UKF (HOLDINGS) LIMITED
英裘（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01468)

ANNUAL RESULTS ANNOUNCEMENT
For the year ended 31 March 2015

FINANCIAL HIGHLIGHTS

- Turnover slightly decreased by 0.01% to HK$301.6 million.
- Profit for the year and attributable to shareholders of the Company increased by approximately 2.2% to approximately HK$36.7 million.
- Basic earnings per share for the year ended 31 March 2015 were approximately HK1.84 cents (2014: approximately HK1.90 cents).
- Proposed final dividend was HK0.12 cent in cash (2014: HK0.3 cent) per share, interim dividend of HK0.26 cent in cash per share was paid during the year (2014: nil).
- The Board has proposed to make a bonus issue of one new share credited as fully paid for every five shares held by shareholders whose names appear on the register of members on 31 July 2015, Friday. Subject to (i) the relevant resolution proposed at the forthcoming AGM being passed and (ii) the Listing Committee of the Stock Exchange granting the approval of the listing of and the permission to deal in such new shares, share certificates of the Bonus Shares is expected to be posted on 10 August 2015, Monday.

The board of Directors (the "Board") is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2015 together with comparative figures for the corresponding year in 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	**2015** **HK$**	2014 HK$
Turnover	*3*	**301,596,169**	301,637,189
Cost of sales		**(217,994,664)**	(241,992,045)
Gross profits		**83,601,505**	59,645,144
Other income		**1,365,789**	4,195,654
Change in fair value less costs to sell of biological assets	*9*	**16,024,927**	15,491,335
Administrative expenses		**(55,507,940)**	(34,810,946)
Finance costs		**(7,411,648)**	(4,528,491)
Profit before tax	*5*	**38,072,633**	39,992,696
Income tax expense	*6*	**(1,433,480)**	(4,151,429)
Profit for the year and attributable to shareholders of the Company		**36,639,153**	35,841,267
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of overseas operation		**1,775,374**	(105,530)
Change in fair value of available-for-sale investment		**(1,746,797)**	—
Other comprehensive income (expense) for the year, net of tax		**28,577**	(105,530)
Total comprehensive income for the year attributable to shareholders of the Company		**36,667,730**	35,735,737
Earnings per share	*8*		
Basic		**1.84 cents**	1.90 cents
Diluted		**1.78 cents**	1.86 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2015

	Notes	2015 HK$	2014 HK$
Non-current assets			
Property, plant and equipment		**35,874,450**	40,007,400
Investment properties		**1,125,559**	1,473,621
Deferred tax asset		**1,241,921**	—
Available-for-sale investment		**10,122,640**	—
Goodwill		**75,433,142**	75,433,142
		123,797,712	116,914,163
Current assets			
Biological assets	*9*	**18,509,725**	14,009,767
Inventories		**80,577,472**	55,325,234
Trade and other receivables	*10*	**66,751,283**	104,980,483
Loan receivables	*11*	**94,251,770**	106,742,130
Derivative financial instruments		**149,143**	—
Tax recoverable		**1,242,606**	—
Pledged bank deposits		—	8,528,800
Bank balances and cash		**136,655,316**	60,756,260
		398,137,315	350,342,674
Current liabilities			
Bank overdraft		**171,850**	—
Trade and other payables	*12*	**59,859,109**	55,204,135
Derivative financial instruments		**150,258**	—
Tax payables		**5,540,168**	8,108,216
Bank borrowings		**145,130,478**	103,373,132
Obligations under finance lease		**194,897**	186,580
		211,046,760	166,872,063
Net current assets		**187,090,555**	183,470,611
Total assets less current liabilities		**310,888,267**	300,384,774
Non-current liabilities			
Obligations under finance lease		**16,628**	211,525
Corporate bond		**10,000,000**	10,000,000
Promissory note		—	18,574,714
Deferred tax liability		**115,019**	127,081
		10,131,647	28,913,320
Net assets		**300,756,620**	271,471,454
Capital and reserve			
Share capital	*13*	**20,063,020**	16,517,760
Reserves		**280,693,600**	254,953,694
		300,756,620	271,471,454

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Share capital HK$	Share premium HK$	Merger reserve HK$	Share option reserve HK$	Warrants reserve HK$	Investments revaluation reserve HK$	Translations reserve HK$	Retained profits HK$	Total HK$
At 1 April 2013	11,520,000	114,649,721	(7,122,000)	4,561,909	—	—	(7,722)	47,423,191	171,025,099
Profit for the year	—	—	—	—	—	—	—	35,841,267	35,841,267
Other comprehensive expense for the year	—	—	—	—	—	—	(105,530)	—	(105,530)
Total comprehensive (expense) income for the year	—	—	—	—	—	—	(105,530)	35,841,267	35,735,737
Issue of share upon bonus issue	2,359,360	(2,384,360)	—	—	—	—	—	—	(25,000)
Exercise of Pre-IPO share options	334,400	9,501,025	—	(2,803,105)	—	—	—	—	7,032,320
Issue of shares by placing for cash	2,304,000	60,401,208	—	—	—	—	—	—	62,705,208
Share option granted	—	—	—	3,052,670	—	—	—	—	3,052,670
Dividend paid	—	—	—	—	—	—	—	(8,257,760)	(8,257,760)
Issue of warrants	—	—	—	—	203,180	—	—	—	203,180
At 31 March 2014 and 1 April 2014	16,517,760	182,167,594	(7,122,000)	4,811,474	203,180	—	(113,252)	75,006,698	271,471,454
Profit for the year	—	—	—	—	—	—	—	36,639,153	36,639,153
Other comprehensive (expense) income for the year									
Exchange difference on translation of overseas operation	—	—	—	—	—	—	1,775,374	—	1,775,374
Change in fair value of available-for-sale investment	—	—	—	—	—	(1,746,797)	—	—	(1,746,797)
Total comprehensive (expense) income for the year	—	—	—	—	—	(1,746,797)	1,775,374	36,639,153	36,667,730
Issue of share upon bonus issue	3,303,552	(3,340,452)	—	—	—	—	—	—	(36,900)
Exercise of Pre-IPO share options	29,608	674,906	—	(168,609)	—	—	—	—	535,905
Share option granted	—	—	—	935,304	—	—	—	—	935,304
Dividend paid	—	—	—	—	—	—	—	(10,212,871)	(10,212,871)
Issue of warrants	—	—	—	—	925,500	—	—	—	925,500
Issue of shares upon exercise of warrants	500,000	9,681,375	—	—	(231,375)	—	—	—	9,950,000
Warrants lapsed	—	—	—	—	(203,180)	—	—	203,180	—
Shares buy-back	(287,900)	(9,191,602)	—	—	—	—	—	—	(9,479,502)
At 31 March 2015	20,063,020	179,991,821	(7,122,000)	5,578,169	694,125	(1,746,797)	1,662,122	101,636,160	300,756,620

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015	2014
	HK$	*HK$*
Operating activities		
Profit before tax	**38,072,633**	39,992,696
Adjustments for:		
Depreciation	**4,188,400**	2,983,370
Loss on disposal of property, plant and equipment	**36,059**	764,877
Interest income	**(4,689)**	(158,381)
Interest expenses	**7,411,648**	4,528,491
Bank interest income	**(93,467)**	(29,394)
Net change in fair value of derivative financial instruments	**1,115**	—
Loss on early redemption of promissory note	**763,407**	—
Adjustment for amortisation of prepaid premium	**81,175**	—
Written down of inventories	**—**	1,453,427
Net change in fair value less costs to sell of biological assets	**(16,024,927)**	(15,491,335)
Share-based payment expenses	**935,304**	3,052,670
Operating cash flows before movements in working capital	**35,366,658**	37,096,421
Decrease in inventories	**5,152,906**	54,142,885
Decrease (increase) in trade and other receivables	**38,905,649**	(41,472,062)
Decrease (increase) in loan receivables	**12,490,360**	(69,821,110)
Increase (decrease) in trade and other payables	**4,628,940**	(53,549,108)
Increase in biological assets	**(23,360,982)**	(13,954,682)
Cash generated from (used in) operating activities	**73,183,531**	(87,557,656)
Hong Kong Profits tax paid, net	**(6,498,117)**	(8,145,217)
Net cash generated from (used in) operating activities	**66,685,414**	(95,702,873)
Investing activities		
Bank interest received	**93,467**	29,394
Interest received	**4,689**	158,381
Purchase of available-for-sale investment	**(12,627,061)**	—
Purchase of an investment property	**—**	(702,264)
Purchase of property, plant and equipment	**(9,594,990)**	(27,270,979)
Proceeds from sale of property, plant and equipment	**455,400**	694,953
Net cash flow from acquisition of a subsidiary	**—**	(62,068,998)
Net cash used in investing activities	**(21,668,495)**	(89,159,513)

	2015	2014
	HK$	*HK$*
Financing activities		
Dividend paid	**(10,212,871)**	(8,257,760)
Net proceeds from issue of warrants	**925,500**	203,180
Repayment of promissory note	**(20,000,000)**	—
Net proceeds from issue of new shares	—	62,705,208
Proceeds of share option exercised	**535,905**	7,032,320
Proceeds from new bank borrowings	**295,376,429**	233,833,989
Repayments of bank borrowings	**(253,619,083)**	(162,116,756)
Issuance expense for bonus issue	**(36,900)**	(25,000)
Repurchase of ordinary shares	**(9,479,502)**	—
Proceeds from issue of shares upon exercise of warrants	**9,950,000**	—
New auction loans raised	—	54,864,258
Repayments of auction loans	—	(63,570,972)
Inception of obligations under finance lease	—	570,000
Repayment of obligations under finance lease	**(186,580)**	(171,895)
Placement of pledged bank deposits	—	(12,528,800)
Withdrawal of pledged bank deposits	**8,528,800**	4,000,000
Interest paid	**(6,723,735)**	(3,344,758)
Net cash generated from financing activities	**15,057,963**	113,193,014
Net increase (decrease) in cash and cash equivalents	**60,074,882**	(71,669,372)
Cash and cash equivalents at beginning of the year	**60,756,260**	134,468,472
Effect of foreign exchange rate changes, net	**15,652,324**	(2,042,840)
Cash and cash equivalents at the end of the year	**136,483,466**	60,756,260
Cash and cash equivalents represented by		
Bank balances and Cash	**136,655,316**	60,756,260
Bank overdraft	**(171,850)**	—
	136,483,466	60,756,260

1. GENERAL

The Company is a public limited company incorporated in Cayman Islands as an exempted company with limited liability and its shares having been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 20 March 2015. The address of the registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is Unit 902, Harbour Centre, Tower 2, 8 Hok Cheung Street, Kowloon, Hong Kong.

The principal activities of the Group are trading of fur skins, mink farming in Denmark and fur skins brokerage.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

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

New and revised HKFRSs applied with no material effects on the consolidated financial statements

The accounting policies and methods of computation used in these financial statements are the same as those followed in the preparation of the Group's financial statements for the year ended 31 March 2014, except for the following amendments to HKFRSs that the Group has applied for the first time in the current year. The application of these new and revised HKFRSs has had no material impact on the Group's financial performance and positions for the current and prior years but may affect the accounting for future transactions or arrangements.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) — Int 21	Levies
Amendment to HKFRS 2 included in Annual Improvements 2010-2012 Cycle	Definition of Vesting Condition[1]
Amendment to HKFRS 3 included in Annual Improvements 2010-2012 Cycle	Accounting for Contingent Consideration in a Business Combination[1]
Amendment to HKFRS 13 included in Annual Improvements 2010-2012 Cycle	Short-term Receivables and Payables
Amendment to HKFRS 1 included in Annual Improvements 2011-2013 Cycle	Meaning of Effective HKFRSs

[1] Effective from 1 July 2014

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

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

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

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

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 April 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

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

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

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

The Group has applied the amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC) — Int 21 Levies

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

HK(IFRIC) — Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments[4]
HKFRS 14	Regulatory Deferral Accounts[5]
HKFRS 15	Revenue from Contracts with Customers[3]
HKAS 1 (Amendments)	Disclosure Initiative[2]
HKFRS 10 and HKAS 28 (2011) (Amendments)	Sale or Contribution of Assets between an investor and its Associate or Joint Venture[2]
HKFRS 11 (Amendments)	Accounting for Acquisition of Interest in Joint Operations[2]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[2]
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions[1]
HKAS 27 (2011) (Amendments)	Equity Method in Separate Financial Statements[2]
HKFRS 10, HKFRS 12 and HKAS 28 (2011) (Amendments)	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[2]

1 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
5 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 as the Group is not a first-time adopter of HKFRSs.
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 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 are 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 accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value 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.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, 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 non-financial 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.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have a material impact on 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.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to HKAS 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 of the Company 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.

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

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 of the Company do not anticipate that the application of these amendments to HKFRS 11 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. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements as the Group's biological assets are animals and have been explicitly excluded from the amendments.

Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments to HKAS 19 will have a significant impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans.

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 of the Company do not anticipate that the application of these amendments to HKAS 27 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

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss 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.

- New guidance has been introduced requiring that gains or losses resulting from those transactions 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 at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method 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 of the Company 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.

3. TURNOVER

During the year, the Group's revenue represents the amount received and receivables for trading of fur skins, mink farming and fur skins brokerage, net of discount, are as follows:

	2015	2014
	HK$	*HK$*
Trading of fur skins	**248,356,444**	271,329,589
Mink farming	**20,307,321**	7,507,690
Fur skins brokerage	**32,932,404**	22,799,910
	301,596,169	301,637,189

4. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of good delivered or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

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

Trading of fur skins	—	Trading of fur skins of foxes and minks
Mink farming	—	Provision of breeding, farming and sale of livestocks and pelted skins
Fur skins brokerage	—	Provision of fur brokerage and financing services

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

For the year ended 31 March 2015

	Trading of fur skins	Fur skins brokerage	Mink farming	Total
	HK$	*HK$*	*HK$*	*HK$*
TURNOVER	**248,356,444**	**32,932,404**	**20,307,321**	**301,596,169**
RESULTS				
Segment results	**49,171,105**	**32,932,404**	**1,497,996**	**83,601,505**
Other income				**1,365,789**
Change in fair value less costs to sell of biological assets	—	—	**16,024,927**	**16,024,927**
Unallocated corporate expenses				**(55,507,940)**
Finance costs				**(7,411,648)**
Profit before tax				**38,072,633**
Income tax expense				**(1,433,480)**
Profit for the year				**36,639,153**

	Trading of fur skins HK$	Fur skins brokerage HK$	Mink farming HK$	Total HK$
ASSETS				
Segment assets	**118,166,495**	**172,653,784**	**76,981,256**	**367,801,535**
Unallocated corporate assets				**154,133,492**
Total assets				**521,935,027**
LIABILITIES				
Segment liabilities	**136,570,579**	**—**	**21,184,521**	**157,755,100**
Unallocated corporate liabilities				**63,423,307**
Total liabilities				**221,178,407**

Other information

	Trading of fur skins HK$	Fur skins brokerage HK$	Mink farming HK$	Total HK$
Additions of property, plant and equipment and investment property	**—**	**3,490**	**9,591,500**	**9,594,990**
Depreciation and amortisation	**640,688**	**10,340**	**3,537,372**	**4,188,400**

For the year ended 31 March 2014

	Trading of fur skins HK$	Fur skins brokerage HK$	Mink farming HK$	Total HK$
TURNOVER	271,329,589	22,799,910	7,507,690	301,637,189
RESULTS				
Segment results	39,540,058	22,799,910	(2,694,824)	59,645,144
Other income				4,195,654
Change in fair value less costs to sell of biological assets	—	—	15,491,335	15,491,335
Unallocated corporate expenses				(34,810,946)
Finance costs				(4,528,491)
Profit before tax				39,992,696
Income tax expense				(4,151,429)
Profit for the year				35,841,267

	Trading of fur skins HK$	Fur skins brokerage HK$	Mink farming HK$	Total HK$
ASSETS				
Segment assets	144,437,930	182,197,862	67,782,511	394,418,303
Unallocated corporate assets				72,838,534
Total assets				467,256,837
LIABILITIES				
Segment liabilities	124,041,752	11,401,431	21,845,406	157,288,589
Unallocated corporate liabilities				38,496,794
Total liabilities				195,785,383

Other information

	Trading of fur skins HK$	Fur skins brokerage HK$	Mink farming HK$	Total HK$
Additions of property, plant and equipment and investment property	3,162,193	—	24,811,050	27,973,243
Depreciation and amortisation	477,417	9,464	2,496,489	2,983,370

Segment profit represents the profit earned by each segment without allocation of central administration costs including directors' salaries, investment and other income, finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

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

- all assets other than prepayment and deposit, bank balances and cash, tax recoverable and deferred tax asset are allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segment; and

- all liabilities are allocated to reportable segments other than accrued expenses and other payable, obligations under finance lease, corporate bond, promissory note, tax payables and deferred tax liability. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Geographical information

The Group's revenue from external customers by geographical market are detailed below:

	2015	2014
	HK$	*HK$*
Canada	—	2,086,204
The PRC	**248,641,745**	248,029,846
Europe	**33,919,000**	20,376,864
Russia	—	14,886,462
Hong Kong	**19,035,424**	16,257,813
	301,596,169	301,637,189

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and investment property analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		**Additions to property, plant and equipment and investment property**	
	2015	2014	**2015**	2014
	HK$	*HK$*	***HK$***	*HK$*
Hong Kong	**443,546,111**	398,301,682	**3,490**	3,162,193
Denmark	**78,388,916**	68,955,155	**9,591,500**	24,811,050
	521,935,027	467,256,837	**9,594,990**	27,973,243

Information about major customers

For the year ended 31 March 2015, included in revenue arising from trading of fur skins and mink farming of approximately HK$268,664,000 (2014: HK$278,837,000) are revenue of approximately HK$258,792,000 (2014: HK$230,316,000) generated from sales to the Group's top four (2014: Three) customers. Total amount of revenues from each customer for the two financial years ended 31 March 2015 are as follows:

	2015	2014
	HK$	*HK$*
Customer A (Segment: Trading of fur skins)	**83,756,000**	86,842,000
Customer B (Segment: Trading of fur skins)	**77,081,000**	85,881,000
Customer C (Segment: Trading of fur skins)	**64,036,000**	57,593,000
Customer D (Segment: Trading of fur skins & mink farming)	**33,919,000**	—*
	258,792,000	230,316,000

*: This customer contributed less than 10% to the Group's revenue for the year ended 31 March 2014

No other single customer contributed 10% or more to the Group's revenue for both years ended 31 March 2015 and 2014.

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	2015	2014
	HK$	*HK$*
Auditor's remuneration	**761,530**	673,333
Cost of inventories recognised as expenses	**215,568,728**	240,116,928
Depreciation	**4,188,400**	2,983,370
Foreign exchange losses (gains), net	**17,065,038**	(2,817,861)
Staff costs (including directors' emoluments)		
— salaries and allowance	**13,157,195**	10,688,321
— retirements benefits scheme contributions	**480,293**	221,423
Gross rental income from investment properties	**(173,279)**	(191,856)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	**—**	76,723
	(173,279)	(115,133)
Impairment loss on other receivables	**—**	8,400
Loss on disposal of property, plant and equipment	**36,059**	764,877
Loss on early redemption of promissory note	**763,407**	—
Operating lease payments	**923,419**	572,529
Share-based payment expenses	**935,304**	3,052,670*
Written down of inventories	**—**	1,453,427
Net change in fair value on derivative financial instruments	**1,115**	—

* Amount of approximately HK$562,000 was the share-based payment expenses for consultant.

6. INCOME TAX EXPENSE

	2015	2014
	HK$	*HK$*
Current tax		
Hong Kong Profits Tax	**2,717,463**	3,555,846
Other jurisdictions	**—**	—
	2,717,463	3,555,846
Over provision in prior years		
Hong Kong Profits Tax	**(30,000)**	(22,001)
Other jurisdictions	**—**	—
	(30,000)	(22,001)
Deferred tax (credit) expense		
Current year	**(1,253,983)**	617,584
Total income tax expense for the years	**1,433,480**	4,151,429

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Danish subsidiary is subject to Denmark Corporation Tax of 23.5% for the reporting year (2014: 24.5%).

The tax expense for the years can be reconciled to the profit before tax as per follows:

	2015	2014
	HK$	*HK$*
Profit before tax	**38,072,633**	39,992,696
Tax at Hong Kong Profits Tax of 16.5%	**6,281,984**	6,598,795
Tax effect of income not taxable for tax purposes	**(5,979,999)**	(3,811,839)
Tax effect of expenses not deductible for tax purposes	**556,035**	503,748
Tax effect on tax losses not recognised	**919,291**	1,310,714
Over provision in prior years	**(30,000)**	(22,001)
Tax effect of tax relief	**(40,000)**	—
Effect of different tax rates of group entities operating in other jurisdictions	**(273,831)**	(427,988)
Income tax expense for the years	**1,433,480**	4,151,429

7. DIVIDENDS

	2015	2014
	HK$	*HK$*
Interim, paid — HK0.26 cent (2014: HK nil cent) per share	**5,257,543**	—
Final dividend paid — HK0.3 cent per share for 2014 (2014: HK0.7 cent per share for 2013)	**4,955,328**	8,257,760
	10,212,871	8,257,760

Subsequent to the end of the reporting period, final dividend in respect of the year ended 31 March 2015 of HK0.12 cent (2014: HK0.3 cent) per share have been proposed by the directors and is subject to approval by the shareholders in the coming general meeting.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to shareholders of the Company is based on the profit attributable to shareholders of the Company for the year ended 31 March 2015 of HK$36,639,153 (2014: HK$35,841,267) and the following data:

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,993,745,201**	1,882,881,192
Effect of dilutive potential ordinary shares:		
Share options	**32,810,428**	36,575,592
Warrants	**34,217,706**	10,369,164
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,060,773,335**	1,929,825,948

9. BIOLOGICAL ASSETS

Movements of the biological assets are as follows:

	Non-mated females *HK$*	Mated females *HK$*	Males for breeding *HK$*	Total *HK$*
At 1 April 2013	—	5,970,713	19,845	5,990,558
Increase due to purchase	—	4,934,860	177,100	5,111,960
Increase due to raising (Feeding cost and others)	18,198	5,282,304	3,889,561	9,190,063
Change in fair value less costs to sell	39,790	4,548,286	10,903,259	15,491,335
Transferred to inventory	—	(7,012,740)	(14,929,852)	(21,942,592)
Decrease due to sale	—	(347,340)	—	(347,340)
Exchange alignment	1,242	512,507	2,034	515,783
At 31 March 2014 and 1 April 2014	59,230	13,888,590	61,947	14,009,767
Increase due to purchase	—	7,756,980	2,416,313	10,173,293
Increase due to raising (Feeding cost and others)	15,235	8,436,867	4,735,587	13,187,689
Change in fair value less costs to sell	—	4,773,109	11,251,818	16,024,927
Transferred to inventory	(69,909)	(12,211,529)	(18,123,706)	(30,405,144)
Exchange alignment	(4,556)	(4,419,119)	(57,132)	(4,480,807)
At 31 March 2015	—	18,224,898	284,827	18,509,725

The number of biological assets is as follows:

	2015	2014
Non-mated females	—	109
Mated females	**27,242**	14,942
Males for breeding	**393**	114
At the end of the year	**27,635**	15,165

Analysed for reporting purposes as follows:

	2015 ***HK$***	2014 *HK$*
Current assets	**18,509,725**	14,009,767
Non-current assets	—	—
At the end of the year	**18,509,725**	14,009,767

Mated females represent the female minks which are primarily held for further growth for the production of mink. The non-mated females and males for breeding are selected as breeding stock.

The fair value of the biological assets is measured at the reporting date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The biological assets of the group were classified as level 3 under the fair value hierarchy. The level into which a fair value measurement classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

The qualification of Valuer

The Group's biological assets were independently valued by Peak Vision Appraisals Limited (the "Valuer") as at 31 March 2015 (the "Valuation Date"). The professional valuers in charge of this valuation have appropriate qualifications and relevant experience in various appraisal assignments involving biological assets and agricultural produce. The professional valuers involved in this valuation include a professional member of the Royal Institution of Chartered Surveyors (MRICS) and of the Hong Kong Institute of Surveyors (MHKIS) and have appraisal experience in a broad range of assets such as property assets, industrial assets, biological assets, mining rights and assets, technological assets and financial assets in the PRC, Hong Kong, Europe and abroad. They have previously participated in the valuation of biological assets and agricultural produce such as hogs, vegetables, fruits, grains and landscaping plants.

As stated in the RICS Valuation — Professional Standards January 2014 issued by the Royal Institution of Chartered Surveyors and The Hong Kong Valuation Standards 2012 Edition issued by the Hong Kong Institute of Surveyors, valuations undertaken for inclusion in a financial statement shall be provided to meet the requirements of the Hong Kong Accounting Standards, including HKAS 41 Agriculture.

Based on the above qualification and various experiences of the Valuer and/or its members in providing biological asset valuation services to various companies listed on the Stock Exchange, which engage in the husbandry and agriculture industry, our directors are of the view that the Valuer is competent to determine the fair value of our Group's biological assets.

Valuation methodology of biological assets

In the process of valuing the biological assets, the Valuer has taken into consideration the nature and specialty of the biological assets and considered that combination of the market approach and income approach would be appropriate and reasonable in the valuation of the fair value less costs to sell of the biological assets by making reference to the requirement of HKAS 41.

Valuation of mated females

In the valuation of mated females, under the condition of absence of market determined price in the market, the Valuer applied the income approach to determine the present value of expected net cash flows. The cash flows are determined based on the estimated costs for raising kits unit pelting and the estimated price for skins after pelting.

Valuation of mated males

In the valuation of males for breeding, the Valuer applied the market approach by referring to the average market price of skins less incremental costs for pelting and selling.

Prices and costs of the Biological Assets

Based on the February 2015 auctions of Kopenhagen Fur, the average prices for male, female and total furs were DKK504, DKK342 and DKK416 per unit respectively. Pelting and sales fee reflect incremental costs to sell for livestocks and are deducted from the assessed fair value. Estimation of costs per unit provided by the Management are presented below:

	*DKK**
Feed	121
Salary	109
Other variable cost *(Note 1)*	10
Lower value of male breeders *(Note 2)*	30
Pelting	30
Sales fee	9
Surplus from Kopenhagen Fur *(Note 3)*	3-5%

Note 1: Other variable cost includes vaccination and veterinary fees.
Note 2: For mated females, using a male mink for breeding lowers the skin value of the males used as breeders.
Note 3: Estimated surplus from Kopenhagen Fur is received by farmers from the auction body.
*: DKK stands for Danish Kroner

Major inputs

The major inputs for the above models are discount rate, average skins price and birth rate. The discount rate applied for the valuation as at the Valuation Date is approximately 13.62%. The average skins price applied for mated females and mated males are approximately DKK381 and DKK670 respectively. The birth rate applied for mated females is 5.

Valuation assumptions

In addition, the following principal assumptions have been adopted by the Valuer:

(a) The expected costs to sell the biological assets reflect the best estimates of the Management and are reasonable, reflecting market conditions and economic fundamentals and will be materialised;

(b) The biological assets are properly managed with necessary care and are receiving proper veterinary care to ensure their normal growth;

(c) There will be no force majeure event, including natural disasters that could adversely impact the condition of the biological assets;

(d) The biological assets are free from any diseases which will lead to death or materially impair the expected economic benefit from the disposal of the biological assets;

(e) The biological assets are assumed to be free from any liabilities or encumbrances that would affect their value;

(f) For the business enterprise to continue as a going concern, the business enterprise will successfully carry out all necessary activities for the development of its business;

(g) Market trends and conditions where the business enterprise operates will not deviate significantly from the economic forecasts in general;

(h) The availability of finance will not be a constraint on the forecast growth of the biological assets;

(i) Key management, competent personnel and technical staff will all be retained to support the ongoing operations of the business enterprise;

(j) There will be no material changes in the business enterprise's business strategy and its operating structure;

(k) The business enterprise shall have uninterrupted rights to operate its existing business during the unexpired term of its authorised operating period;

(l) Interest rates and exchange rates in the localities for the operation of the business enterprise will not differ materially from those presently prevailing;

(m) All relevant approvals, business certificates, licences or other legislative or administrative authority from any local, provincial or national government, or private entity or organisation required to operate will be officially obtained and renewable upon expiry unless otherwise stated; and

(n) There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the localities in which the business enterprise operates or intends to operate, which would adversely affect the revenues and profits attributable to the business enterprise upon the disposal of the biological assets.

Sensitivity analysis

Change in the discount rate applied resulted in significant fluctuations in the changes in fair values of biological assets. The following table illustrates the net change in fair value of biological assets of the Group in case of increase or decrease by 5% in the discount rate applied by the Valuer for the year ended 31 March 2015.

	+5%	**Base case**	**+5%**	**Base case**
	DKK	***DKK***	***HK$***	***HK$***
Net change in fair value less costs to sell	(817,260)	16,600,650	(911,245)	18,509,725

	-5%	**Base case**	**-5%**	**Base case**
	DKK	***DKK***	***HK$***	***HK$***
Net change in fair value less costs to sell	1,089,680	16,600,650	1,214,993	18,509,725

Change in the average skins price applied resulted in significant fluctuations in the changes in fair values of biological assets. The following table illustrates the net change in fair value of biological assets of the Group in case of increase or decrease by 5% in the average skins price applied by the Valuer for the year ended 31 March 2015.

	+/-5%	**Base case**	**+/-5%**	**Base case**
	DKK	***DKK***	***HK$***	***HK$***
Net change in fair value less costs to sell	+/-3,280,830	16,600,650	+/-3,658,125	18,509,725

Change in the birth rate applied resulted in significant fluctuations in the changes in fair values of biological assets. The following table illustrates the net change in fair value of biological assets of the Group in case of increase to 6 or decrease to 4 in the birth rate applied by the Valuer for the year ended 31 March 2015.

	Increase to 6	**Base case**	**Increase to 6**	**Base case**
	DKK	***DKK***	***HK$***	***HK$***
Net change in fair value less costs to sell	3,813,880	16,600,650	4,252,476	18,509,725

	Decrease to 4	**Base case**	**Decrease to 4**	**Base case**
	DKK	***DKK***	***HK$***	***HK$***
Net change in fair value less costs to sell	(3,813,880)	16,600,650	(4,252,476)	18,509,725

10. TRADE AND OTHER RECEIVABLES

	2015	2014
	HK$	*HK$*
Trade receivables	**59,075,185**	101,427,009
Commission receivables	**2,954,232**	—
Less: impairment losses on trade receivables	**—**	—
	62,029,417	101,427,009
Other receivables:		
Auction deposit	**2,824,688**	2,312,473
Feed deposit	**333,349**	380,869
Prepayment	**1,341,943**	383,858
Rental deposit	**153,275**	152,631
Utilities deposit	**33,600**	33,600
Others	**35,011**	290,043
	66,751,283	104,980,483

The Group allows a credit period ranging from 0 day to 120 days. The aging analysis of the Group's trade receivables, net of allowance for doubtful debts based on invoice date as at 31 March 2015 and 2014 were as follows:

	2015	2014
	HK$	*HK$*
0 - 60 days	**40,596,172**	75,169,520
61 - 90 days	**19,929,582**	13,339,649
91 - 120 days	**966,598**	12,917,840
Over 120 days	**537,065**	—
	62,029,417	101,427,009

The directors consider that the carrying amounts of trade and other receivables approximate to their fair values.

As at 8 June 2015, approximately HK$26,080,000 of trade receivables had been settled.

Trade receivables disclosed above include amounts which are past due at 31 March 2015 and 2014 for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right to offset against any amounts owned by the Group to the counterparty.

The following is an aging analysis of the Group's trade receivables based on due date that are past due but not impaired at 31 March 2015 and 31 March 2014.

	2015	2014
	HK$	*HK$*
0 - 60 days	**487,045**	381,084
61 - 90 days	**—**	—
91 - 120 days	**—**	—
Over 120 days	**50,020**	—
	537,065	381,084

11. LOAN RECEIVABLES

	2015	2014
	HK$	*HK$*
Loans to customers	**89,496,983**	96,842,633
Accrued interest receivables	**4,754,787**	9,899,497
	94,251,770	106,742,130
Less: impairment loss on individual assessment	**—**	—
	94,251,770	106,742,130

The Group offered a credit period of 180 days from the advancement to its customers with the range of interest rate from 12% to 18% per annum. The Group maintains strict control over its outstanding loans to minimise credit risk. Overdue balance is reviewed regularly by management.

The following is an aging analysis of the Group's loan receivables by age, presented based on the invoice date and net of allowance for doubtful debts at 31 March 2015 and 2014:

	2015	2014
	HK$	*HK$*
0 - 60 days	**45,981,011**	—
61 - 90 days	**—**	—
91 - 180 days	**17,093,367**	21,497,768
Over 180 days	**26,422,605**	75,344,865
	89,496,983	96,842,633

The directors consider that the carrying amounts of loans receivables approximate their fair values.

As at 8 June 2015, approximately HK$75,114,000 of loans receivables had been settled.

Loan receivables disclosed above include amounts which are past due at the end of reporting period for which Loyal Speed Limited (the "Loyal Speed") has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The repayment of the loan receivables were secured by lien over the fur skins purchased by such loans.

The following is an aging analysis of the Group's loan receivables that are past due but not impaired at 31 March 2015 and 2014.

	2015	2014
	HK$	*HK$*
0 - 60 days	**24,664,868**	6,450,195
61 - 90 days	**—**	68,894,670
91 - 180 days	**1,757,737**	—
Over 180 days	**—**	—
	26,422,605	75,344,865

12. TRADE AND OTHER PAYABLES

	2015	2014
	HK$	*HK$*
Trade payables	**34,904,254**	32,070,051
Other payables:		
Accruals	**4,684,498**	1,301,211
Accrued audit fee	**700,000**	680,000
Accrued auction interest	**1,890,066**	—
Accrued bond interest	**229,165**	229,165
Accrued rental expenses	**16,050**	25,812
Accrued wages and pension	**595,000**	614,266
Rental deposit	**26,091**	11,400
Receipt in advance	**16,813,985**	20,272,230
	59,859,109	55,204,135

Receipt in advance included approximately HK$16,270,000 was interest bearing. The amounts will be charged at interest rates ranging from 3.16% to 3.49% per annum.

The Group normally settles the outstandings due to trade payables within 21 days credit term. Based on the invoice date, aging analysis of trade payables as at 31 March 2015 and 2014 were as follows.

	2015	2014
	HK$	*HK$*
0 - 60 days	—	32,070,051
61 - 90 days	**4,711,246**	—
91 - 120 days	—	—
Over 120 days	**30,193,008**	—
	34,904,254	32,070,051

The directors consider that the carrying amounts of trade payables approximate to their fair values.

13. SHARE CAPITAL

	Notes	**Number of ordinary shares of HK$0.01 each**	**HK$**
Authorised:			
At 1 April 2013, 1 April 2014 and 31 March 2015		2,500,000,000	25,000,000
Issued and fully paid:			
At 1 April 2013		1,152,000,000	11,520,000
Issue of shares upon bonus issue		235,936,000	2,359,360
Exercise of Pre-IPO Share Options		33,440,000	334,400
Issue of shares by placing for cash		230,400,000	2,304,000
At 31 March 2014 and 1 April 2014		1,651,776,000	16,517,760
Issue of shares upon bonus issue	*(a)*	330,355,200	3,303,552
Exercise of Pre-IPO Share Options	*(b)*	2,960,800	29,608
Issue of shares upon exercise of warrants	*(c)*	50,000,000	500,000
Shares buy-back	*(d)*	(28,790,000)	(287,900)
At 31 March 2015		2,006,302,000	20,063,020

During the year ended 31 March 2015, the movements in the Company's share capital are as follows:

(a) The Board proposed a bonus issue on the basis of one bonus share for every five existing shares held by the members whose names were on the register of members of the Company on 26 July 2014 (the "Bonus Issue"). The proposed Bonus Issue was approved by the members at the annual general meeting of the Company held on 18 July 2014. A total of 330,355,200 bonus shares of HK$0.01 each were issued by way of the Bonus Issue on 26 July 2014.

(b) During the year, 2,960,800 new ordinary shares of HK$0.01 each were issued on exercise of 2,960,800 share options (the "Pre-IPO Share Options") under the pre-IPO share option scheme of the Company (the "Pre-IPO Share Option Scheme") at an aggregate consideration of HK$535,905, of which HK$29,608 was credited to share capital and the remaining balance of HK$506,297 was credited to the share premium account. In addition, an amount attributable to the related Pre-IPO Share Options of HK$168,609 has been transferred from share option reserve to share premium account.

(c) On 8 August 2014, a total number of 200,000,000 unlisted warrants were issued to the warrant holders. During the year, 50,000,000 ordinary shares of HK$0.01 each were allotted and issued on exercise of 50,000,000 warrants at subscription price of HK$0.199 each, and an aggregate consideration HK$9,950,000 was received by the Company.

(d) Pursuant to the repurchase mandate granted at the Annual General Meeting held on 18 July 2014, the Company may repurchase up to 165,177,600 ordinary shares. During the year, the Company repurchased its own shares through stock exchange as follows:

	No. of shares of HK$0.01 each	Price per share Highest	Price per share Lowest	Aggregate consideration paid
		HK$	*HK$*	*HK$*
Month of repurchase				
November 2014	8,960,000	0.355	0.335	3,156,494
December 2014	19,830,000	0.350	0.290	6,323,008
	28,790,000			9,479,502

The above shares were cancelled upon repurchase. None of the Company's subsidiaries repurchased, sold or redeemed any of the Company's shares during the year.

14. CONTINGENT LIABILITIES

As at 31 March 2015, the Company has granted a corporate guarantee to secure general banking facilities which is available to U.K. Fur Limited and Loyal Speed. According to the terms of banking facilities, up to HK$178.7 million (2014: HK$173 million) is granted to U.K. Fur Limited while up to HK$2.7 million (2014: HK$8 million) is granted to Loyal Speed.

15. EVENT AFTER THE REPORTING PERIOD

Pursuant to the announcements dated 20 April 2015 and 2 June 2015, UKF (Denmark) A/S, an indirect wholly owned subsidiary of the Company, signed two acquisition agreements on 20 April 2015 as purchaser in respect of acquisition of two mink farms located in Denmark by total consideration of DKK21,000,000 (equivalent to about HK$23,520,000) and on 2 June 2015, UKF (Denmark) A/S entered into another acquisition agreement as purchaser to acquire another mink farm located in Denmark by total consideration of DKK10,500,000 (equivalent to about HK$11,865,000).

The Board has proposed to make a bonus issue of one new share credited as fully paid for every five shares held by shareholders whose names appear on the register of members on 31 July 2015. The relevant resolution will be proposed at the forthcoming annual general meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Fur remains to be the staple of fashion the Group has observed that legendary luxury fashion brands like Fendi and Hermes have inspired many young designers across the globe to incorporate fur into their brand collections.

These new brands are bringing fresh ideas in terms of patterns, combination of colours and are revitalising the fur industry by attracting younger generation which considers fur as a fashion item. During the summer of 2014, the North American Fur Auction (NAFA) held fur fashion design workshops in Hong Kong and Shanghai for local designers.

The winter season arrived early in November 2014 as the first snow fell in northern China. The early winter extended the cold season and provided a longer selling period for fur fashion. In addition to the early snow, the Chinese New Year in late February 2015 further extended the selling season. While average prices for mink and fox skins in the above period were lower than those of the previous year, the trading volumes and the number of new international buyers at the auctions grew. As regards the Russian market, the demand for good quality fur skins was not affected by the depression due to currency devaluation. The addition of new customers brought about good returns for UKF's brokerage and trading business.

Further growth is expected in the farming business of the Group as UKF (Denmark) A/S ("UKF Denmark"), our Danish subsidiary, continues to expand their existing farms and invest in the enhancement of quality of their breeders. As at 31 March 2015, the Group owned five (5) mink farms across Denmark and continues to seek for good acquisition opportunities to further expand its portfolio.

Supported by the cold weather, growing economy and the successful transfer of listing from the Growth Enterprise Market ("GEM") to the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), we are looking forward to a successful year ahead.

Financial Review

Turnover

The consolidated audited turnover of the Company for the year ended 31 March 2015 was approximately HK$301.6 million, representing a slight decrease of approximately 0.01 % from approximately HK$301.6 million for the year ended 31 March 2014. The slight decrease in the turnover was mainly attributable to the decrease in the turnover in fur skin trading due to decrease in average prices of fur skins during the year, which outweighed the increase in the turnover in (i) fur skin brokerage and relevant financing services and (ii) mink farming.

Cost of sales

The cost of sales of the Group amounted to approximately HK$218.0 million for the year ended 31 March 2015, representing a decrease of approximately 9.9% from approximately HK$242.0 million for the year ended 31 March 2014. The decrease in the cost of sales was mainly attributable to the decrease in sales of fur skins for the year ended 31 March 2015 as compared with that for the year ended 31 March 2014.

Gross profit and gross profit margin

The gross profit of the Group was approximately HK$83.6 million for the year ended 31 March 2015, representing an increase of approximately 40.2% from HK$59.6 million for the year ended 31 March 2014. The Group recorded a gross profit margin of approximately 27.7% for the year ended 31 March 2015, which increased from approximately 19.8% for the year ended 31 March 2014. The increase in gross profit and gross profit margin was primarily due to (i) higher gross profit margin generated from bulk purchases of fur skins at lower prices in June 2014 in fur trading segment; and (ii) increased revenue in fur skin brokerage and relevant financing services and mink farming.

Administrative expenses

The administrative expenses of the Group significantly increased by 59.5% from approximately HK$34.8 million for the year ended 31 March 2014 to approximately HK$55.5 million for the year ended 31 March 2015. The increase in the administrative expenses was primarily due to the increase in depreciation, net foreign exchange loss, staff salaries and farms operating cost relating to the acquisition of mink farms during the year.

Finance costs

The finance costs of the Group significantly increased by approximately 63.7% from approximately HK$4.5 million for the year ended 31 March 2014 to approximately HK$7.4 million for the year ended 31 March 2015. The increase was primarily due to the increase in trust receipt loan interest, term loan interest and auction interest. As at 31 March 2015, the Group obtained banking facilities of up to HK$181.4 million; therefore, the trust receipt loan interest and term loan interest increased significantly. The increase in auction interest was primarily due to the provision for interest on unpaid inventories as at 31 March 2015.

Liquidity, Financial Resources and Capital Structure

The Group generally finances its operations with internally generated cash flow, bank borrowings and corporate bond. The Group maintained bank balances and cash of approximately HK$136.5 million as at 31 March 2015 (2014: approximately HK$60.8 million) in Hong Kong dollars ("HK$") and US dollars ("US$"). The net assets of the Group as at 31 March 2015 were approximately HK$300.8 million (2014: approximately HK$271.5 million).

On 8 August 2014, the Company issued unlisted warrants ("Warrants") at HK$0.006 each entitling six subscribers which are independent from the Group and its associates to subscribe for up to 200,000,000 ordinary shares of the Company at HK$0.199 each during the 24-month period from 8 August 2014 to 8 August 2016. The total nominal value of the shares which may be issued upon the exercise of such warrants amounted to HK$2,000,000. The price of the Warrants was HK$0.006 per Warrant (with a net issue price of approximately HK$0.00525 per Warrant). The aggregate price of each Warrant and ordinary share to be allotted and issued upon exercise of such Warrant was HK$0.205, which represents a discount of approximately 9.29% to the closing price of HK$0.226 per share as quoted on the Stock Exchange on 18 July 2014, being the trading date immediately prior to the date of placing agreement for the Warrants. The proceeds in issue of Warrants is HK$1,200,000 was used for general working capital of the Group. As at 31 March 2015, net proceeds of HK$9,950,000 have been raised from the issue of 50,000,000 shares pursuant to the exercise of subscription rights by a Warrant holder and was used for general working capital for its newly acquired mink farms in Denmark and provision of finance for its fur skin brokerage customers.

As at 31 March 2015, the Group had bank borrowings, which represented trust receipt loans and term loans of approximately HK$101.7 million and approximately HK$43.5 million respectively to finance its purchases of fur skins and general working capital. The Group did not have any fixed interest rate borrowings and all of bank borrowings were held in HK$ and US$. The Group has obtained banking facilities of up to HK$181.4 million with (i) corporate guarantees provided by the Company and (ii) the requirements that the net external gearing ratio shall not be more than 150% and the net assets of the Group shall grow by at least HK$15 million annually. The net external gearing ratio, representing the ratio of total interest bearing borrowings to the net assets of the Group, was approximately 51.7% as at 31 March 2015 (2014: approximately 48.8%).

The Directors consider that the Group can meet the conditions of the banking facilities for the year ended 31 March 2015 and in the future.

The Group maintains a conservative approach on foreign exchange exposure management and ensures that its exposure to fluctuations in foreign exchange rates is minimised.

During the year, apart from the foreign currency forward contacts, the Group had not engaged in any financial instruments for hedging or speculative activities.

The Group has certain investments in foreign operations in Denmark, whose net assets are exposed to foreign currency risk. The impact of exchange rate fluctuations on the net assets of the Group's foreign operations is considered to be manageable as such impact will be offset by borrowings denominated in Danish Kroner ("DKK").

Charge of Assets

As at 31 March 2015, the Group charged the key management insurance contract which is classified as an available-for-sale investment of approximately HK$10 million for bank borrowings (2014: HK$8.5 million cash deposit). In addition, the Group pledged certain plant and machinery, office equipment, motor vehicle, biological assets and inventories of approximately DKK10 million (equivalent to HK$11.15 million) to secure the cash advance granted to the Group.

Capital Commitments

As at 31 March 2015, the Group did not have any significant capital commitments (2014: Nil).

Contingent Liabilities

As at 31 March 2015, the Group granted corporate guarantees to secure general banking facilities up to HK$181.4 million. (2014: HK$180.8 million).

Material Acquisitions or Disposals and Significant Investments

During the year ended 31 March 2015, the Group had no material acquisitions or disposals of subsidiaries or associated companies and significant investments.

Future Plans for Material Investments or Capital Assets and Expected Sources of Funding

Save as disclosed under "Comparison of Future Plans and Prospects with Actual Business Progress" in this report, the Group did not have any specific plan for material investment or capital assets as at 31 March 2015.

Employee Information

As at 31 March 2015, the Group had a total of 28 staff members including Directors (2014: 28). Staff costs including Director's remuneration amounted to approximately HK$14.6 million for the year ended 31 March 2015 (2014: approximately HK$13.4 million). Remuneration is determined based on the individual's qualification, experience, position, job responsibility and market conditions. Salary adjustments and staff promotion are based on evaluation of staff performance by way of annual review, and discretionary bonuses would be paid to staff with reference to the financial performance of the Group of the preceding financial year. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong, and options that were granted or may be granted under the Pre-IPO Share Options Scheme and share option scheme both of which were approved by the shareholder of Company on 1 August 2012.

Risk Management

Credit Risk

Credit risk exposure represents trade receivables and loan receivables from customers which principally arise from our business activities. The Group has a credit policy in place and the credit risk is monitored on an on-going basis.

In order to minimise the credit risk, management of the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that appropriate and speedy follow up actions are taken on overdue balances. In this regard, the Board of Directors considers that the Group's credit risk is significantly reduced.

Liquidity risk

The Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions are available to meet the Group's liquidity requirements in the short and long terms.

Foreign currency risk

The Group carries out its business in Hong Kong and worldwide and most of the transactions are denominated in US$ and DKK. The sales and purchases transactions of the Group are exposed to the foreign currency risk.

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors the exposure of foreign currency risk. During the year under review, the Group entered into foreign currency forward contracts to mitigate the exposure to foreign currency risk due to the operation of the overseas subsidiary in Denmark. Apart from the foreign currency forward contracts, the management of the Group did not consider it necessary to use foreign currency hedging policy as the Group's assets and liabilities denominated in currencies other than the functional currency of the entity to which they related are short term foreign currency cash flows. As the HK$ is pegged to the US$, the Group considers the risk of movements in exchange rates between the HK$ and the US$ to be insignificant.

During the year under review, the Group has certain investments in foreign operations in Denmark, whose net assets are exposed to foreign currency risk. The impact of exchange rate fluctuations on the net assets of the Group's foreign operations is considered to be manageable as such impact will be offset by borrowings denominated in DKK.

Comparison of Future Plans and Prospects with Actual Business Progress

An analysis comparing the future plans and prospects as contained in the prospectus of the Company dated 15 August 2012 ("Prospectus") with the Group's actual business progress for the period from 6 August 2012, being the latest practicable date as defined in the Prospectus, to 31 March 2015 (the "Relevant Period") is set out below:

	Future plans and prospects	**Actual business progress during the Relevant Period**
Expand customer network	Participate in the fur exhibitions and fairs to be held in Beijing and Hong Kong. Place advertisements on fur magazine to promote the business of the Group	The Group has participated in the fur exhibitions and fairs held in Hong Kong in February 2013 and 2014. It has also placed advertisements on fur magazine to promote the business of the Group
Enhance ability to purchase more fur skins from the Kophenhagen Fur ("KF") and Saga Furs Oyj ("Saga")	Deploy more resources in sourcing fur skins in KF and Saga	The Group sourced more fur skins at favorable price in KF and Saga in September and December 2012 and February 2013 respectively
Strengthen the source of procurement by purchasing fur skins from two additional auction houses in Canada and the United States	Participate in the auctions to held by North American Fur Auction ("NAFA") in Canada and American Legend Cooperative ("ALC") in the United States	The Group has commenced to purchase fur skins in NAFA, Canada since September 2012
Enhance the technical skills of the staff	Arrange staff members to enroll and attend the course on selecting, sorting and distinguishing fur skins offered by Saga	The Group has arranged staff members to attend courses offered by Saga and KF
Expand the business of the Group through acquisition or cooperation	Acquire or cooperate with other fur companies to further expand the business of the Group	The Group has applied HK$7.1 million from the placing of 240,000,000 Shares on 24 August 2012 ("IPO Placing") to partly settle the total consideration of HK$91.0 million for acquisition of the entire issue capital of Loyal Speed

The net proceeds from the IPO Placing were approximately HK$47.4 million, which was based on the final placing price of HK$0.26 per share and the actual expenses related to the listing. Accordingly, the Group adjusts the use of proceeds in the same manner and proportion as shown in the Prospectus.

During the period from the date of listing (i.e. 24 August 2012) to 31 March 2015, the net proceeds from the IPO Placing had been applied as follows:

	Adjusted use of proceeds in the same manner and proportion as shown in the Prospectus during the Relevant Period *HK$ million*	Actual use of proceeds during the Relevant Period *HK$ million*
Expand customer network	0.9	0.9
Enhance ability to purchase more fur skins from the Auction Houses	27.9	27.9
Strengthen the source of procurement by purchasing fur skins from two addition auction houses in Canada and the United States	8.0	8.0
Enhance the technical skills of the staff	0.4	0.4
Expand the business of the Group through acquisition or cooperation	7.1	7.1
General working capital	3.1	3.1
	47.4	47.4

Advances to the entities

Pursuant to the Rules 13.13 and 13.15 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), a disclosure obligation arises where the relevant advance to the entities from the Group exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. As at 31 March 2015, Loyal Speed, an indirect wholly owned subsidiary of the Company, has advanced to two fur brokerage customers, namely Fur Supply (China) Limited (the "FSC Loans") and Modern Fur Company Limited (the "MF Loans") to finance their purchase of fur skins from the auction houses and the amounts due to the Group from the above customers exceeded 8% of the total assets of the Group (approximately HK$521.9 million).

The table below sets out the details of the FSC Loans and MF Loans as at 31 March 2015:

	FSC Loans	**MF Loans**
Amount due to the Group	HK$79,798,895	HK$9,698,088
Credit Term	180 days	180 days
Interest Rate	1.2% per month if the repayment is made within the first 90 days of the credit period; 1.5% per month if the repayment is made after the first 90 days of the credit period	12% per annum if the repayment is made within the first 120 days of the credit period; 14.4% per annum if the repayment is made after the first 120 days of the credit period
Collateral	The fur skins purchased with the relevant part of the FSC Loan	The fur skins purchased with the relevant part of the MF Loan

DIRECTORS' INTERESTS IN CONTRACT

No contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party, and in which a Director or his/her associates had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2015.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As far as the Directors are aware of, none of the Directors or the controlling shareholders of the Company has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year ended 31 March 2015.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2015, the following Directors or the chief executive of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") which (i) are 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 and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under section 352 of the SFO; or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

(A) Interests in the Company — Long position in shares of the Company

Name	Nature of Interest	Number of Shares	Approximate percentage of shareholding in the Company
Mr. WONG, Chun Chau *(Note 1)*	Interest of controlled corporation	1,044,360,000	52.05%
	Beneficial owner	23,616,000	1.18%
Ms. KWOK, Yin Ning	Beneficial owner	15,552,000	0.78%
Mr. Jean-pierre PHILIPPE *(Note 2)*	Interest of controlled corporation	1,944,000	0.10%
	Beneficial owner	1,600,000	0.08%
	Interest held jointly with another person	900,000	0.04%

Note 1: Under the SFO, Mr. Wong is deemed to be interested in 1,044,360,000 Shares which are held by Trader Global Investments Limited, a company wholly owned by Mr. Wong.

Note 2: Under the SFO, Mr. Philippe is deemed to be interested in 1,944,000 Shares which are held by Aglades Investment Pte Limited, a company wholly owned Mr. Philippe.

(B) Interests in the Company — Long position in underlying shares or equity derivatives of the Company

Name	Nature of Interest	Share Options	Approximate percentage of shareholding in the Company	Approximate percentage of shareholding in the Company assuming all the options granted under the Share Option Scheme were exercised
Mr. WONG, Chun Chau	Beneficial owner	49,615,200	2.47%	2.35%
Ms. KWOK, Yin Ning	Beneficial owner	32,008,000	1.60%	1.52%

(C) Interests in the Associated Corporation — Long position in shares of Trader Global Investments Limited (Note 1)

Name	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Associated Corporation
Mr. WONG, Chun Chau	Beneficial owner	1	100%

Note:

1. Trader Global Investments Limited is the ultimate holding company of the Company and was incorporated in the British Virgin Islands.

Save as disclosed above, as at 31 March 2015, neither of the Directors nor the chief executives of the Company had interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) are 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 and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under section 352 of the SFO; or (iii) have to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2015, the following parties (in addition to the Directors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

Long position in shares of the Company

Name	Nature of Interest	Name of Shares	Approximate percentage of shareholding in the Company
Trader Global Investment Limited *(Notes 1, 2)*	Beneficial owner	1,044,360,000	52.05%
Carafe Investment Company Limited *(Note 3)*	Beneficial owner	139,597,834	6.96%

Notes:

1 Mr. Wong Chun Chau was deemed to be interested in 1,044,360,000 shares held by Trader Global Investments Limited, a company which is wholly and beneficially owned by him, for the purpose of the SFO.

2. Mr. Wong Chun Chau is also the sole director of Trader Global Investments Limited.

3. Mr. Merzbacher Werner was deemed to be interested in 139,597,834 shares held by Carafe Investment Company Limited, a company which is wholly and beneficially owned by him, for the purpose of the SFO.

Save as disclosed above, as at 31 March 2015, the Directors are not aware of any persons (other than the directors or the chief executive of the Company) have interests or short positions in the shares or underlying shares of the Company which were recorded in the register of interest required to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections "Share Option Scheme" and "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares or Debentures" above, at no time during the year ended 31 March 2015 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO, or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate granted to any Director or his/her spouse or children under 18 years or age, or were any such rights exercised by them.

SHARE OPTION SCHEMES

The Company has adopted, on 1 August 2012, two share option schemes namely, the pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and the share option scheme (the "Share Option Scheme", together with the Pre-IPO Share Option Scheme, the Share Option Schemes), for the purpose of providing incentives to eligible employees (including Directors) and any advisers or consultants who contributes to the success of the Group.

The Directors have estimated the values of the share options granted, calculated using the binomial option pricing model as at the date of grant of the options. The values of share options calculated using the binomial model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself.

The value of an option varies with different variables of certain subjective assumptions. Any changes to the variables used may materially affect the estimation of the fair value of an option.

The following share options were outstanding under the Pre-IPO Share Option Scheme during the year:

	Number of share options								
Name or category of participant	**As at 1 April 2014**	**Granted during the year**	**Exercised during the year**	**Lapsed during the year**	**Adjusted number of share options** *(Note 1)*	**As at 31 March 2015**	**Date of grant of share options**	**Exercise price of share options** *(Note 1)* *HK$*	**Exercise period of share options**
Directors									
Mr. WONG Chun Chau	24,096,000	—	—	—	4,819,200	28,915,200	1 August 2012	0.144	Note 2
Ms. KWOK Yin Ning	15,840,000	—	—	—	3,168,000	19,008,000	1 August 2012	0.144	Note 2
Consultant	11,520,000	—	—	—	2,304,000	13,824,000	1 August 2012	0.181	Note 3
Employees	6,336,000	—	(2,960,800)	—	1,267,200	4,642,400	1 August 2012	0.181	Note 4
	57,792,000	—	(2,960,800)	—	11,558,400	66,389,600			

Note:

1. The number and the exercise price of the share options were adjusted as a result of the issue of one bonus share for every five then existing shares held by qualifying shareholders whose name appeared on the register of members of the Company on 25 July 2014.

2. (i) Half of such share options are exercisable after the expiry of 6 months from the date of grant, (ii) outstanding share options up to all such share options are exercisable after the expiry of 18 months from the date of grant. In any event, no option can be exercised after the expiry of 120 months from the date of grant.

3. All such share options are exercisable after the expiry of 9 months from the date of grant but not later than the end of 120 months from the date of grant.

4. (i) One-third of such share options are exercisable after the expiry of 8 months from the date of grant, (ii) outstanding share options up to two-third of all such share options are exercisable after the expiry of 20 months from the date of grant, and (iii) outstanding share options up to all such share options are exercisable after the expiry of 32 months from the date of grant. In any event, no option can be exercised after the expiry of 120 months from the date of grant.

The following share options were outstanding under the Share Option Scheme during the year ended 31 March 2015:

Name or category of participant	As at 1 April 2014	Granted during the year	Exercised during the year	Lapsed during the year	Adjusted number of share options *(Note 1)*	As at 31 March 2015	Date of grant of share options	Exercise price of share options *HK$*
	Number of share to be allotted and issue upon exercise of share options							
Directors								
Mr. WONG Chun Chau	12,250,000	—	—	—	2,450,000	14,700,000	13 August 2013	0.34 *(Note 1)*
	—	6,000,000	—	—	—	6,000,000	14 August 2014	0.218
Ms. KWOK Ying Ning	—	13,000,000	—	—	—	13,000,000	13 August 2014	0.226
An employee	—	480,000	—	—	—	480,000	13 August 2014	0.226
	12,250,000	19,480,000	—	—	2,450,000	34,180,000		

Notes:

1. The number and the exercise price of the Share Options were adjusted as a result of the issue of one bonus share for every five then existing shares held by qualifying shareholders whose names appeared on the register of members of the Company on 25 July 2014.

2. The above share options are exercisable within 24 months after the date of grant.

COMPLIANCE ADVISER'S INTEREST IN THE COMPANY

As at 31 March 2015, as notified by the Company's compliance adviser, VC Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 13 August 2012, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company had not entered into any connected transactions or continuing connected transactions which are required to be disclosed under Chapter 14A of Listing Rules.

FINAL DIVIDEND

The board of Directors (the "Board") has proposed a final dividend, for the year ended 31 March 2015, of HK0.12 cents in cash per share. Interim dividend of HK0.26 cents in cash per share was paid during the year.

In respect of the preceding year, a final dividend of HK0.3 cents in cash per share was paid and no interim dividend was declared.

Subject to approval at the forthcoming annual general meeting to be held on 24 July 2015, Friday (the "AGM"), the said final dividend will be payable on or about 10 August 2015, Monday to shareholders whose names appear on the register of members of the Company on 31 July 2015, Friday.

ISSUE OF BONUS SHARES

The Board has also proposed a bonus issue of one new share (the "Bonus Share") credited as fully paid for every five shares held by shareholders whose names appear on the register of members on 31 July 2015, Friday. Subject to (i) the relevant resolution proposed at the forthcoming AGM being passed and (ii) the Listing Committee of the Stock Exchange granting the approval of listing of and permission to deal in such new shares, share certificates of the Bonus Shares are expected to be posted on 10 August 2015, Monday.

AGM

The AGM of the Company will be held on 24 July 2015, Friday. Notice of AGM will be published and dispatched to shareholders of the Company in the manner as required by the Listing Rules.

EXPECTED TIMETABLE

Expected Timetable for Entitlement to Attend and Vote at AGM

In order to qualify to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the office of the branch share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 21 July 2015, Tuesday.

The register of members of the Company will be closed from 22 July 2015, Wednesday to 24 July 2015, Friday (both dates inclusive), for the purposes of determining the entitlements of the Shareholders to attend and vote at the AGM. No transfer of the Shares may be registered on those dates.

Expected Timetable for final dividend and Bonus Issue

The last day of dealings in Shares with entitlement to the proposed final dividend and Bonus Shares will be 28 July 2015, Tuesday. In order to qualify for the proposed final dividend and Bonus Shares, (i) all transfers of Shares accompanied by the relevant share certificates, (ii) the exercise form in respect of the Share Options, together with a remittance in cash for the amount of the exercise price for the respective Shares, must be lodged with the office of the branch share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 30 July 2015, Thursday.

The register of members of the Company will be closed on 31 July 2015, Friday, for the purposes of determining the entitlements of the Shareholders to the proposed final dividend and Bonus Shares upon the passing of relevant resolution. No transfer of the Shares may be registered on that day.

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable above will be published or notified to the Shareholders in accordance with the Listing Rules.

CORPORATE GOVERNANCE

Under code provision A.6.7 of the Code, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders.

Due to other pre-arranged commitments which must be attended to by them, Mr. Ang Wing Fung and Mr. Jean-pierre Philippe, being independent non-executive Directors, were not present at the annual general meeting of the Company held on 18 July 2014.

Save as disclosed above, the Company has fully complied with the required code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") contained in Appendix 14 of the Listing Rules for the year ended 31 March 2015.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year, the Group adopted the code of conduct for securities transactions by Directors ("Securities Dealings Code") on terms no less exacting than that set out in Appendix 10 of the Listing Rules. Upon the Group's specific enquiry, all Directors confirmed that during the year ended 31 March 2015, they had fully complied with the Securities Dealings Code.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") which comprises all 3 independent non-executive Directors, namely, Mr. Lau Siu Ki, Mr. Tang Tat Chi and Mr. Jean-pierre Philippe, with Mr. Lau Siu Ki being the chairman of the committee.

The Group's annual results for the year ended 31 March 2015 have been reviewed by the Audit Committee. The Audit Committee is of opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF MESSRS. HLM CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2015 as set out in this announcement have been agreed by the Group's auditors, Messrs. HLM CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. HLM CPA Limited in this respect did not constitute any assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. HLM CPA Limited in this announcement.

On behalf of the Board
UKF (Holdings) Limited
Wong Chun Chau
Chairman

Hong Kong, 16 June 2015

Executive Directors:
Mr. Wong Chun Chau
Ms. Kwok Yin Ning

Independent non-executive Directors:
Mr. Lau Siu Ki
Mr. Tang Tat Chi
Mr. Jean-pierre Philippe

For the purpose of illustration only and unless otherwise stated, conversion of DKK to HK$ in this announcement is based on the exchange rate of DKK1.00 to HK$1.115. Such conversion should not be construed as a representation that any amount have been, could have been, or may be, exchanged at this or any other rate.