29 June 2016

As at the date of this announcement, the Company's executive Directors are Ms. Ho Chiu Ha Maisy (Chairman), Mr. Wong Kam Wah, Mr. Lau Ling Tak, Ms. Man Wing Yee Ginny, Mr. Leung Man Kit and Mr. Wang Qiang, 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).