The following is the text of a report, prepared for the inclusion in this [REDACTED], received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.

[REDACTED]

30 December 2016

The Directors
Miricor Enterprises Holdings Limited
Shenwan Hongyuan Capital (H.K.) Limited

Dear Sirs,

We set out below our report on the financial information of Miricor Enterprises Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") comprising the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for each of the years ended 31 March 2015 and 2016, and the three months ended 30 June 2016 (the "Track Record Period"), and the combined statements of financial position of the Group as at 31 March 2015 and 2016 and 30 June 2016, and together with the notes thereto (the "Financial Information"), and the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity, the combined statement of cash flows for the three months ended 30 June 2015 (the "Interim Comparative Information"), prepared on the basis of presentation set out in note 2.1 of Section II below, for inclusion in the document of the Company dated [REDACTED] (the "Document") in connection with the [REDACTED] of the Shares of the Company on [REDACTED] (the "Stock Exchange").

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 6 July 2016. Pursuant to a group reorganisation (the "Reorganisation") as set out in note 2.1 of Section II below, which was completed on 13 September 2016, the Company became the holding company of the subsidiaries now comprising the Group. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, no statutory financial statements have been prepared for the Company, as it is not subject to statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

As at the date of this report, the Company had direct and indirect interests in the subsidiaries as set out in note 1 of Section II below. All companies now comprising the Group have adopted 31 March as their financial year end date. The statutory financial statements of the companies now comprising the Group have been prepared in accordance with the relevant accounting principles applicable to these companies in the countries/jurisdictions in which they were incorporated and/or established. Details of their statutory auditors during the Track Record Period are set out in note 1 of Section II below.

For the purpose of this report, the directors of the Company (the "Directors") have prepared the combined financial statements of the Group (the "Underlying Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Underlying Financial Statements for each of the years ended 31 March 2015 and 2016 and the three months ended 30 June 2016 were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

Directors' responsibility

The Directors are responsible for the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that give a true and fair view in accordance with HKFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

It is our responsibility to form an independent opinion and a review conclusion on the Financial Information and the Interim Comparative Information, respectively, and to report our opinion and review conclusion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the HKICPA.

We have also performed a review of the Interim Comparative Information in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets and liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the Interim Comparative Information.

Opinion in respect of the Financial Information

In our opinion, for the purpose of this report and on the basis of presentation set out in note 2.1 of Section II below, the Financial Information gives a true and fair view of the financial position of the Group as at 31 March 2015 and 2016 and 30 June 2016, and of the financial performance and cash flows of the Group for the Track Record Period then ended.

Review conclusion in respect of the Interim Comparative Information

Based on our review which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Interim Comparative Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION

Combined statements of profit or loss and other comprehensive income

		Year ended 31 March		Three months ended 30 June	
	Section II Notes	**2015** *HK$'000*	**2016** *HK$'000*	**2015** *HK$'000* (Unaudited)	**2016** *HK$'000*
REVENUE	*6*	74,000	83,352	20,195	23,960
Other income and gain	*6*	771	345	93	29
Cost of inventories and consumables		(7,543)	(8,081)	(1,982)	(2,509)
Staff costs		(28,678)	(29,391)	(6,893)	(7,753)
Property rentals and related expenses		(8,780)	(9,406)	(2,309)	(2,388)
Depreciation		(6,593)	(6,174)	(1,618)	(1,497)
Other expenses		(7,945)	(8,694)	(1,732)	(3,521)
PROFIT BEFORE TAX	*7*	15,232	21,951	5,754	6,321
Income tax expense	*10*	(1,737)	(3,463)	(1,054)	(1,361)
PROFIT FOR THE YEAR/PERIOD AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD ATTRIBUTABLE TO OWNER OF THE COMPANY		13,495	18,488	4,700	4,960

Combined statements of financial position

		31 March		30 June
	Section II Notes	**2015** *HK$'000*	**2016** *HK$'000*	**2016** *HK$'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	17,632	13,628	13,096
Goodwill	*14*	4,305	4,305	4,305
Deposits	*17*	1,034	2,222	2,134
Deferred tax assets	*24*	425	650	695
Total non-current assets		23,396	20,805	20,230
CURRENT ASSETS				
Inventories	*15*	1,289	1,696	1,685
Trade receivables	*16*	1,268	1,190	489
Prepayments, deposits and other receivables	*17*	4,524	3,083	3,328
Due from the ultimate holding company	*18*	5	5	5
Due from related parties	*18*	562	24,518	97
Tax recoverable		1,213	115	113
Pledged time deposits	*19*	3,618	3,449	3,455
Cash and cash equivalents	*19*	32,737	29,251	57,680
Total current assets		45,216	63,307	66,852
CURRENT LIABILITIES				
Trade payables	*20*	466	727	1,088
Other payables and accruals	*21*	2,975	3,384	4,659
Deferred revenue	*22*	51,958	57,388	52,358
Provision for reinstatement costs	*23*	497	433	433
Tax payable		74	1,359	2,897
Total current liabilities		55,970	63,291	61,435
NET CURRENT ASSETS/(LIABILITIES)		(10,754)	16	5,417
TOTAL ASSETS LESS CURRENT LIABILITIES		12,642	20,821	25,647

		31 March		30 June
	Section II Notes	**2015** *HK$'000*	**2016** *HK$'000*	**2016** *HK$'000*
NON-CURRENT LIABILITIES				
Deferred tax liabilities	*24*	708	935	801
Provision for reinstatement costs	*23*	1,074	1,138	1,138
Total non-current liabilities		1,782	2,073	1,939
Net assets		10,860	18,748	23,708
EQUITY				
Issued capital	*25*	—	—	—
Reserves	*26*	10,860	18,748	23,708
Total equity		10,860	18,748	23,708

Combined statements of changes in equity

	Section II Notes	**Issued capital** *HK$'000*	**Merger reserve** *HK$'000 (Note 26)*	**Retained profits** *HK$'000*	**Total equity** *HK$'000*
At 1 April 2014		—	5,000	2,965	7,965
Profit for the year and total comprehensive income for the year		—	—	13,495	13,495
Interim 2015 dividend	*11*	—	—	(10,600)	(10,600)
At 31 March 2015 and 1 April 2015		—	5,000*	5,860*	10,860
Profit for the year and total comprehensive income for the year		—	—	18,488	18,488
Interim 2016 dividend	*11*	—	—	(10,600)	(10,600)
At 31 March 2016 and 1 April 2016		—	5,000*	13,748*	18,748
Profit for the period and total comprehensive income for the period		—	—	4,960	4,960
At 30 June 2016		—	5,000*	18,708*	23,708
(Unaudited)					
At 1 April 2015		—	5,000	5,860	10,860
Profit for the period and total comprehensive income for the period		—	—	4,700	4,700
At 30 June 2015		—	5,000	10,560	15,560

* These reserve accounts comprise the combined reserves of HK$10,860,000, HK$18,748,000 and HK$23,708,000 in the combined statements of financial position as at 31 March 2015 and 2016 and 30 June 2016, respectively.

Combined statements of cash flows

		Year ended 31 March		Three months ended 30 June	
	Section II Notes	**2015** *HK$'000*	**2016** *HK$'000*	**2015** *HK$'000* (Unaudited)	**2016** *HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		15,232	21,951	5,754	6,321
Adjustments for:					
Depreciation	*7*	6,593	6,174	1,618	1,497
Interest income	*6*	(286)	(297)	(82)	(15)
Loss on disposal/write-off of items of property, plant and equipment	*7*	10	9	—	1
		21,549	27,837	7,290	7,804
Decrease/(increase) in inventories		(104)	(407)	(205)	11
Decrease/(increase) in trade receivables		(749)	78	886	701
Decrease/(increase) in prepayments, deposits and other receivables		2,576	253	191	(157)
Increase in trade payables		80	261	255	361
Increase/(decrease) in other payables and accruals		615	409	(568)	1,275
Increase/(decrease) in deferred revenue		14,364	5,430	(4,697)	(5,030)
Decrease/(increase) in amount due from related parties		(355)	(23,956)	(875)	24,421
Decrease/(increase) in pledged time deposits		(2,139)	169	(16)	(6)
Cash generated from operations		35,837	10,074	2,261	29,380
Interest received		286	297	82	15
Hong Kong profits tax paid		(4,101)	(1,078)	—	—
Net cash flows from operating activities		32,022	9,293	2,343	29,395
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment		(15,563)	(2,182)	(2,024)	(966)
Proceeds from disposal of items of property, plant and equipment		1	3	—	—
Net cash flows used in investing activities		(15,562)	(2,179)	(2,024)	(966)

		Year ended 31 March		**Three months ended 30 June**	
	Section II Notes	**2015** *HK$'000*	**2016** *HK$'000*	**2015** *HK$'000* (Unaudited)	**2016** *HK$'000*
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(10,600)	(10,600)	—	—
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,860	(3,486)	319	28,429
Cash and cash equivalents at beginning of year/period		26,877	32,737	32,737	29,251
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		32,737	29,251	33,056	57,680
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances		23,235	19,851	23,415	48,273
Non-pledged time deposits with original maturity of less than three months when acquired		9,502	9,400	9,641	9,407
Cash and cash equivalents as stated in the combined statements of financial position	*19*	32,737	29,251	33,056	57,680

II. NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room 1605, 16th Floor., Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong.

The Company is an investment holding company. During the Track Record Period, the Company's subsidiaries were principally engaged in the provision of medical aesthetic services, and the sale of skin care products in Hong Kong (the "Relevant Business").

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure — Reorganisation" in the [REDACTED]. The Company became the holding company of the subsidiaries now comprising the Group upon completion of the Reorganisation.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies incorporated in Hong Kong (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Company name	Place and date of incorporation and place of business	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Coresmax Group Holdings Limited[1]	British Virgin Islands ("BVI") 6 July 2016	US$1	100	—	Investment holding
Ocean Grand Development Limited[2] 海揚發展有限公司	Hong Kong 24 March 1994	HK$5,000,000	—	100	Provision of management services
G Max Group Limited[2]	Hong Kong 17 July 2009	HK$1	—	100	Provision of management services
Cos Max Limited[2]	Hong Kong 18 February 2005	HK$1	—	100	Sale of skin care products
Cos Max Medical Centre Limited[2]	Hong Kong 2 December 2009	HK$1	—	100	Provision of medical aesthetic services
Cos Max Medical Centre (Central) Limited[2]	Hong Kong 26 February 2014	HK$1	—	100	Provision of medical aesthetic services
CM Technology Development Limited[2]	Hong Kong 1 April 2014	HK$1	—	100	Provision of management services
CMIP Limited[1] 名權有限公司	BVI 10 April 2014	US$1	—	100	Owner of trademarks
Cos Max Academy Limited[3]	Hong Kong 1 April 2015	HK$1	—	100	Provision of management services

1 No audited financial statements have been prepared since incorporation as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

2 The statutory financial statements of these entities for the years ended 31 March 2015 and 31 March 2016, prepared under the Hong Kong Financial Reporting Standard for Private Entities ("HKFRSPE") issued by the HKICPA, were audited by Lui & Mak Certified Public Accountants, certified public accountants registered in Hong Kong.

3 No statutory financial statements have been prepared for the entity since its incorporation.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation as more fully explained in the paragraph headed "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure — Reorganisation" in the [REDACTED], the Company became the holding company of the companies now comprising the Group on 13 September 2016. The Companies now comprising the Group were under the common control of Sunny Bright Group Holdings Limited, the Controlling Shareholder and the ultimate holding company of the Group, before and after the Reorganisation. Accordingly, for the purpose of this report, the Financial Information has been prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Track Record Period.

The combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the Track Record Period and the three months ended 30 June 2015 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries and/or business first came under the common control of the Controlling Shareholder, where this is a shorter period. The combined statements of financial position of the Group as at 31 March 2015 and 2016 and 30 June 2016 have been prepared to present the assets and liabilities of the subsidiaries and/or business using the existing book values from the controlling shareholders' perspective. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

All intra-group transactions and balances have been eliminated on combination.

2.2 BASIS OF PREPARATION

The Financial Information has been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting period commencing from 1 April 2016, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Financial Information throughout the Track Record Period and the period covered by the Interim Comparative Information.

The Financial Information has been prepared under the historical cost convention. The Financial Information is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 15	*Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[3]
Amendments to HKAS 7	*Disclosure Initiative*[1]
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to HKFRS 15	*Clarifications to HKFRS 15*[2]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standards introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group performed a high-level assessment of the impact of the adoption of HKFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1 January 2018. 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 management of the Group is in the process of making an assessment of the potential impact of the application of HKFRS 15 and it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the detailed review is performed by the Group.

HKFRS 16 *Leases* was issued by the HKICPA in May 2016. HKFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. For lessee accounting, the standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. For lessor accounting, the standard substantially carries forward the lessor 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. The Group expects to adopt HKFRS 16 on 1 April 2019. Based on the Group's undiscounted operating lease commitment of HK$12,963,000 as set out in note 29 to the Financial Information, the adoption is expected to have an impact on the financial position and financial performance of the Group and the detailed assessment is still in progress.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of combination

This Financial Information includes the financial statements of the Company and its subsidiaries now comprising the Group for the Track Record Period. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

As explained in note 2.1 of Section II above, the acquisition of subsidiaries under common control has been accounted for using the merger accounting. The acquisition of subsidiaries not under common control is accounted for using the acquisition method as explained below under "Business combinations and goodwill".

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investment in a subsidiary is stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations other than those under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, goodwill and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Track Record Period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

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

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the shorter of the lease terms and 20%
Furniture and fixtures	20%
Treatment devices	20%
Tools and equipment	25%
Office equipment	20%
Motor vehicles	20%
Computer equipment	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Financial assets

Initial recognition and measurement

Financial assets are all classified, at initial recognition, as loans and receivables. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement of loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation and the loss arising from impairment are recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's combined statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each of the Track Record Period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Subsequent measurement of loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs of disposal.

Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the combined statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Track Record Period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the combined statement of profit or loss and other comprehensive income.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the periods of the Track Record Period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the periods of the Track Record Period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the periods of the Track Record Period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the periods of the Track Record Period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the periods of the Track Record Period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

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

(i) from the rendering of services, when the services have been rendered to clients. Receipt in respect of unutilised prepaid packages for which the relevant services have not been rendered are deferred and recognised as deferred revenue in the combined statement of financial position. Any unutilised prepaid packages upon expiry of the service period are fully recognised in profit or loss;

(ii) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the clients, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(iii) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Employee benefits

Retirement benefit scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Dividends

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and article of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currency transactions

The Financial Information is presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the periods of the Track Record Period. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

4. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the periods of the Track Record Period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year/period, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from change or improvements in the provision of services, or from a change in the market demand for the service output of the asset, the expected usage of the asset, the expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Adjustment of depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of each of the periods of the Track Record Period based on changes in circumstances.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

5. OPERATING SEGMENT INFORMATION

The Group has one reportable operating segment, namely, the non-surgical medical aesthetic services segment, and is principally engaged in the provision of medical aesthetic services; and the sale of skin care products in Hong Kong. Information reported to the Group's management, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and therefore no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Information about geographical areas

Since all of the Group's revenue and profit were generated from the provision of medical aesthetic services and the sale of skin care products in Hong Kong and all of the Group's non-current assets were located in Hong Kong during the Track Record Period, no geographical segment information in accordance with HKFRS 8 *Operating Segments* is presented.

Information about major clients

Since no revenue derived from sales to a single client of the Group has individually accounted for over 10% of the Group's total revenue during the Track Record Period, no information about major clients in accordance with HKFRS 8 *Operating Segments* is presented.

6. REVENUE, OTHER INCOME AND GAIN

Revenue represents the value of services rendered; and the net invoiced value of goods sold, after allowances for returns and trade discounts. An analysis of revenue, other income and gain is as follows:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Revenue				
Treatment services	63,882	74,081	17,828	21,655
Skin care products	4,199	3,842	967	981
Medical consultation services	773	613	175	162
Prescription and dispensing of medical products	2,487	2,797	708	676
Revenue recognised from unutilised prepaid packages	2,659	2,019	517	486
	74,000	83,352	20,195	23,960
Other income and gain				
Bank interest income	286	297	82	15
Foreign exchange differences, net	25	—	—	—
Insurance compensation	430	5	—	—
Others	30	43	11	14
	771	345	93	29

7. PROFIT BEFORE TAX

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

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Minimum lease payments under operating leases	7,099	7,649	1,883	1,936
Employee benefit expenses (including directors' remuneration *(note 8)*):				
Salaries, bonuses and other allowances	27,996	28,626	6,708	7,565
Retirement benefit scheme contributions (defined contribution scheme)	682	765	185	188
	28,678	29,391	6,893	7,753
Auditors' remuneration	105	132	32	377
[REDACTED]	—	—	—	[REDACTED]
Depreciation	6,593	6,174	1,618	1,497
Loss on disposal/write-off of items of property, plant and equipment	10	9	—	1
Foreign exchange differences, net	(25)	644	6	—

8. DIRECTORS' REMUNERATION

The Company did not have any chief executive, executive directors, non-executive directors and independent non-executive directors at any time during the Track Record Period since the Company was only incorporated subsequent to the end of the Track Record Period on 6 July 2016.

Subsequent to the end of the Track Record Period, Ms. Lai Ka Yee Gigi and Mr. Ma Ting Wai Barry were appointed as executive directors of the Company on 6 July 2016 and 25 July 2016, respectively.

An executive director received remuneration from the subsidiaries now comprising the Group for her appointment as director of these subsidiaries. The remuneration of the director as recorded in the financial statements of the subsidiaries is set out below:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Fees	—	—	—	—
Other emoluments:				
Salaries, allowances and benefits in kind	2,400	2,400	600	600
Performance related bonuses	1,200	—	—	—
Retirement benefit scheme contributions (defined contribution scheme)	18	18	5	5
	3,618	2,418	605	605

(a) Non-executive directors and independent non-executive directors

The Company did not have any non-executive directors and independent non-executive directors at any time during the Track Record Period and the three months ended 30 June 2015.

(b) Executive directors

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 March 2015					
Ms. Lai Ka Yee Gigi	—	2,400	1,200	18	3,618
Mr. Ma Ting Wai Barry	—	—	—	—	—
	—	2,400	1,200	18	3,618
Year ended 31 March 2016					
Ms. Lai Ka Yee Gigi	—	2,400	—	18	2,418
Mr. Ma Ting Wai Barry	—	—	—	—	—
	—	2,400	—	18	2,418

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Three months ended 30 June 2016					
Ms. Lai Ka Yee Gigi	—	600	—	5	605
Mr. Ma Ting Wai Barry	—	—	—	—	—
	—	600	—	5	605
Three months ended 30 June 2015 (Unaudited)					
Ms. Lai Ka Yee Gigi	—	600	—	5	605
Mr. Ma Ting Wai Barry	—	—	—	—	—
	—	600	—	5	605

There were no arrangements under which a director waived or agreed to waive any remuneration during the Track Record Period and the three months ended 30 June 2015.

During the Track Record Period and the three months ended 30 June 2015, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees included one director of the Company during the Track Record Period and the three months ended 30 June 2015, details of whose remuneration are set out in note 8 of this section.

Details of the remuneration of the remaining four non-director highest paid employee for each of the periods of the Track Record Period and the three months ended 30 June 2015 are analysed as follows:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Salaries and allowances	9,739	9,865	2,392	2,722
Performance related bonuses	—	150	—	20
Retirement benefit scheme contributions	70	72	18	18
	9,809	10,087	2,410	2,760

The number of the non-director highest paid employee whose remuneration fell within the following bands for the Track Record Period and three months ended 30 June 2015:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Nil to HK$1,000,000	1	1	3	3
HK$1,000,001 to HK$1,500,000	—	—	1	1
HK$2,000,001 to HK$2,500,000	1	1	—	—
HK$2,500,001 to HK$3,000,000	1	1	—	—
HK$4,000,001 to HK$4,500,000	1	1	—	—
	4	4	4	4

10. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% during the Track Record Period and the three months ended 30 June 2015.

The major components of the income tax expense for the Track Record Period and the three months ended 30 June 2015 are as follows:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Current				
— Charge for the year/period	2,138	3,461	1,210	1,540
Deferred tax *(note 24)*	(401)	2	(156)	(179)
Total tax charge for the year/period	1,737	3,463	1,054	1,361

A reconciliation of the tax expense applicable to profit before tax at the Hong Kong statutory rate to the tax expense at the Group's effective tax rate is as follows:

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Profit before tax	15,232	21,951	5,754	6,321
Tax at the statutory tax rate of 16.5%	2,513	3,622	949	1,043
Income not subject to tax	(51)	(49)	(13)	(2)
Expenses not deductible for tax	70	198	97	232
Temporary differences utilised from previous periods	(446)	(96)	—	—
Tax losses not recognised	—	—	—	38
Tax losses utilised from previous periods	(318)	(130)	—	—
Others	(31)	(82)	21	50
Tax charge at the Group's effective rate	1,737	3,463	1,054	1,361

11. DIVIDENDS

	Year ended 31 March		Three months ended 30 June	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Interim dividend	10,600	10,600	—	—

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the basis of preparation of the results of the Group for the Track Record Period and the three months ended 30 June 2015 as disclosed in note 2.1 of this section.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture and fixtures	Treatment devices	Tools and equipment	Office equipment	Motor vehicles	Computer equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2015								
At 1 April 2014:								
Cost	7,068	1,164	11,389	740	116	503	834	21,814
Accumulated depreciation	(5,314)	(452)	(6,407)	(419)	(37)	(151)	(361)	(13,141)
Net carrying amount	1,754	712	4,982	321	79	352	473	8,673
At 1 April 2014, net of accumulated depreciation	1,754	712	4,982	321	79	352	473	8,673
Additions	2,348	188	9,465	529	1	1,720	1,312	15,563
Depreciation provided during the year	(1,670)	(252)	(3,605)	(252)	(23)	(444)	(347)	(6,593)
Disposal	—	(2)	—	(1)	—	—	(8)	(11)
At 31 March 2015, net of accumulated depreciation	2,432	646	10,842	597	57	1,628	1,430	17,632
At 31 March 2015:								
Cost	9,416	1,348	20,854	1,267	117	2,223	2,057	37,282
Accumulated depreciation	(6,984)	(702)	(10,012)	(670)	(60)	(595)	(627)	(19,650)
Net carrying amount	2,432	646	10,842	597	57	1,628	1,430	17,632
31 March 2016								
At 31 March 2015 and 1 April 2015:								
Cost	9,416	1,348	20,854	1,267	117	2,223	2,057	37,282
Accumulated depreciation	(6,984)	(702)	(10,012)	(670)	(60)	(595)	(627)	(19,650)
Net carrying amount	2,432	646	10,842	597	57	1,628	1,430	17,632
At 1 April 2015, net of accumulated depreciation	2,432	646	10,842	597	57	1,628	1,430	17,632
Additions	328	46	1,599	135	3	—	71	2,182
Depreciation provided during the year	(1,456)	(225)	(3,393)	(229)	(22)	(445)	(404)	(6,174)
Disposal	—	(8)	—	(3)	—	—	(1)	(12)
At 31 March 2016, net of accumulated depreciation	1,304	459	9,048	500	38	1,183	1,096	13,628
At 31 March 2016:								
Cost	9,740	1,376	22,229	1,375	118	2,223	2,123	39,184
Accumulated depreciation	(8,436)	(917)	(13,181)	(875)	(80)	(1,040)	(1,027)	(25,556)
Net carrying amount	1,304	459	9,048	500	38	1,183	1,096	13,628

	Leasehold improvements	Furniture and fixtures	Treatment devices	Tools and equipment	Office equipment	Motor vehicles	Computer equipment	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
30 June 2016								
At 31 March 2016 and 1 April 2016:								
Cost	9,740	1,376	22,229	1,375	118	2,223	2,123	39,184
Accumulated depreciation	(8,436)	(917)	(13,181)	(875)	(80)	(1,040)	(1,027)	(25,556)
Net carrying amount	1,304	459	9,048	500	38	1,183	1,096	13,628
At 1 April 2016, net of accumulated depreciation	1,304	459	9,048	500	38	1,183	1,096	13,628
Additions	203	8	720	2	6	—	27	966
Depreciation provided during the period	(354)	(51)	(815)	(59)	(5)	(111)	(102)	(1,497)
Disposal	—	(1)	—	—	—	—	—	(1)
At 30 June 2016, net of accumulated depreciation	1,153	415	8,953	443	39	1,072	1,021	13,096
At 30 June 2016:								
Cost	9,943	1,375	22,949	1,377	124	2,223	2,150	40,141
Accumulated depreciation	(8,790)	(960)	(13,996)	(934)	(85)	(1,151)	(1,129)	(27,045)
Net carrying amount	1,153	415	8,953	443	39	1,072	1,021	13,096

14. GOODWILL

	HK$'000
Cost and carrying amount at 1 April 2014, 31 March 2015, 1 April 2015, 31 March 2016, 1 April 2016 and 30 June 2016	4,305

On 26 December 2009, the Group acquired the business of Health Max Laser and Medical Skin Care Limited ("Health Max"), a company controlled by Mr. Lai Ying, the sibling of Ms. Lai Ka Yee Gigi. Health Max was engaged in the provision of medical aesthetic services.

Impairment testing of goodwill

Goodwill acquired through business combination has been allocated to the non-surgical medical aesthetic service cash-generating unit of HK$4,305,000 for impairment testing.

The recoverable amount of the cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a 21-month period. Assumptions were used in the value in use calculation. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- Revenue is estimated based on the business trend in the industry of medical aesthetic operation, historical average spending per client and client cover, taking into account the number of treatment rooms in each medical aesthetic centre, centre locations, market conditions and economic outlook.
- Cost of inventories sold is estimated based on rate of increase in revenue and the expected market conditions.
- The growth rate used to extrapolate the cash flows beyond the 21-month period is 3% for each of the periods of the Track Record Period.
- The discount rate used is before tax and reflects specific risks relating to the cash-generating unit. The discount rate applied to the cash flow projections is 15% for each of the periods of the Track Record Period.

15. INVENTORIES

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Skin care products	321	293	341
Consumables and other supplies	968	1,403	1,344
	1,289	1,696	1,685

16. TRADE RECEIVABLES

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Credit card receivables	1,268	1,190	489

The Group's trading terms with its clients are mainly on cash and/or credit card settlement. The credit period is generally 2 to 30 days for credit card settlement for the respective financial institutions. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables, based on the invoice date, is as follows:

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Within 1 month	1,268	1,169	489
1 to 3 months	—	21	—
	1,268	1,190	489

An aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Neither past due nor impaired	1,252	1,104	475
1 to 3 months past due	16	86	14
	1,268	1,190	489

Receivables that were neither past due nor impaired relate to a number of receivables due from financial institutions in respect of credit card settlements for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a financial institution that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Prepayments	845	723	637
Deposits	4,577	4,578	4,572
Other receivables	136	4	253
	5,558	5,305	5,462
Analysed into:			
Non-current portion	1,034	2,222	2,134
Current portion	4,524	3,083	3,328
	5,558	5,305	5,462

None of the above assets is either past due or impaired. Financial assets included in the above balances relate to receivables for which there was no recent history of default.

18. BALANCES WITH THE ULTIMATE HOLDING COMPANY AND RELATED PARTIES

An analysis of the amounts due from the ultimate holding company and related parties is as follows:

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Due from the ultimate holding company	5	5	5
Due from related parties	562	24,518	97

None of the amounts due from the ultimate holding company and related parties is neither past due nor impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

Particulars of the amount due from the ultimate holding company are as follows:

31 March 2015

	31 March 2015	**Maximum amount outstanding during the year**	**1 April 2014**
	HK$'000	*HK$'000*	*HK$'000*
Sunny Bright Group Holdings Limited	5	5	5

31 March 2016

	31 March 2016 *HK$'000*	Maximum amount outstanding during the year *HK$'000*	1 April 2015 *HK$'000*
Sunny Bright Group Holdings Limited	5	5	5

30 June 2016

	30 June 2016 *HK$'000*	Maximum amount outstanding during the period *HK$'000*	1 April 2016 *HK$'000*
Sunny Bright Group Holdings Limited	5	5	5

Particulars of the amounts due from related parties are as follows:

31 March 2015

	31 March 2015 *HK$'000*	Maximum amount outstanding during the year *HK$'000*	1 April 2014 *HK$'000*
Due from related parties			
Mr. Lai Ying**	471	471	122
Cox Max Holdings Limited^	82	82	76
Cheer Beauty Group Limited^	9	9	9
	562		207

31 March 2016

	31 March 2016 *HK$'000*	Maximum amount outstanding during the year *HK$'000*	1 April 2015 *HK$'000*
Due from related parties			
Ms. Lai Ka Yee Gigi*	23,938	23,938	—
Mr. Lai Ying**	332	614	471
Cos Max Holdings Limited^	87	87	82
Cheer Beauty Group Limited^	9	9	9
Sunny Bright Medical Limited^	20	20	—
Solar Solution Development Limited^	21	21	—
Jing Ying (HK) Limited^	111	111	—
	24,518		562

30 June 2016

	30 June 2016	Maximum amount outstanding during the period	1 April 2016
	HK$'000	*HK$'000*	*HK$'000*
Due from related parties			
Ms. Lai Ka Yee Gigi*	—	24,929	23,938
Mr. Lai Ying**	—	490	332
Cos Max Holdings Limited^	97	97	87
Cheer Beauty Group Limited^^	—	9	9
Sunny Bright Medical Limited^	—	20	20
Solar Solution Development Limited^	—	21	21
Jing Ying (HK) Limited^	—	111	111
	97		24,518

* Ms. Lai Ka Yee Gigi is a director of the Company

** Mr. Lai Ying is the sibling of Ms. Lai Ka Yee Gigi

^ These related companies were jointly controlled by Ms. Lai Ka Yee Gigi and Mr. Ma Ting Keung Patrick, the spouse of Ms. Kai Ka Yee Gigi.

^^ This related company was controlled by Ms. Lai Ka Yee Gigi.

The above balances with related parties are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment. Subsequent to the end of the Track Record Period, the above balances with related parties were settled in full.

19. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Cash and bank balances	23,235	19,851	48,273
Time deposits	13,120	12,849	12,862
	36,355	32,700	61,135
Less: Pledged time deposits, pledged for credit card facilities	(3,618)	(3,449)	(3,455)
Cash and cash equivalents	32,737	29,251	57,680

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between 1 month and 12 months depending on the immediate cash requirements of the Group, and earns interest at the respective time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

20. TRADE PAYABLES

	31 March		30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Third party suppliers	466	727	1,088

An aged analysis of the trade payables as at the end of each of the Track Record Period, based on the invoice date, is as follows:

	31 March		30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Within 1 month	466	727	1,088

The trade payables are non-interest-bearing and generally have average settlement terms of 30 days.

21. OTHER PAYABLES AND ACCRUALS

	31 March		30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Other payables and accruals	2,735	3,114	4,420
Receipt in advance	240	270	239
	2,975	3,384	4,659

Other payables are non-interest-bearing and have average terms of 1 to 3 months.

22. DEFERRED REVENUE

	31 March		30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Deferred revenue	51,958	57,388	52,358

The movements in deferred revenue are as follows:

	31 March		30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
At the beginning of the year/period	37,594	51,958	57,388
Receipts from sales of one-off treatments, treatment packages and prepaid cash coupons, net	81,528	82,383	17,316
Revenue recognised upon the provision of services	(63,882)	(74,081)	(21,655)
Revenue recognised upon the sales of products	(623)	(853)	(205)
Revenue recognised from unutilised prepaid packages	(2,659)	(2,019)	(486)
At the end of the year/period	51,958	57,388	52,358

23. PROVISION FOR REINSTATEMENT COSTS

The provision for reinstatement costs represents management's best estimate of the Group's liabilities of the costs of dismantling and removing the leasehold improvements and restoring the leased premises which they are currently located back to their original state of condition if and when the Group vacates these leased premises.

	HK$'000
At 1 April 2014, 31 March 2015, 1 April 2015, 31 March 2016, 1 April 2016 and 30 June 2016	1,571

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Analysed into:			
Non-current portion	1,074	1,138	1,138
Current portion	497	433	433
	1,571	1,571	1,571

24. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Track Record Period and the three months ended 30 June 2015 are as follows:

Deferred tax assets

	Depreciation in excess of related depreciation allowance	Losses available for offsetting against future taxable profits	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2014	—	—	—
Deferred tax credited to profit or loss during the year *(note 10)*	425	782	1,207
At 31 March 2015 and 1 April 2015	425	782	1,207
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	225	(540)	(315)
At 31 March 2016 and 1 April 2016	650	242	892
Deferred tax credited to profit or loss during the period *(note 10)*	45	87	132
At 30 June 2016	695	329	1,024

Deferred tax liabilities

	Depreciation allowance in excess of related depreciation
	HK$'000
At 1 April 2014	684
Deferred tax charged to profit or loss during the year *(note 10)*	806
At 31 March 2015 and 1 April 2015	1,490
Deferred tax credited to profit or loss during the year *(note 10)*	(313)
At 31 March 2016 and 1 April 2016	1,177
Deferred tax credited to profit or loss during the period *(note 10)*	(47)
At 30 June 2016	1,130

For presentation purposes, certain deferred tax assets and liabilities have been offset in the combined statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	31 March		**30 June**
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Net deferred tax assets recognised in the combined statements of financial position	425	650	695
Net deferred tax liabilities recognised in the combined statements of financial position	(708)	(935)	(801)
	(283)	(285)	(106)

The Group had tax losses arising in Hong Kong of HK$5,526,000, HK$1,468,000 and HK$2,223,000 as at 31 March 2015 and 2016 and 30 June 2016, respectively, subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also had deductible temporary differences of HK$3,163,000, HK$3,943,000 and HK$4,217,000 as at 31 March 2015 and 2016 and 30 June 2016, respectively.

Deferred tax assets have not been recognised in respect of the following items:

	31 March		**30 June**
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Tax losses	789	—	231
Deductible temporary differences	587	5	5
	1,376	5	236

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

25. ISSUED CAPITAL

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability company on 6 July 2016 with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each, of which 1 subscriber share was issued and allotted to Mr. Ma Ting Keung Patrick and another 1 subscriber share was issued and allotted to Ms. Lai Ka Yee Gigi.

There was no authorised and issued capital as at 31 March 2015 and 2016 and 30 June 2016 since the Company has not yet been incorporated.

26. RESERVES

The amounts of the Group's reserves and the movements therein during each of the periods of the Track Record Period are presented in the combined statements of changes in equity on page I-6 of this report.

Merger reserve

The merger reserve represents reserves arising from the Reorganisation.

27. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group, including directors' remuneration as disclosed in note 8 to the Financial Information, is as follows:

	Year ended 31 March		**Three months ended 30 June**	
	2015	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)	
Short term employee benefits	4,853	3,786	880	1,015
Post-employment benefits	53	54	14	14
	4,906	3,840	894	1,029

28. PLEDGE OF ASSETS

Details of the Group's credit card facilities granted by financial institutions, which are secured by the assets of the Group, are included in note 19 to this report.

29. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases its medical aesthetic centres, office premises and a car park space under operating lease arrangements. Leases for these properties are negotiated for terms ranging from 1 month to 3 years.

As at the end of each of the periods of the Track Record Period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Within one year	5,161	7,688	7,110
In the second to fifth years, inclusive	4,085	7,234	5,853
	9,246	14,922	12,963

30. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Track Record Period are as follows:

Financial assets

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Loans and receivables:			
Trade receivables	1,268	1,190	489
Financial assets included in prepayments, deposits and other receivables *(note 17)*	4,713	4,582	4,825
Due from the ultimate holding company	5	5	5
Due from related parties	562	24,518	97
Pledged time deposits	3,618	3,449	3,455
Cash and cash equivalents	32,737	29,251	57,680
	42,903	62,995	66,551

Financial liabilities

	31 March		30 June
	2015	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*
Financial liabilities at amortised cost:			
Trade payables	466	727	1,088
Financial liabilities included in other payables and accruals	679	621	1,995
	1,145	1,348	3,083

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts			Fair values		
	31 March		30 June	31 March		30 June
	2015	2016	2016	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets						
Deposits, non-current portion	1,034	2,222	2,134	893	1,923	1,844

Management has assessed that the fair values of cash and cash equivalents, pledged time deposits, trade receivables, trade payables, the current portion of financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals and amounts due from the ultimate holding company and related parties approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

At the end of each of the periods of the Track Record Period, the Group had no financial assets or financial liabilities measured at fair value.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise pledged time deposits and cash and cash equivalents. The Group has various other financial assets and liabilities such as trade receivables, deposits and other receivables, trade payables, other payables and accruals and balances with shareholders and related parties.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Details in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 16 to the Financial Information. The credit risk of the Group's other financial assets, which comprise pledged time deposits and cash and cash equivalents, deposits and other receivables and amounts due from shareholders and related parties, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Liquidity risk

In order to manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities as at the end of each of the periods of the Track Record Period, based on the contractual undiscounted payments, was as follow:

	Less than 1 year		
	31 March		30 June
	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	466	727	1,088
Financial liabilities included in other payables and accruals	679	621	1,995
	1,145	1,348	3,083

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, return capital to the shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period.

Capital of the Group comprises all components of shareholder's equity.

III. SIGNIFICANT EVENT AFTER THE TRACK RECORD PERIOD

On 19 December 2016, the Company conditionally adopted a share option scheme and further details of the share option scheme are set out in the section headed "Share Option Scheme" in Appendix IV to the [REDACTED].

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to 30 June 2016.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong