China Baoli Technologies Holdings Limited
中國寶力科技控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 164)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2017

FINANCIAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of China Baoli Technologies Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 March 2017 together with the comparative figures for the year ended 31 March 2016 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2017

	Notes	**2017** **HK$'000**	As restated 2016 *HK$'000*
Continuing operations			
Revenue	*3*	**37,343**	105,020
Other income and gains (losses)	*3*	**(119,756)**	16,373
		(82,413)	121,393
Cost of sales		**(11,148)**	(13,322)
Cost of fuel oil consumed		**(17,128)**	(17,035)
Impairment loss on goodwill		**(14,592)**	(9,000)
Administrative expenses		**(216,002)**	(152,733)
Loss from operations		**(341,283)**	(70,697)
Finance costs	*4*	**(6,607)**	(6,519)
Share of loss of an associate		**(20,720)**	–
Share of loss of a joint venture		**(11,229)**	–
Loss before taxation	*5*	**(379,839)**	(77,216)
Taxation	*6*	**–**	(489)
Loss for the year from continuing operations		**(379,839)**	(77,705)

	Notes	**2017**	2016
		HK$'000	*HK$'000*
Discontinued operation			
Profit/(loss) for the year from discontinued operation	*13*	**370**	(84)
Loss for the year		**(379,469)**	(77,789)
(Loss)/profit for the year attributable to equity shareholders of the Company:	*7*		
– from continuing operations		**(379,171)**	(77,050)
– from discontinued operation		**443**	(47)
		(378,728)	(77,097)
Loss for the year attributable to non-controlling interests:			
– from continuing operations		**(668)**	(655)
– from discontinued operation		**(73)**	(37)
		(741)	(692)
		(379,469)	(77,789)
Loss per share for loss attributable to equity shareholders of the Company			
From continuing and discontinued operations			
– Basic and diluted		**(1.23) cents**	(1.03) cents
From continuing operations			
– Basic and diluted		**(1.23) cents**	(1.03) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

	2017	2016
	HK$'000	*HK$'000*
Loss for the year	**(379,469)**	(77,789)
Other comprehensive income (expense):		
Items that have been reclassified or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of foreign operations – net movement in exchange reserve	**101**	(38)
Release of exchange differences upon disposal of subsidiaries	**3,795**	–
Share of other comprehensive income of an associate	**1,550**	–
Other comprehensive income (expense) for the year	**5,446**	(38)
Total comprehensive expense for the year	**(374,023)**	(77,827)
Attributable to:		
Equity shareholders of the Company	**(373,618)**	(77,327)
Non-controlling interests	**(405)**	(500)
Total comprehensive expense for the year	**(374,023)**	(77,827)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Notes	2017 HK$'000	2016 HK$'000
Non-current Assets			
Property, plant and equipment		**12,846**	16,195
Land use rights		**8,919**	10,005
Intangible asset		**30**	–
Goodwill		**320,066**	14,592
Interest in an associate		**221,619**	–
Interest in a joint venture		**13,076**	–
Available-for-sale financial asset		**6,300**	9,300
		582,856	50,092
Current Assets			
Inventories		**1,198**	1,682
Trade and other receivables	*8*	**25,772**	110,928
Amounts due from subsidiaries of an associate	*9*	**498,146**	–
Amount due from a joint venture		**2**	–
Financial assets at fair value through profit or loss	*10*	**3,232**	170,480
Cash and cash equivalents		**83,424**	23,661
		611,774	306,751
Current Liabilities			
Trade and other payables	*11*	**59,047**	62,292
Bank and other borrowings		**59,872**	61,505
		118,919	123,797
Net Current Assets		**492,855**	182,954

	Note	**2017**	2016
	Note	***HK$'000***	*HK$'000*
Non-current Liabilities			
Amount due to a non-controlling shareholder of a subsidiary		**–**	22,246
Bank and other borrowings		**37,471**	28,513
Deferred taxation		**1,775**	1,793
		39,246	52,552
Net Assets		**1,036,465**	180,494
Equity			
Capital and reserves attributable to the Company's equity shareholders:			
Share capital	*12*	**340,864**	75,572
Reserves		**692,976**	100,620
		1,033,840	176,192
Non-controlling interests		**2,625**	4,302
Total Equity		**1,036,465**	180,494

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRS**"), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("**HKAS**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"). The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The HKICPA has issued certain new and revised HKFRS that are first effective for the current accounting period of the Group as follows:

Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 27	Equity method in separate financial statements
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The application of the above new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. SEGMENT INFORMATION

Business segments

For management purpose, the Group has three (2016: four) principal lines of businesses, namely (1) mobile technologies business; (2) tourism and hospitality business; and (3) gamma ray irradiation services which, together with other operation – securities trading and investment, are the basis on which the Group reports its primary segment information.

During the year ended 31 March 2017, the Group started to engage in a new segment of mobile technologies business. As the resources business has become insignificant and no revenue was recorded during the year ended 31 March 2017, the segment loss of approximately HK$217,000 attributable to the resources business was included in the unallocated corporate expenses.

As disclosed in Note 13, the management decided to discontinue the operation of property business on 30 March 2017. In accordance with HKFRS 5, the segment of property business for the years ended 31 March 2017 and 2016 was classified as discontinued operation in the Group's consolidated financial statements and the following segment information does not include any amounts for the discontinued operation.

Segment results, assets and liabilities

An analysis of the Group's revenue, contribution to operating results and segment assets and liabilities by business segments is presented as follows:

2017

	Mobile technologies business *HK$'000*	Tourism and hospitality business *HK$'000*	Gamma ray irradiation services *HK$'000*	Other operation – securities trading and investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2017						
REVENUE	**–**	**32,028**	**5,315**	**–**	**–**	**37,343**
Segment results	**(19,397)**	**(94,644)**	**(16,712)**	**(139,912)**	**–**	**(270,665)**
Unallocated corporate expenses						**(70,618)**
Loss from operations						**(341,283)**
Finance costs						**(6,607)**
Share of loss of an associate						**(20,720)**
Share of loss of a joint venture						**(11,229)**
Loss before taxation						**(379,839)**
Taxation						**–**
Loss for the year from continuing operations						**(379,839)**

	Mobile technologies business *HK$'000*	Tourism and hospitality business *HK$'000*	Gamma ray irradiation services *HK$'000*	Other operation – securities trading and investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017						
ASSETS						
Segment assets	757,508	344,776	20,813	4,833	–	1,127,930
Unallocated corporate assets						66,700
Consolidated total assets						1,194,630
LIABILITIES						
Segment liabilities	12,503	56,486	9,227	34,437	–	112,653
Unallocated corporate liabilities						45,512
Consolidated total liabilities						158,165
OTHER INFORMATION FOR THE YEAR ENDED 31 MARCH 2017						
Addition of goodwill	–	320,066	–	–	–	320,066
Capital additions	904	4	10	–	–	918
Depreciation and amortisation	483	334	3,305	–	227	4,349
Net unrealised losses on financial assets at fair value through profit or loss	–	–	–	39,551	–	39,551
Impairment losses on trade and other receivables	–	13,025	–	–	19,000	32,025
Impairment loss on goodwill	–	–	14,592	–	–	14,592
Loss on disposal of property, plant and equipment	–	–	–	–	2	2

2016

	Tourism and hospitality business HK$'000	Gamma ray irradiation services HK$'000	Resources business HK$'000	Other operation – securities trading and investment HK$'000	Unallocated HK$'000	Total HK$'000
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2016						
REVENUE	98,925	6,095	–	–	–	105,020
Segment results	(40,579)	(11,384)	(436)	16,258	–	(36,141)
Unallocated corporate expenses						(34,556)
Loss from operations						(70,697)
Finance costs						(6,519)
Loss before taxation						(77,216)
Taxation						(489)
Loss for the year from continuing operations						(77,705)

	Tourism and hospitality business *HK$'000*	Gamma ray irradiation services *HK$'000*	Resources business *HK$'000*	Other operation – securities trading and investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016						
ASSETS						
Segment assets	49,943	42,409	–	170,969	–	263,321
Assets relating to property business operations (discontinued)						3,597
Unallocated corporate assets						89,925
Consolidated total assets						356,843
LIABILITIES						
Segment liabilities	13,574	9,963	150	52,907	–	76,594
Liabilities relating to property business operations (discontinued)						23,166
Unallocated corporate liabilities						76,589
Consolidated total liabilities						176,349
OTHER INFORMATION FOR THE YEAR ENDED 31 MARCH 2016						
Capital additions	175	19	–	–	2,399	2,593
Depreciation and amortisation	315	4,446	–	–	433	5,194
Net unrealised gains on financial assets at fair value through profit or loss	–	–	–	2,594	–	2,594
Impairment losses on trade and other receivables	37,331	–	–	–	–	37,331
Impairment loss on goodwill	–	9,000	–	–	–	9,000
Loss on disposal of property, plant and equipment	–	–	–	–	13	13

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the year (2016: HK$Nil).

Segment results represents the profit (loss) earned or incurred 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 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 current and deferred tax assets. Goodwill is allocated to reportable segments. Assets used jointly by segments are allocated on the basis of the revenues earned by individual segments; and

– all liabilities are allocated to reportable segments other than certain borrowings and current and deferred tax liabilities. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Geographical segments

All of the Group's operations are principally located in Hong Kong and the People's Republic of China (the "**PRC**"). The Group's administration is carried out in Hong Kong.

An analysis of the Group's revenue by geographical market, irrespective of the origin of the goods and services, is presented below:

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**32,028**	98,925
The PRC	**5,315**	6,095
	37,343	105,020

The following is an analysis of the carrying amount of non-current assets (excluding interest in an associate and a joint venture) analysed by the geographical area in which the assets are located:

	2017	2016
	HK$'000	*HK$'000*
Hong Kong	**330,126**	12,573
The PRC	**18,035**	37,519
	348,161	50,092

Information about major customers

Revenue from the customer of the corresponding years contributing over 10% of the total revenue is as follows:

	2017	2016
	HK$'000	*HK$'000*
Customer A[1]	**17,399**	83,230

[1] *Revenue from tourism and hospitality business*

3. REVENUE, OTHER INCOME AND GAINS (LOSSES)

Revenue represents the aggregate of the net amounts received and receivable from third parties during the year. An analysis of the Group's revenue, other income and gains (losses) for the year from continuing operations is as follows:

	2017	As restated 2016
	HK$'000	*HK$'000*
Continuing operations		
Revenue		
Gamma ray irradiation services income	**5,315**	6,095
Cruise ship leasing and management fee income	**17,399**	83,230
Passenger tickets revenue	**6,944**	6,364
Onboard and other revenues	**7,115**	9,331
Service income from sales of travel related products	**570**	–
	37,343	105,020
Other income and gains (losses)		
Interest income from financial institutions	**32**	21
Other interest income	**1,111**	488
Interest income from the subsidiaries of an associate	**19,104**	–
Interest income on financial assets not at fair value through profit or loss	**20,247**	509
Dividend income from listed investments	**–**	767
Net realised (losses) gains on financial assets at fair value through profit or loss	**(101,461)**	12,503
Net unrealised (losses) gains on financial assets at fair value through profit or loss	**(39,551)**	2,594
Exchange gain	**382**	–
Sundry income	**627**	–
	(119,756)	16,373
	(82,413)	121,393
Gross proceeds from securities trading	**26,236**	37,137

4. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Interest on:		
Bank borrowing	**598**	732
Margin account payable	**2,844**	4,028
Other borrowings	**3,165**	1,759
Total interest expense on financial liabilities not at fair value through profit or loss	**6,607**	6,519

5. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging:

		As restated
	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Staff costs		
– directors' emoluments	**8,249**	3,482
– basic salaries and other benefits	**49,495**	31,821
– retirement benefits scheme contributions	**600**	467
– share-based payments	**29,309**	–
	87,653	35,770
Auditors' remuneration		
– audit services	**1,600**	1,500
– non-audit services	**–**	450
Depreciation and amortisation of property, plant and equipment	**3,893**	4,714
Amortisation of intangible asset	**1**	–
Amortisation of land use rights	**455**	480
Loss on disposal of property, plant and equipment	**2**	13
Operating lease payments	**17,868**	15,736
Cost of inventories sold	**6,894**	7,898
Impairment losses on trade and other receivables	**32,025**	37,331
Impairment loss on available-for-sale financial asset	**3,000**	–
Exchange loss	**–**	30

6. TAXATION IN THE CONSOLIDATED INCOME STATEMENT

	2017	2016
	HK$'000	*HK$'000*
Taxation calculated in the consolidated income statement represents:		
Continuing operations		
Deferred tax*:*		
Origination and reversal of temporary differences	**–**	489
Taxation charge	**–**	489

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company and its subsidiaries in Hong Kong had no assessable profits for both years. No provision for PRC Enterprise Income Tax has been made in the consolidated financial statements as the Group's operation in the PRC had no assessable profits for both years.

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the loss for the year attributable to equity shareholders of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculations of basic and diluted loss per share are based on:

		As restated
	2017	2016
	HK$'000	*HK$'000*
(Loss)/profit attributable to equity shareholders of the Company, used in the basic and diluted loss per share calculation		
From continuing operations	**(379,171)**	(77,050)
From discontinued operation	**443**	(47)
	(378,728)	(77,097)

	2017	2016
Number of shares		
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 1 April	**7,557,195,617**	7,391,695,617
Effect of share options exercised	**–**	123,356,557
Effect of shares issued upon share placing	**23,226,719,178**	–
Effect of shares issued for acquisition of a subsidiary	**82,956,356**	–
	30,866,871,151	7,515,052,174

From continuing and discontinued operation

The calculation of the basic loss per share from continuing and discontinued operation attributable to the equity shareholders of the Company is based on the following data:

	2017	As restated 2016
	HK$'000	*HK$'000*
Loss attributable to equity shareholders of the Company, used in the basic and diluted loss per share	**(378,728)**	(77,097)

The diluted loss per share for both years has not included the effect from the Company's share options because the exercise of the share options is anti-dilutive.

From discontinued operation

Basic earning per share for the discontinued operation is 0.00 HK cents per share (2016: 0.00 HK cents loss per share), based on the profit for the year from the discontinued operation attributable to equity shareholders of the Company of HK$443,000 (2016: loss for the year of HK$47,000) and the denominators detailed above for basic loss per share.

8. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**36,816**	53,176
Less: allowance for impairment	**35,356**	22,331
Trade receivables, net	**1,460**	30,845
Other receivables and prepayments	**58,312**	95,083
Less: allowance for impairment	**34,000**	15,000
Other receivables and prepayments, net	**24,312**	80,083
	25,772	110,928

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

The Group allows an average credit period of 90 days to 180 days (2016: 90 days to 180 days) to its trade customers. The following is an analysis of trade receivables net of allowance for impairment by age, presented based on the invoice date:

	2017	2016
	HK$'000	*HK$'000*
Up to 30 days	**1,429**	5,635
31 to 90 days	**2**	13,435
91 to 365 days	**29**	11,775
	1,460	30,845

The movements on the allowance for impairment of trade receivables are as follows:

	2017	2016
	HK$'000	*HK$'000*
At beginning of the year	**22,331**	–
Impairment loss recognised	**13,025**	22,331
At end of the year	**35,356**	22,331

As at 31 March 2017, trade receivable of approximately HK$35,356,000 (2016: HK$52,712,000) was individually determined to be impaired. The amount of allowance for impairment was HK$35,356,000 as at 31 March 2017 (2016: HK$22,331,000). The individually impaired receivables mainly related to a customer that was in financial difficulty due to unfavourable business environment and the management assessed that the receivable was generally not recoverable.

9. AMOUNTS DUE FROM SUBSIDIARIES OF AN ASSOCIATE

The amounts due from subsidiaries of an associate are unsecured and repayable on demand. As at 31 March 2017, except for the amounts due from associates with principal of USD32,879,000 (equivalent to approximately HK$255,491,000) and USD13,254,000 (equivalent to approximately HK$102,990,000) which bear interest at 8% and 7% per annum respectively and USD15,000,000 (equivalent to approximately HK$116,558,000) which is interest free, the remaining balance of approximately USD2,973,000 (equivalent to approximately HK$23,107,000) is the interest receivable of the above loans. Based on the assessment on the recoverability of the balance, the management considers no impairment provision is necessary.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	HK$'000	*HK$'000*
Listed securities held for trading:		
– Equity securities listed in Hong Kong	**3,232**	170,480

The fair value of all equity securities is based on their current bid prices in an active market.

As at 31 March 2017, the Group's listed securities of aggregate carrying amount of HK$3,081,000 (2016: HK$108,417,000) were pledged by the Group to secure margin account payable.

11. TRADE AND OTHER PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**13,341**	4,019
Other payables and accruals	**34,043**	44,472
Amount due to a director	**–**	13,801
Amount due to a subsidiary of an associate	**11,656**	–
Amount due to a non-controlling shareholder of a subsidiary	**7**	–
	59,047	62,292

Amount due to a director was unsecured, interest-free and fully repaid during the year.

Amount due to a subsidiary of an associate is unsecured, interest-free and repayable within one year.

In the opinion of the Directors, all of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

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

The following is an analysis of trade payables by age based on the invoice date:

	2017	2016
	HK$'000	*HK$'000*
Up to 30 days	**13,335**	4,008
31 to 90 days	**6**	11
	13,341	4,019

12. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each:		
Authorised:		
As at 1 April 2015 and 31 March 2016	15,000,000,000	150,000
Increase on 22 April 2016 *(Note a)*	50,000,000,000	500,000
As at 31 March 2017	65,000,000,000	650,000
Issued and fully paid:		
As at 1 April 2015	7,391,695,617	73,917
Exercise of share options *(Note b)*	165,500,000	1,655
As at 31 March 2016	7,557,195,617	75,572
Shares issued upon share placing *(Notes c and d)*	25,552,500,000	255,525
Shares issued for acquisition of a subsidiary *(Note e)*	976,744,186	9,767
As at 31 March 2017	34,086,439,803	340,864

Notes:

(a) At the special general meeting of the Company held on 22 April 2016, the increase of 50,000,000,000 shares in authorised share capital of the Company was approved.

(b) During the year ended 31 March 2016, 165,500,000 share options were exercised by the eligible option holders at their respective exercise prices for a total cash consideration of HK$26,480,000, resulting in an issue of 165,500,000 new ordinary shares of HK$0.01 each.

(c) The Company entered into a placing agreement with a placing agent on 14 January 2016 (amended on 29 March 2016) and a placing agreement with another placing agent on 29 March 2016 in relation to the placing of up to 25,000,000,000 new shares of the Company at a price of HK$0.032 each on a best efforts basis. The placing was completed on 27 April 2016 in accordance with the terms of the placing agreements. The gross proceeds from the share placing were, before deducting transaction costs, approximately HK$800,000,000. Transaction costs directly attributable to the placing of shares amounted to approximately HK$14,169,000 and were recognised in the share premium account of the Company.

(d) The Company entered into a placing agreement and a supplemental agreement with a placing agent on 20 March 2017 and 21 March 2017 respectively in relation to the placing of up to 552,500,000 new shares of the Company at a price of HK$0.181 each on a best efforts basis. The placing was completed on 27 March 2017 in accordance with the terms of the placing agreements. The gross proceeds from the share placing were, before deducting transaction costs, approximately HK$100,002,000. Transaction costs directly attributable to the placing of shares amounted to approximately HK$2,016,000 and were recognised in the share premium account of the Company.

(e) During the year, 976,744,186 ordinary shares of the Company, with aggregate nominal value of approximately HK$9,767,000, were issued for settlement of consideration for acquisition of a subsidiary.

All the ordinary shares issued during the year ranked pari passu with the existing ordinary shares in all respects.

13. DISCONTINUED OPERATION

On 29 March 2017, a wholly-owned subsidiary of the Company, New Team Limited, entered into an equity transfer agreement with an independent third party to dispose of its entire equity interests in Red Code Limited, Super Target Limited, Prosper City International Limited and 上海華龍建設有限公司 (Shanghai Hualong Construction Co. Ltd.*) (collectively the "**Disposal Group**") at a consideration of HK$3,000,000 for cash. The Disposal Group is engaged in property business. The disposal was completed on 30 March 2017.

The results of the discontinued operation for the period from 1 April 2016 to 30 March 2017, which have been included in the consolidated income statement, are as follows:

	2017	2016
	HK$'000	*HK$'000*
Administrative expenses	**(170)**	(84)
Operating loss	**(170)**	(84)
Gain on disposal of subsidiaries *(Note 14)*	**540**	–
Profit/(loss) before taxation	**370**	(84)
Taxation	**–**	–
Profit/(loss) for the year from discontinued operation	**370**	(84)

Profit/(loss) for the year from discontinued operation includes the following:

	2017	2016
	HK$'000	*HK$'000*
Depreciation	**16**	17

14. DISPOSAL OF SUBSIDIARIES

On 29 March 2017, a wholly-owned subsidiary of the Company, New Team Limited, entered into an equity transfer agreement with an independent third party to dispose of its entire equity interests in Red Code Limited, Super Target Limited, Prosper City International Limited and 上海華龍建設有限公司 (Shanghai Hualong Construction Co. Ltd.*) (collectively the "**Disposal Group**") at a consideration of HK$3,000,000 for cash. The disposal was completed on 30 March 2017 and the net liabilities disposed of at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	82
Trade and other receivables	41,836
Cash and cash equivalents	487
Amount due to the Group	(88,651)
Trade and other payables	(20,864)
Amount due to a non-controlling shareholder	(22,246)
Net liabilities disposed of	(89,356)
Assignment of shareholder's loan	88,651
Non-controlling interests	(630)
Cumulative exchange differences in respect of the net liabilities of the Disposal Group reclassified from equity to profit or loss on disposal	3,795
Gain on disposal of subsidiaries	540
Satisfied by:	
Cash	3,000
Cash inflow on disposal of subsidiaries:	
Total cash consideration received	3,000
Cash and cash equivalents disposed of	(487)
	2,513

The subsidiaries disposed of during the year contributed HK$Nil to the Group's revenue and loss of approximately HK$170,000 to the Group's loss from operations for the year ended 31 March 2017.

15. COMMITMENTS

Capital commitments

	2017	2016
	HK$'000	*HK$'000*
Contracted but not provided:		
Further investment in a joint venture	**88,620**	–
Increase in registered capital of a subsidiary	**11,275**	–
Acquisition of an associate	**–**	358,244
	99,895	358,244

16. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities at the end of both reporting periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the year under review, the Group is mainly engaged in mobile technologies business, tourism and hospitality business, property business, gamma ray irradiation services, and securities trading and investment.

Mobile Technologies Business

On 29 April 2016, the Group successfully acquired 30% of equity interest of Yota and was granted an exclusive intellectual property license to market and sell “YOTAPHONE” in the Greater China region for 7 years. YotaPhone pioneers the dual-screen design always-on smartphone which is the most distinctive feature among competitors. Despite the severe rivalry in the smartphone business, the Group strongly believes the unique product design, dual-screen, will be the key to success. With the booming of technology development and popularity of smartphones in China, the Group believes there is a huge potential growth for high-tech products in China. The Group is committed to develop the new generation of the dual-screen handsets in the Greater China region in the fourth quarter of 2017.

On 2 November 2016, Allied Jumbo Investments Limited (“**Allied Jumbo**”, an indirect wholly-owned subsidiary of the Company) entered into the agreements (the “**Agreements**”) with Yulong Computer Telecommunication Scientific (Shenzhen) Co., Ltd. (“**Yulong Shenzhen**”, an indirect wholly-owned subsidiary of Coolpad Group Limited (“**Coolpad**”, stock code: 2369)), in relation to the formation of a joint venture (“**Baoli Yota**”) which will be held as to 51% by Allied Jumbo and as to 49% by Yulong Shenzhen. The registered capital of Baoli Yota will be RMB200,000,000. The registered capital contribution in cash by each of Allied Jumbo and Yulong Shenzhen is in proportion to their respective shareholding in Baoli Yota. Baoli Yota will be principally engaged in the research and development, production, distribution and sale of dual-screen mobile handsets in Greater China.

On 19 May 2017, Allied Jumbo and Yulong Shenzhen entered into an amended and restated agreement (the "**Amended and Restated Agreement**") to amend certain terms of the Agreements in respect of, among other things, the capital contribution by each party to Baoli Yota, the board composition and the operations of Baoli Yota. Under the Amended and Restated Agreement, the total investment amount of Baoli Yota will be changed from RMB500,000,000 to RMB300,000,000, the registered capital of Baoli Yota will be changed from RMB200,000,000 to RMB100,000,000, and Allied Jumbo's equity interest in Baoli Yota will increase from 51% to 80%.

On 19 May 2017, Baoli Yota also entered into a technical service agreement (the "**Technical Service Agreement**") with Yulong Shenzhen, pursuant to which Baoli Yota appointed Yulong Shenzhen to provide Baoli Yota with smartphone research and development service, on-site technical assistance service and other services relating to smartphone technologies research and development.

Under the Amended and Restated Agreement, the Group will have a better control of Baoli Yota as the Group will have a higher equity stake in Baoli Yota and the Group will nominate a majority of the board of Baoli Yota. The financial results of Baoli Yota will be consolidated into the financial results of the Company. Therefore, the Group's income sources can be broadened and its financial performance can be enhanced in the long run. Furthermore, the research and development support from Yulong Shenzhen under the Technical Service Agreement is on a non-exclusive basis. The Group will therefore have great flexibilities in choosing its service providers so as to facilitate the development of dual-screen mobile handsets in Greater China.

Details of these agreements are set out in the Company's announcements dated 3 November 2016, 22 November 2016 and 19 May 2017.

The Group has commenced the mobile technologies business since the acquisition of 30% equity interest of Yota and the exclusive intellectual property license. During the year under review, the Group did not record revenue for this segment as the setting up of the business was still in progress. Segment loss was approximately HK$19,397,000. The management of the Group currently expects that revenue would be generated later this year in the absence of unforeseen circumstances.

The Group will continue to look for new technologies investment opportunities to enhance its portfolio and generate return for shareholders in the long run.

Tourism and Hospitality Business

During the year under review, the Group was engaged in the tourism and hospitality business by providing services in respect of certain management functions and core operations of a cruise ship. The Group's tourism and hospitality business underwent a difficult year, due to the slowdown of the region's economic growth and the growing pressure on operating expenses of the cruise ship. Although the decline of visitor numbers was narrowing from the previous year, performance of this business segment was still affected. The number of total visitors arrival to Hong Kong during the reporting period was about 57 million, representing a decline of 0.8% as compared to the last corresponding period, and visitors from Mainland China fell by 1.85% to approximately 43 million. Being affected by the above-mentioned factors, the Group's tourism and hospitality division recorded a decline in revenue during the year under review. The Group's tourism and hospitality division recorded a revenue of approximately HK$32,028,000 (2016: approximately HK$98,925,000) and a loss of approximately HK$94,644,000 (2016: approximately HK$40,579,000). Since the business environment of the cruise ship operations was still challenging, the Group will monitor the tourism and hospitality industry closely and will take appropriate measures to redeploy the resources for the development of the Group.

To strengthen the tourism and hospitality business of the Group, the Group completed the acquisition of 75% equity interest of We Fly Travel Limited ("**We Fly**") for an aggregate consideration of HK$300,000,000 on 1 March 2017. We Fly is principally engaged in the business of providing an online travel product booking platform and is one of the top ten online travel agents in Hong Kong. The Group will continue to look for lucrative opportunities to improve the business performance in the tourism and hospitality sector, with the ultimate aim of bringing greater value to the shareholders in the long run.

Gamma Ray Irradiation Services

The Group's gamma ray irradiation business is conducted through 淄博利源高科輻照技術有限公司 (Zibo Liyuan Gamma Ray Technologies Co. Limited*), a 80% owned subsidiary of the Group which is licensed by 中華人民共和國環境保護部 (Ministry of Environmental Protection of the People's Republic of China*), for the provision of irradiation services by utilising gamma ray technologies. During the year under review, the decline in revenue of the gamma ray irradiation services was primarily attributed to the market competition and the challenging market environment for food irradiation and medical devices sterilisation services, a further provision for impairment loss on goodwill amounting to HK$14,592,000 was recognised. Revenue generated from the gamma ray irradiation services for the year under review was approximately HK$5,315,000 (2016: approximately HK$6,095,000). Segment loss was approximately HK$16,712,000 (2016: approximately HK$11,384,000).

Other Operation

During the year under review, the Group's securities trading and investment business continued to adopt a conservative investment strategy and offloaded part of its holding of listed securities held for trading. The Group's securities trading and investment business reported a loss of approximately HK$139,912,000 (2016: a profit of approximately HK$16,258,000), which mainly represented the aggregate of net realised losses of approximately HK$101,461,000 (2016: net realised gains of approximately HK$12,503,000) from disposal of listed securities held for trading and net unrealised losses of approximately HK$39,551,000 (2016: net unrealised gains approximately HK$2,594,000) due to change in fair value of listed securities held for trading. As at 31 March 2017, the carrying amount of the listed securities was approximately HK$3,232,000 (2016: approximately HK$170,480,000).

A summary of the listed securities held by the Group during the year under review is set out in the table below.

Company name	Place of incorporation	Percentage of shareholdings in equity investment as at 31 March 2017	Percentage of total asset of the Group as at 31 March 2017	Fair value as at 31 March 2017	Unrealised gain(loss) on fair value change for the year	Realised gain(loss) on fair value change for the year	Dividend received	Principal activities
				HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	
REXLot Holdings Limited	Bermuda	0.1850%	0.1880%	2,226	37,956	(41,356)	–	Provision of lottery machines, related operating software system, the distribution and marketing of lottery products in the PRC
Tech Pro Technology Development Limited	Cayman Islands	0.0045%	0.0039%	46	(68,507)	(60,105)	–	Manufacture, sale and trading of LED lighting products
King Force Group Holdings Limited	Cayman Islands	0.5208%	0.0811%	960	(9,000)	–	–	Provision of security guarding services and mobile game business

Property Business (Classified as "Discontinued Operation")

The Group's property business included property development, trading of building materials and provision of renovation services. During the year under review, the operating environments of property business remained tough. The Company has decided to cease the property business after careful consideration and the Group completed the disposal of the property business of the Disposal Group in March 2017 in order to focus on the core business development and other potential business opportunities. Please refer to note 13 to the consolidated financial statements for further details.

Financial Review

During the year under review, the Group recorded a revenue of approximately HK$37,343,000 (2016: approximately HK$105,020,000), representing a decrease of approximately 64% compared with last year. The decrease in revenue was mainly from the tourism and hospitality business.

Loss from continuing operations for the year under review amounted to approximately HK$341,283,000 (2016: approximately HK$70,697,000 (restated)). Net loss attributable to equity shareholders of the Company for the year under review increased to approximately HK$378,728,000 (2016: approximately HK$77,097,000), which was mainly attributable to the (i) significant realised and unrealised loss from the securities trading and investment business of approximately HK$141,012,000; (ii) loss from the tourism and hospitality business of approximately HK$94,644,000; (iii) share-based payment expenses related to the share options granted during the year under review of approximately HK$29,309,000; (iv) share of loss of an associate of approximately HK$20,720,000; and (v) loss from mobile technologies business of approximately HK$19,397,000. As at 31 March 2017, the total assets and net assets of the Group were approximately HK$1,194,630,000 and approximately HK$1,036,465,000 (31 March 2016: approximately HK$356,843,000 and approximately HK$180,494,000) respectively.

In August 2014, the Company entered into a placing agreement to renew the placing period for the placing of 7-year 5% unsecured notes (the "**Placing Notes**") up to 31 August 2015. The placing period of the Placing Notes expired on 31 August 2015. During the year under review, no Placing Note has been issued by the Company pursuant to the aforesaid placing agreement. As at 31 March 2017, the Placing Notes in the aggregate principal amount of HK$30,000,000 (2016: HK$30,000,000) were outstanding.

Liquidity and Financial Resources

As at 31 March 2017, the Group had cash and cash equivalents of approximately HK$83,424,000 (31 March 2016: approximately HK$23,661,000). Short-term bank and other borrowings were approximately HK$59,872,000 (31 March 2016: approximately HK$61,505,000). Long-term bank and other borrowings were approximately HK$37,471,000 (31 March 2016: approximately HK$28,513,000). The gearing ratio, being the ratio of the sum of total borrowings to total equity, was 9% as at 31 March 2017 (31 March 2016: 50%). The decrease in gearing ratio was mainly due to the issue of 25,552,500,000 new ordinary shares by the Company under placing and the issue of 976,744,186 new ordinary shares by the Company, being the first tranche consideration shares, for the acquisition of We Fly during the year under review. The liquidity ratio, being the ratio of current assets over current liabilities, was 514% as at 31 March 2017 (31 March 2016: 248%). The increase in liquidity ratio was mainly due to the loan to an associate generated during the year under review.

Pledge of Assets

As at 31 March 2017, the Group's land use rights and certain property, plant and equipment with carrying amount of approximately HK$13,696,000 (2016: approximately HK$15,477,000) were pledged to a bank to secure the bank borrowing granted to the Group.

As at 31 March 2017, the Group's listed securities with carrying amount of approximately HK$3,081,000 (2016: approximately HK$108,417,000) were pledged to secure margin account payable granted to the Group.

Contingent Liabilities

As at 31 March 2017, the Group had no significant contingent liabilities (2016: Nil).

Prospects

The Company is of the view that the global economic recovery will continue to remain sluggish. In particular, "Brexit" and the upcoming changes in global leaderships have added significant uncertainty to an already fragile global recovery. Nevertheless, the management of the Group believes that opportunities co-exist with challenges. The Group aims to continue to diversify its business to reduce the negative impact of the current global economy on its core businesses. In the meantime, the Group will also strengthen its existing core businesses. The acquisition of We Fly which has an online platform in booking travel products will help to strengthen the Group's tourism and hospitality business.

The Group will further strengthen its strategic shift of its focus from the tourism and hospitality business to the mobile technologies business as it believes that mobile phone and related applications could become the Group's business growth engine and would bring long-terms benefits to the Group.

Furthermore, the Group intends to develop investment and fund management business. The goal is to generate stable fee based income and performance based revenue.

In the long run, the Group will continue to actively look for new investments and business opportunities in order to diversify its existing business with a view of achieving better growth potential and generating promising returns to the shareholders of the Company in the near future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") PERFORMANCE

The Group continually reviews its ESG efforts, corporate governance and risk management practices with the aim to create and deliver sustainable value to all its stakeholders. The Group has been looking for opportunities to reduce the consumption of resources in order to reduce the impact on the environment. Details of the Group's ESG efforts will be set out in the upcoming annual report.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2017 (2016: Nil).

CORPORATE GOVERNANCE

None of the Directors is aware of any information which would reasonably indicate that the Company is not, or was not, throughout the year under review, in compliance with the code provisions (the "**Code Provision(s)**") under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except the following deviations:

Under Code Provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. Currently, save for Mr. Lee Chi Ming who was appointed as an independent non-executive Director for a term of 3 years, the other independent non-executive Directors are not appointed for a specific term, while all of them are subject to retirement by rotation at the Company's annual general meeting as specified in the Company's bye-laws.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for maintaining the Group's risk management and internal control systems to safeguard shareholders' investment and for reviewing the effectiveness of such on an annual basis under Code Provision C.2.1.

AUDIT COMMITTEE

The audit committee of the Company has reviewed on the consolidated financial statements of the Company for the year ended 31 March 2017 with the Group's management and the Company's external auditor.

SCOPE OF WORK OF TING HO KWAN & CHAN CPA LIMITED

The figures of the Group's annual results for the year ended 31 March 2017 set out in this preliminary announcement have been agreed by the Group's auditor, Ting Ho Kwan & Chan CPA Limited ("**THKC**"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by THKC in this respect did not constitute an 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 THKC on this preliminary announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 March 2017, the Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "**Model Code**"). Having made specific enquiry, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the year under review.

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

During the year ended 31 March 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

By order of the Board
China Baoli Technologies Holdings Limited
Zhang Yi
Chairman

Hong Kong, 30 June 2017

As at the date of this announcement, the executive Directors are Mr. Zhang Yi (Chairman), Ms. Chu Wei Ning (Chief Executive Officer), Mr. Yeung Chun Wai, Anthony and Mr. Wong King Shiu, Daniel; and the independent non-executive Directors are Mr. Wong Hoi Kuen, Mr. Chan Chi Yuen and Mr. Lee Chi Ming.

* *The English translation of Chinese names or words are for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*