華銀控股有限公司
SINO CREDIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock code: 628)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

The board (the "Board") of directors (the "Directors") of Sino Credit Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 March 2015 together with the comparative figures, which have been reviewed by the Company's audit committee (the "Audit Committee").

Consolidated Statement of Profit or Loss

For the year ended 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
Continuing operations			
Revenue	5	**55,879**	28,304
Other income	5	**179**	288
Other gains and losses, net	5	**(14,754)**	(4,229)
Administrative expenses		**(29,532)**	(14,263)
Impairment loss on loans receivables		**(7,246)**	(10,101)
Share-based compensation		**(23,357)**	-
Finance costs	6	**(13,244)**	(766)
Loss before income tax		**(32,075)**	(767)
Income tax expenses	7	**(9,708)**	(2,186)
Loss for the year from continuing operations		**(41,783)**	(2,953)
Discontinued operations			
Loss for the year from discontinued operations		**-**	(89,275)
Loss for the year	8	**(41,783)**	(92,228)
(Loss)/profit for the year attributable to:			
Owners of the Company		**(41,783)**	(98,097)
Non-controlling interests		**-**	5,869
		(41,783)	(92,228)
Loss attributable to owners of the Company arises from:			
Continuing operations		**(41,783)**	(8,822)
Discontinued operations		**-**	(89,275)
		(41,783)	(98,097)
Loss per share attributable to owners of the Company	9		
From continuing & discontinued operations			
Basic and diluted		**(6.85)HK cents**	(39.43) HK cents
From continuing operations			
Basic and diluted		**(6.85)HK cents**	(3.55) HK cents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	2015	2014
	HK$'000	HK$'000
Loss for the year	**(41,783)**	(92,228)
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**332**	(1,038)
Total comprehensive loss for the year	**(41,451)**	(93,266)
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	**(41,451)**	(99,268)
Non-controlling interests	**-**	6,002
	(41,451)	(93,266)
Total comprehensive loss attributable to owners of the Company arises from:		
Continuing operations	**(41,451)**	(9,993)
Discontinued operations	**-**	(89,275)
	(41,451)	(99,268)

Consolidated Statement of Financial Position

As at 31 March 2015

	Note	2015	2014
		HK$'000	HK$'000
Assets			
Non-current assets			
Property, plant and equipment		**6,269**	2,743
Intangible assets		**5,878**	5,862
Goodwill		**53,646**	7,148
Investment properties	12	**627,328**	-
Deferred tax assets		**1,804**	2,522
		694,925	18,275
Current assets			
Financial assets at fair value through profit or loss		**30,559**	27,542
Trade and loans receivable	13	**177,669**	353,842
Prepayments, deposits and other receivables		**2,551**	920
Cash and cash equivalents		**26,426**	98,553
		237,205	480,857
Liabilities			
Current liabilities			
Trade payables		**511**	637
Accruals and other payables		**10,767**	20,264
Borrowings		**100,720**	70,000
Tax liabilities		**-**	2,642
		111,998	93,543
Net current assets		**125,207**	387,314
Total assets less current liabilities		**820,132**	405,589
Non-current liabilities			
Borrowings		**186,881**	-
Bonds		**21,945**	-
Deferred tax liabilities		**111,828**	1,466
		320,654	1,466
Net assets		**499,478**	404,123
Capital and reserves			
Share capital		**63,478**	55,857
Reserves		**436,000**	348,266
Total equity		**499,478**	404,123

NOTES:

1 GENERAL INFORMATION

Sino Credit Holdings Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "HKEx"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business in Hong Kong is Unit 1502, 15/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries comprise of money lending, pawn business, financial leasing, financial consultation services and properties leasing in the People's Republic of China ("PRC") and money lending service in Hong Kong.

The gaming and entertainment related business in Macau was discontinued for the year ended 31 March 2014.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as functional currency of the Company, and the functional currency of some subsidiaries is Renminbi ("RMB"). The management considered that it is more appropriate to present the consolidated financial statements in HK$ as the share of the Company are listed on the Stock Exchange. The consolidated financial statements are presented in thousands of units of HK$ ("HK$'000"), unless otherwise stated.

Pursuant to the special resolution passed at the special general meeting of the Company held on 13 December 2013, the name of the Company was changed from "Dore Holdings Limited" to "Sino Credit Holdings Limited" was effective from 16 December 2013.

2 BASIC OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the current year, the Group has adopted all the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods on or after 1 April 2014.

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

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its 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 professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

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

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New and revised HKFRSs in issue but not yet effective

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in these consolidated financial statements:

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

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[3] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.
[6] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

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

4 SEGMENT INFORMATION

Management has determined the operating segments based on the internal reports reviewed and used by executive directors for strategic decision making. The executive directors consider the business from a product and service perspectives. Summary of details of the operating segments is as follows:

Continuing operations

- Financing services

  Provision of pawn loans services, real estate-backed loan service, other loan service, commercial factoring, finance leasing and financial consulting services in the PRC, and money lending service in Hong Kong.

- Properties leasing

  Receiving profit streams from leasing retail premises in PRC.

Discontinued operations

- Gaming and entertainment business

  Receiving profit streams from gaming and entertainment related business in Macau.

(a) Business segments

An analysis of the Group's revenue, results and certain assets, liabilities and expenditure information for the year ended 31 March 2015 and 2014 by operating segments is as follows:

	Continuing operations				Discontinued			
	Financing services		Properties leasing		operations		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue (from external customers)	**48,932**	28,304	**6,947**	-	**-**	24,259	**55,879**	52,563
Segment results	**24,368**	12,059	**12,008**	-	**-**	(89,275)	**36,376**	(77,216)
Fair value changes on financial assets at FVTPL							**3,017**	(4,279)
Bank interest income							**1**	284
Finance costs							**(424)**	(766)
Share-based compensation							**(23,357)**	-
Loss on early repayment of promissory notes							**(40,318)**	-
Unallocated expenses							**(7,370)**	(8,065)
Loss before income tax							**(32,075)**	(90,042)
Income tax expenses							**(9,708)**	(2,186)
Loss for the year							**(41,783)**	(92,228)

4 SEGMENT INFORMATION (CONTINUED)

(a) Business segments (continued)

	Financing services		Properties leasing		Total	
	2015	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets	**259,974**	415,019	**641,438**	-	**901,412**	415,019
Financial assets at FVTPL					**30,559**	27,542
Unallocated assets					**159**	56,571
Total assets					**932,130**	499,132
Segment liabilities	(**94,544**)	(91,679)	(**335,294**)	-	(**429,838**)	(91,679)
Unallocated liabilities					(**2,814**)	(3,330)
Total liabilities					**(432,652)**	(95,009)

Other segment information:

	Financing services		Properties leasing		Unallocated items		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Depreciation	**(1,400)**	(580)	**-**	-	**(7)**	(7)	**(1,407)**	(587)
Impairment loss on loans receivable	**(7,246)**	(10,101)	**-**	-	**-**	-	**(7,246)**	(10,101)
Fair value change on investment properties	**-**	-	**12,460**	-	**-**	-	**12,460**	-
Corporate expenditure	**(4,932)**	(1,306)	-	-	**-**	(23)	**(4,932)**	(1,329)

Segment results represents the profit/(loss) earned by each segment without allocation of fair value changes on financial assets at FVTPL, finance income, finance costs and corporate expenses. This is the measure reported to the executive director for the purpose of resource allocation and assessment of segment performance.

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

- All assets are allocated to reportable segments other than financial assets at FVTPL and corporate financial assets;
- All liabilities are allocated to reportable segments other than corporate financial liabilities

4 SEGMENT INFORMATION (CONTINUED)

(b) Geographical information

The Group operates in two principal areas – the PRC and Hong Kong. Revenue and non-current assets by location from continuing operations are detailed below:

	Revenue from external customers		Non-current assets	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**7,351**	115	**2,673**	23
PRC	**48,528**	28,189	**692,252**	18,252
	55,879	28,304	**694,925**	18,275

(c) Major customers

Continuing operations

Included in revenue of approximately HK$55,879,000 (2014: HK$28,304,000) are revenue of approximately HK$15,589,000 which arose from the Group's top five customers (2014: HK$15,624,000). One (2014: Two) customer(s) contribute more than 10% revenue of the Group which represent approximately HK$6,846,000.

5 REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	HK$'000
Revenue:		
Real estate-backed loan interest income	**8,446**	14,358
Personal property pawn loan interest income	**10,820**	3,483
Other loans interest income	**17,365**	5,798
Financial consultancy service income	**2,622**	4,665
Commercial factoring interest income	**7,019**	-
Financing lease interest income	**2,660**	-
Rental Income	**6,947**	-
	55,879	28,304
Other income		
Bank interest income	**175**	284
Others	**4**	4
	179	288
Other gains and losses, net		
Release on interest payable upon conversion of convertible note	**-**	609
Fair value change on investment properties (Note 12)	**12,460**	-
Reversal of impairment loss on loans receivable	**10,088**	-
Fair value change on financial assets at fair value through profit or loss	**3,017**	(4,279)
Loss on early repayment of promissory notes	**(40,318)**	-
Exchange loss	**(1)**	(559)
	(14,754)	(4,229)

6 FINANCE COSTS

	2015	2014
	HK$'000	HK$'000
Interest on:		
Bank borrowings not wholly repayable within five years	**6,716**	-
Borrowing wholly repayable within five years	**5,600**	80
Promissory notes wholly repayable within five years	**424**	-
Bonds not wholly repayable within five years	**504**	-
Convertible note wholly repayable within five years	**-**	686
	13,244	766

7 INCOME TAX EXPENSES

	2015	2014
	HK$'000	HK$'000
Current income tax		
☐ Outside Hong Kong	**(5,873)**	(4,711)
Total Current tax	**(5,873)**	(4,711)
Deferred tax	**(3,835)**	2, 25
Income tax expenses	**(9,708)**	(2,186)

PRC corporate income tax is provided for at the rate of 25% on the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising from Hong Kong during the year. The Group has no assessable profit under Hong Kong profits tax for the years ended 31 March 2015 and 2014.

8 LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging:

	2015	2014
	HK$'000	HK$'000
Business taxes and other levies	**2,786**	1,396
Depreciation	**1,407**	587
Auditors' remuneration	**600**	550
Legal and professional fee	**3,612**	1,812
Minimum lease payments under operating leases in respect of land and buildings	**3,480**	1,122
Share-based compensation	**23,357**	-
Staff costs (including directors' emoluments)	**12,983**	5,595

9 LOSS PER SHARE

The calculation of the basic/diluted loss per share for the year is based on the Group's loss from continuing operations and discontinued operations attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares for the calculation of the basic/diluted loss per share is set out as follows:

Continuing and discontinued operations

	2015	2014
Loss	**HK$'000**	HK$'000
Loss for the purpose of loss per share	**(41,783)**	(98,097)

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of loss per share (in thousand shares)	**609,628**	248,800

For the year ended 31 March 2015, the effects of the Company's outstanding share options were anti-dilutive and therefore the diluted loss per share is the same as the basic loss per share.

The basic and diluted loss per share for the year ended 31 March 2014 is the same because there were no dilutive events during the years ended 31 March 2014.

10 DIVIDEND

The directors do not recommend the payment of any dividend for the years ended 31 March 2015 and 2014.

11 BUSINESS COMBINATIONS

Virtue Crest Acquisition

On 11 August 2014, Best Volume Investment Limited ("Best Volume"), a direct wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Ace Guide Holdings Limited ("Ace Guide') to acquire equity interests in Virtue Crest Investments Limited("Virtue Crest") and its subsidiaries (collectively referred to as the "Virtue Crest Group"). On 31 October 2014, the transaction was completed and the consideration for acquisition was settled by the (i) cash with amount of HK$120,000,000; (ii) issuance of the promissory notes with a principal amount of HK$240,000,000; and (iii) issuance of the 33,210,000 ordinary shares of the Company ("Consideration Shares"). Details of the transactions were disclosed in the Company's circular dated 30 September 2014.

Virtue Crest Group is principally engaged in the properties leasing in PRC.

The net assets acquired in the transaction arising are as follows:

	Acquiree's carrying amount 31 Oct 2014 HK$'000	Fair value adjustment HK$'000	Fair value 31 Oct 2014 HK$'000
Net assets acquired of:			
Investment properties (Note 12)	620,321	(10,620)	**609,701**
Prepayment and other receivable	76,948		**76,948**
Cash and cash equivalents	9,485		**9,485**
Receipt in advance	(592)		**(592)**
Other payables	(24,551)		**(24,551)**
Borrowing	(230,276)		**(230,276)**
Deferred tax liabilities	(109,836)	2,655	**(107,181)**
Net assets	341,499		**333,534**
Goodwill arising on acquisition			**46,498**
			380,032
Satisfied by:			
Cash			**120,000**
Fair value of Consideration Shares issued			**60,774**
Fair value of promissory notes issued			**199,258**
			380,032

12 INVESTMENT PROPERTIES

	2015 HK$'000	2014 HK$'000
Investment properties in PRC at fair value:		
At 1 April	-	-
Acquisition during the year (Note 11)	609,701	-
Gain in fair value recognised in consolidated statement of profit or loss	12,460	-
Addition	4,822	-
Exchange adjustments	345	-
At 31 March	627,328	-

13 TRADE AND LOANS RECEIVABLE

	2015 HK$'000	2014 HK$'000
Trade receivable		
Rental receivable	2,305	-
Loans receivable		
Real estate-backed loans receivable	6,962	121,625
Personal property pawn loans receivable	20,036	63,689
Commercial factoring receivable	48,026	-
Financing lease receivable	48,492	-
Other loans receivable	59,066	178,616
	182,582	363,930
Less: Provision for impairment loss	(7,218)	(10,088)
	175,364	353,842
Trade and loans receivable	177,669	353,842

13 TRADE AND LOANS RECEIVABLE (CONTINUED)

Based on the loan commencement date set out in the relevant contracts, ageing analysis of the Group's trade and loans receivables as of each reporting date is as follows:

	2015	2014
	HK$'000	HK$'000
Within 3 months	**44,692**	224,109
3-6 months	**55,748**	102,774
6-12 months	**18,163**	26,959
Over 12 months	**59,066**	-
	177,669	353,842

14 COMPARATIVE

Certain comparative figures have been reclassified to conform to current year presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2014, Mainland China was experiencing a major change in the model of economic growth. The transformation from heavy industries, infrastructure development and exports, to domestic consumption, business venture and market-oriented service industries has sustained the development of the country. The economic growth of the Mainland China has slowed down in 2014, with a 7.4% increase in gross domestic product (GDP) for 2014 and a 7% year-on-year increase in GDP for the first quarter of 2015, hitting the lowest quarterly level in years. The People's Bank of China has cut interest rates three times and lowered the required reserve ratio (RRR) twice during the period from the end of 2014 to May 2015, with the objective of injecting liquidity to markets. The central government has also proceeded with various measures to stimulate consumption and to ensure economic stability.

Under such changes in market environment, the Group maintained balance of yield relative to risks while prudently running lending business and developing new loan products. In addition, the Group also expanded its client base and lowered the amount of single lending in an attempt to reduce the related cost of default.

During the current year, the Group set up two wholly-owned subsidiaries in Shenzhen and Guangzhou that specialize in commercial factoring. These subsidiaries commenced operation and provided a wide range of commercial factoring solutions including receivable factoring and trade finance to small and medium-sized enterprises. Loans granted to customers of this business were approximately HK$71.2 million and aggregate revenue of approximately HK$7.0 million was achieved. Loan receivables were approximately HK$48.0 million as at 31 March 2015.

The Group established the second wholly-owned financial leasing subsidiary in Shenzhen in May 2014 to supplement another financial leasing subsidiary in Guangzhou that was registered in December 2013. Such subsidiary has commenced business since September 2014. The Group provides financial leasing service to customers with a leasing period ranging from one year to three years. During the current year, loans granted to customers of this business were approximately HK$50.4 million. Revenue generated from this business line was approximately HK$2.7 million. Finance lease receivables were approximately HK$48.5 million as at 31 March 2015.

FINANCIAL REVIEW

The Group's consolidated revenue generated for the year ended 31 March 2015 were approximately HK$55.9 million (2014: HK$28.3 million), an increase of 97.4% over the last year. Loss attributable to the owners of the Company for the year ended 31 March 2015 was approximately HK$41.8 million (2014: loss HK$98.1 million, of which approximately HK$89.3 million was attributable from discontinued operation). Basic loss per share was 6.85 HK cents (2014: 39.43 HK cents).

Financial services business

The Group continued in developing the business of providing financial services for small and medium-sized enterprises (SMEs) and individuals in the PRC and Hong Kong. In addition to real-estate-backed loan, personal property pawn loan and financial consultancy services, the Group had expanded into financial factoring and financial leasing services. For the year ended 31 March 2015, the Group achieved revenue of over HK$48.9 million. Revenue from financial services was increased by 72.9% over the last year. The growth in revenue is owing to the increased interest income from various loan provision services.

(HK$'000)	31.3.2015	31.3.2014	Change
Revenue	**48,932**	28,304	*72.9%*
Operating expenses	**(21,335)**	(6,064)	*251.8%*
Finance costs	**(6,104)**	(80)	*7530.0%*
Operating earnings	**21,493**	22,160	*-3.0%*
Bad and doubtful debts	**2,875**	(10,101)	*-128.5%*
Operating earnings before tax	**24,368**	12,059	*102.1%*

Financial services income

The following table sets forth the composition of financial services income.

(HK$'000)	31.3.2015	31.3.2014	Change
Real estate-backed loan	**8,446**	14,358	*-41.2%*
Personal property pawn loan	**10,820**	3,483	*210.7%*
Financing leasing	**2,660**	-	-
Commercial factoring	**7,019**	-	-
Other loans interest income	**17,365**	5,798	*199.5%*
Financial consultancy service income	**2,622**	4,665	*-43.8%*
Total	**48,932**	28,304	*72.9%*

Operating expenses

The following table sets forth the composition of operating expenses of financial services.

(HK$'000)	31.3.2015	31.3.2014	Change
Staff costs	**9,614**	2,227	*331.7%*
Rent and rates	**3,468**	1,122	*209.1%*
Business taxes and surcharges	**2,234**	1,396	*60.0%*
Others	**6,019**	1,319	*356.3%*
Total	**21,335**	6,064	*251.8%*
Operating expenses to revenue in %	**43.6%**	21.4%	

During the year, operating expenses-to-revenue ratio raise by 22.2 percentage points to 43.6% over previous year. The operating expenses were HK$21.3 million, an increase of HK$15.2 million, or 251.8%. The substantial increase was mainly attributed to the increase in staff cost due to recruitment of additional management and staff for the Group and its subsidiaries, the increase in office rental expenses, and the increase in legal and professional fees for the expansion and operation of money lending business.

As at 31 March 2015, the gross loan balance (before provision for impairment allowance) reduced to HK$182.6 million, a 49.8% annual drop against the balance at 31 March 2014. During the year, the Group continued to maintain a tight policy by contracting credit risk in large sum lending. The Group had shifted more focus in providing financial services to small and medium-sized enterprise in the form of commercial factoring and financial leasing.

Key operating data

(HK$'000)	**31.3.2015**	31.3.2014	Change
Net loan balance	**175,364**	353,842	*-50.4%*
Gross loan balance	**182,582**	363,930	*-49.8%*
-Hong Kong	**59,066**	83,098	*-28.9%*
-PRC	**123,516**	280,832	*-56.0%*
Total return on loans (Revenue/Gross loan balance)			
-Hong Kong	**10.34%**	10.10%	
-PRC	**20.57%**	20.08%	

Bad and doubtful debts and impairment allowances

During the year, net charges for bad and doubtful debts were 2.8 million. These included bad debts reversal as well as charges arising from the impairment allowance was HK$7.2 million (2014: 10.1 million).

(HK$'000)	**31.3.2015**	31.3.2014
Charges to impairment allowance	**7,246**	10,101
Amount written off	-	-
Reversal	**(10,088)**	-
Net charges for bad and doubtful debts	**(2,842)**	10,101

Loan quality analysis and impairment allowances

The following table sets forth the distribution of the Group's loans by the five category loan classification. Impairment allowances include substandard, doubtful and loss categories were HK$7.2 million (2014: 10.1 million). The impairment allowance as % of gross loan balance was 3.95% (2014: 2.77%).

(HK$'000)	**31.3.2015**	31.3.2014
Normal	**169,438**	353,842
Special mention	**3,525**	**-**
Substandard	**884**	**-**
Doubtful	**5,827**	10,088
Loss	**2,908**	**-**
Gross loan balance	**182,582**	363,930
Less: impairment allowances	**(7,218)**	(10,088)
Net loan balance	**175,364**	353,842
Impairment allowance as % of gross loan balance	**3.95%**	2.77%

Investment properties business

The Group issued promissory notes with carrying amount of HK$240 million as part of the consideration for the acquisition of Virtue Crest Group, which owned and operated a commercial property in Guangzhou. The fair value of the promissory notes at the valuation date 31 October 2014 was approximately HK$199.3 million based on its maturity in October 2019. During the year, the Group decided to improve our balance sheet structure and gearing ratio. The Group redeemed the notes in full from the seller. As a result, the Group recorded a non-cash accounting loss of approximately HK$40.3 million due to early redemption of the promissory notes.

During the year, rental income generated from the investment property was approximately HK$7.0 million. Mortgage loan on the investment property incurred interest expenses of approximately HK$6.7 million. The Group recorded a gain of approximately HK$12.5 million resulting from appreciation in fair value of the commercial property.

Share-based payment expenses

During the year, the Group recognized the share-based payment expenses of approximately HK$23.4 million (2014: nil). The Company granted share options to its eligible grantees (the "Grantees"), under the share option scheme in September 2014, which enables the Grantees to subscribe for an aggregate of 60,000,000 ordinary shares of the Company.

Fair value changes on financial assets

The Group incurred a gain of approximately HK$3.0 million for the year ended 31 March 2015 (2014: loss of HK$4.3 million) resulting from an increase fair value of the listed securities that the Group had invested in.

PROSPECTS

The economic development of the PRC has entered into a new normal and significant improvement in corporate profits and economic data is yet to be seen. The directors also recognize that the credit risks in the PRC market are relatively high. As a result, the Group has been prudently developing its lending business while maintaining balance of yield relative to risks. In the meantime, the Group has been focusing on the prevention and control of market, operational and liquidity risks.

Going forward, we expect the PRC economy to maintain stable growth with further policies and measures on growth stabilization, reformation and structural adjustments to be introduced by the government. The new normal of economic development in the PRC will be creating more business opportunities to the Group. It will proceed with innovation and transformation by leveraging on the internet in the future and provide efficient, convenient and secure online financial services to its customers on open and collaborative networks and platforms. In addition, the Group will invest more resources in exploring the opportunities in the market of consumer finance for the purposes of business diversification and long-term growth.

LIQUIDITY AND FINANCIAL RESOURCES

Financial position of the Group has been healthy throughout the financial year. As at 31 March 2015, the Group had total assets of approximately HK$932.1 million (2014: HK$499.1 million), total liabilities of approximately HK$432.7 million (2014: HK$95.0 million). Equity attributable to owners of the Company was approximately HK$499.4 million (2014: HK$404.1 million).The Group's gearing ratio, expressed as a percentage of total liabilities except deferred tax liabilities over owner's equity was 64.2% (2014: 23.1%).

At 31 March 2015, the cash and cash equivalents of the Group amounted to approximately HK$26.4 million (2014: HK$98.6 million), and the borrowings amounted to approximately HK$287.6 million (2014: HK$70.0 million). The Group's current ratio was 2.12 (2014: 5.14).

The Group had issued 8 year corporate bond with principal of HK$25.0 million, which is due on December 2022, and carry interest at fixed rate of 7.0% per annum with interest payable semi-annually in arrears. The corporate bond is unsecured. The fund had been used as general working capital of the Company.

CAPITAL STRUCTURE

During the year, the Company raised net proceeds of approximately HK$52.7 million through placement of 43,000,000 new ordinary shares to more than six places who and whose ultimate beneficial owners are independent third parties at the issued price of HK$1.25 per share. The net proceeds had been used as capital injection into the financial leasing and commercial factoring companies to conduct its business.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

During the year, the Group acquired all the issued shares of Virtue Crest Investments Limited ("Virtue Crest") and its subsidiaries (collectively referred to as the ("Virtue Crest Group") for a total consideration of HK$380,032,000. Virtue Crest became a wholly-owned subsidiary of the Company. Virtue Crest Group owned a commercial property in Guangzhou. The Group used the property as investment property. Details of the acquisition were disclosed in the Company's announcement dated 12 August 2014, 24 October 2014 and 31 October 2014 and the Company's circular dated 30 September 2014.

Save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries and associates during the year ended 31 March 2015.

CHARGES ON GROUP ASSETS

The Group had pledged the investment properties to secure a banking facility granted to it with outstanding loan balance approximately RMB 172.4 million as at 31 March 2015.

CONTINGENT LIABILITIES

As at 31 March 2015, the Group had no significant contingent liabilities (2014: Nil).

COMMITMENTS

As at 31 March 2015, the Group had capital expenditure commitments amounted to approximately HK$1.9 million (2014: Nil). Rental payment under non-cancellable operating leases amounted to approximately HK$5.2 million (2014: HK$5.4 million).

FOREIGN EXCHANGE EXPOSURE

The Group is mainly exposed to the fluctuation of Hong Kong dollars ("HK$") against Renminbi ("RMB") as its reporting currency is HK$ which is not the functional currency of the business operation of the Group. The Group has not adopted any hedging policy or entered into any derivative products. However, the Board and management will continue to monitor the foreign currency exchange exposure and will consider adopting certain hedging measures against the currency risk when necessary.

TREASURY POLICIES

The Group continues to adopt a conservative treasury policy with all bank deposits in HK$ and RMB. The Board and the management had been closely monitoring the Group's liquidity position and performing ongoing credit evaluation and financial conditions of its customers in order to ensure the healthy cash position of the Group.

STAFF AND REMUNERATION

As at 31 March 2015, the Group had a total of 39 staff (2014: 34). Total staff costs included share-based compensation during the year amounted to approximately HK$36.3 million (2014: HK$5.6 million). Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed by the Remuneration Committee and the Board on a regular basis. As an incentive for the employees, bonuses and share options may also be given to employees based on individual performance evaluation. The Group granted 60,000,000 share options to its eligible directors, employees and business associate under the share option scheme in September 2014.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant event after the reporting period.

DIVIDEND

The Directors do not recommend payment of any dividend for the year ended 31 March 2015 (2014: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with all code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 of the Listing Rules throughout the year ended 31 March 2015, except for the following deviations:

i. Code provision A.1.3

According to code provision A.1.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend.

During the year, certain regular Board meetings were convened with less than 14 days' notice to enable the Directors to react timely and carry out expeditious decision making in respect of transactions which were of significance to the Group's business. As a result, the Board meetings were held with a shorter notice period than required with the consent of all Directors for that time being. The Board will do its best endeavor to meet the requirement of code provision A.1.3 of the CG Code in the future.

ii. Code provision A.4.1

According to code provision A.4.1 of the CG Code, the non-executive Directors should be appointed for a specific term, subject to re-election.

Ms. Lee Shiow Yue, Mr. Poon Wai Hoi, Percy and Mr. Tang Chi Ho, Francis being the independent non-executive Directors, were not appointed for a specific term but were subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Bye-laws of the Company and their appointment would be reviewed when they were due for re-election.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 March 2015.

MAJOR LITIGATION AND ARBITRATION PROCEEDINGS

The Group had no major litigation or arbitration during the year ended 31 March 2015.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2015.

AUDIT COMMITTEE

The Company has an Audit Committee, which was established in accordance with Rule 3.21 of the Listing Rules with primary duties of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee of the Company comprises three independent non-executive Directors, namely Mr. Poon Wai Hoi, Percy (Chairman), Ms. Lee Shiow Yue and Mr. Tang Chi Ho, Francis.

The Audit Committee has reviewed the consolidated financial results of the Company for the year ended 31 March 2015 and agreed to the accounting principles and practices adopted by the Company.

PUBLICATION OF FINANCIAL INFORMATION

This announcement is published on the websites of the Stock Exchange (www.hkexnews.com.hk) and the Company (www.sinocreditgp.com). The Company's annual report for 2015 containing all information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
Sino Credit Holdings Limited
Chung Tat Fun
Chairman

Hong Kong, 23 June 2015

As at the date of this announcement, the executive Directors are Mr. Chung Tat Fun, Mr. Chung Ho Chun, Ms. Wong Yee Shuen Regina and Mr. Fu Ear Ly; the non-executive Directors are Mr. So Chak Fai, Francis and Mr. Huang Weibo; and the independent non-executive Directors are Mr. Poon Wai Hoi, Percy, Mr. Tang Chi Ho, Francis and Ms. Lee Shiow Yue.