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AFFLUENT PARTNERS HOLDINGS LIMITED
錢唐控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1466)

Website: http://www.affluent-partners.com

ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	For the year ended 31 March		**Increase/(decrease)**	
	2017	2016		
	HK$'000	*HK$'000*	*HK$'000*	*Percentage*
Revenue	**212,232**	210,019	2,213	1.1%
Gross profit	**54,151**	59,196	(5,045)	(8.5)%
Loss attributable to equity holders of the Company	**(23,886)**	(10,940)	12,946	118.3%

* *For identification purposes only*

RESULTS

The board of directors (the "Directors" or the "Board") of Affluent Partners Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2017, together with the comparative figures for the previous year, as follows:

Consolidated Income Statement
For the year ended 31 March

	Notes	**2017** *HK$'000*	2016 *HK$'000*
Revenue	*4*	**212,232**	210,019
Cost of sales	*7*	**(158,081)**	(150,823)
Gross profit		**54,151**	59,196
Other loss – net	*6*	**(1,060)**	(1,397)
Gain on disposal of subsidiaries	*6*	**–**	9,943
Selling expenses	*7*	**(8,288)**	(9,294)
Administrative expenses	*7*	**(69,159)**	(69,010)
Operating loss		**(24,356)**	(10,562)
Finance income		**74**	123
Finance costs		**–**	(419)
Finance income/(costs) – net		**74**	(296)
Loss before income tax		**(24,282)**	(10,858)
Income tax credit/(expense)	*8*	**396**	(82)
Loss for the year attributable to equity holders of the Company		**(23,886)**	(10,940)
Loss per share attributable to equity holders of the Company:			
Basic and diluted	*10*	**HK (7.48) cents**	HK (4.05) cents

Details of dividend to the equity holders of the Company are set out in note 9 to this announcement.

Consolidated Statement of Comprehensive Income
For the year ended 31 March

	2017	2016
	HK$'000	*HK$'000*
Loss for the year	**(23,886)**	(10,940)
Other comprehensive (loss)/income:		
Item that may be reclassified to profit or loss		
Exchange difference on translation of foreign operations	**982**	(1,052)
Reclassification adjustment	**(668)**	–
Item that will not be subsequently reclassified to profit or loss		
Increase in fair value of leasehold land and building, net of deferred income tax	**–**	3,686
Other comprehensive income for the year, net of tax	**314**	2,634
Total comprehensive loss for the year attributable to equity holders of the Company	**(23,572)**	(8,306)

Consolidated Balance Sheet
As at 31 March

	Notes	2017 HK$'000	2016 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**5,695**	5,075
Prepayments and other receivables	*11*	**11,528**	3,534
Deferred income tax assets		**1,001**	1,090
		18,224	9,699
Current assets			
Inventories		**66,661**	102,491
Loans and interest receivables	*12*	**46,878**	–
Trade and other receivables	*11*	**75,731**	63,182
Current income tax recoverable		**652**	–
Financial assets at fair value through profit or loss	*13*	**42,774**	–
Held-to-maturity investment	*14*	**7,976**	–
Cash and cash equivalents		**54,342**	163,931
		295,014	329,604
Current liabilities			
Trade and other payables	*15*	**23,153**	23,938
Current income tax liabilities		**–**	1,708
		23,153	25,646
Net current assets		**271,861**	303,958
Net assets		**290,085**	313,657

Consolidated Balance Sheet – *Continued*
As at 31 March

	2017	2016
	HK$'000	*HK$'000*
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	**3,195**	3,195
Reserves	**286,890**	310,462
Total equity	**290,085**	313,657

Notes:

1. GENERAL INFORMATION

Affluent Partners Holdings Limited (the "Company") was formerly known as Man Sang Jewellery Holdings Limited. By means of a special resolution passed by the shareholders of the Company at an extraordinary general meeting on 26 January 2017, the name of the Company was changed to Affluent Partners Holdings Limited, which took effect from 15 March 2017. The Company and its subsidiaries (together, the "Group") are principally engaged in the purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products.

During the current financial year, the Group has commenced to engage in the operation of strategic investment and financial services segment, with the objective to include investments in stocks, bonds and other forms of securities and other potential investment opportunities, and also money lending business.

The Company was incorporated in the Cayman Islands on 13 May 2014 as an exempted company with limited liability under the Companies Law, Cap 22 (Laws 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's principal place of business in Hong Kong changed from Suites 2208-14, 22nd Floor, Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong to Unit 2108, 21/F, Harcourt House, 39 Gloucester Road, Wan Chai, Hong Kong with effect from 19 April 2017.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 October 2014.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"). The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs 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.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Amendments to existing standards and new interpretations effective for annual periods beginning 1 April 2016, relevant to the Group's operations and adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer plants	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: Applying the consolidation exception	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
Annual improvements project	Annual improvements 2012-2014 cycle	1 January 2016

The adoption of the above amendments to existing standards and new interpretations did not have any material impact on the preparation of the Group's financial statements.

(b) New standards and amendments to existing standards which have been issued but are not effective for the financial year beginning on 1 April 2016 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9 (2014)	Financial Instruments	1 January 2018
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendments)	Clarification to HKFRS 15, Revenue from Contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019
Amendments to HKAS 7	Disclosure Initiative	1 January 2017
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to HKAS 40	Transfers of Investment Property	1 January 2018
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to a number of HKFRSs	January 2017 or 1 January 2018, as appropriate

* On 6 January 2016, the HKICPA issued "Effective Date of Amendments to HKFRS 10 and HKAS 28", following the International Accounting Standards Board's equivalent amendments. This update defers/removes the effective date of the amendments in "Sale or Contribution of Assets between an Investor or its Associate or Joint Venture" that the HKICPA issued on 7 October 2014. Early application of these amendments continues to be permitted.

Further information about these HKFRSs that are expected to be applicable to the Group is as follows:

HKFRS 9 (2014)

Financial Instruments HKFRS 9 (2014) introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 (2014) includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements. HKFRS 9 (2014) carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 (2014) retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 replaces all existing HKFRSs revenue requirements. This standard establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach:

(1) Identify the contract(s) with customer;

(2) Identify separate performance obligations in a contract;

(3) Determine the transaction price;

(4) Allocate transaction price to performance obligations; and

(5) Recognise revenue when a performance obligation is satisfied.

The core principle is that a company should recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

HKFRS 16 Leases

For lessees, HKFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. For lessors, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or financial leases, and to account for those two types of leases differently. The standard is mandatorily effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted for entities that apply HKFRS 15 at or before the date of initial application of HKFRS 16.

The Group is still in the process of assessing the impact of HKFRS 9 (2014), HKFRS 15 and HKFRS 16. The Directors believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

The Group intends to adopt the above new standards and amendments to existing standards when they become effective.

4. REVENUE

Revenue from pearls and jewellery represents the amounts received and receivable from customers in respect of goods sold less returns, allowances and value added taxes.

Interest income from financial assets including money lending and held-to-maturity investment are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The Group's revenue recognised during the year is as follows:

	2017	2016
	HK$'000	*HK$'000*
Sales of pearls and jewellery	**210,179**	210,019
Interest income from strategic investment and financial services	**2,053**	–
	212,232	210,019

5. SEGMENT INFORMATION

The Group's operating segments have been determined based on the information reported to the executive directors, being the chief operating decision maker of the Group, that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group currently has two operating segments:

(a)	Sale of pearls and jewellery products	Design and sale of jewellery products, and sale of pearls
(b)	Strategic investment and financial services	Financial assets investment and money lending

The executive directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure and of corporate expenses from the operating segments. Other information provided to the executive directors is measured in a manner consistent with that in the consolidated financial statements.

For the year ended 31 March 2016, the Group had only identified one operating segment – pearls and jewellery operating segment, and hence segment disclosures are not presented.

An analysis of the Group's reportable segment revenue, results, assets, liabilities and other selected financial information for the year ended 31 March 2017 by operating segments are as follows:

Segment revenue and results

For the year ended 31 March 2017

	Sale of pearls and jewellery products *HK$'000*	**Strategic investment and financial services** *HK$'000*	**Total** *HK$'000*
Segment revenue	**210,179**	**2,053**	**212,232**
Segment loss	**(11,529)**	**(2,368)**	**(13,897)**
Interest income on short-term bank deposits			**74**
Unallocated corporate expenses			**(10,459)**
Loss before income tax			**(24,282)**

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year.

Segment results represent loss incurred by each segment without allocation of central administrative expenses including directors' emoluments, certain other gains and losses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

At 31 March 2017

	Sale of pearls and jewellery products *HK$'000*	Strategic investment and financial services *HK$'000*	Total *HK$'000*
Segment assets			
– Hong Kong	**155,413**	**99,249**	**254,662**
– The PRC	**22,104**	**–**	**22,104**
	177,517	**99,249**	**276,766**
Unallocated corporate assets			**36,472**
Total assets			**313,238**
Segment liabilities			
– Hong Kong	**(15,934)**	**(1)**	**(15,935)**
– The PRC	**(3,310)**	**–**	**(3,310)**
	(19,244)	**(1)**	**(19,245)**
Unallocated corporate liabilities			**(3,908)**
Total liabilities			**(23,153)**

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

- all assets are allocated to operating segments other than deferred tax assets, current tax receivables, certain deposits, prepayments, and cash and cash equivalents that are not attributable to individual segments.

- all liabilities are allocated to operating segments other than certain accruals, other payables and receipts in advance that are not attributable to individual segments.

Other segment information

For the year ended 31 March 2017

	Sale of pearls and jewellery products *HK$'000*	Strategic investment and financial services *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment loss and segment assets			
Additions to property, plant and equipment	3,350	–	3,350
Depreciation of property, plant and equipment	(2,442)	–	(2,442)
Loss on disposals of property, plant and equipment	(183)	–	(183)
Fair value loss on financial assets at fair value through profit or loss	–	(1,356)	(1,356)

Geographical Information

The Group mainly operates in Hong Kong and the PRC. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets*	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
North America	**87,320**	68,722	**–**	–
Europe	**51,064**	51,741	**–**	–
Hong Kong	**28,139**	25,217	**15,067**	6,530
Asian countries (excluding Hong Kong)	**39,843**	58,707	**2,156**	2,079
Others	**5,866**	5,632	**–**	–
	212,232	210,019	**17,223**	8,609

* Non-current assets excluded deferred tax assets.

Revenue from the transactions with one individual customer amounted to HK$42,161,000 (2016: HK$30,597,000) was more than 10% of total revenue of the Group for the financial year ended 31 March 2017. This revenue was attributable to North America region of the sales of pearls and jewellery segments.

6. OTHER LOSS – NET AND GAIN ON DISPOSAL OF SUBSIDIARIES

(a) Other loss – net

	2017	2016
	HK$'000	*HK$'000*
Exchange losses	**(197)**	(1,467)
Fair value loss on financial assets at fair value through profit or loss	**(1,356)**	–
Exchange gain on deregistration of PRC operation of a subsidiary	**668**	–
Loss on disposals of property, plant and equipment	**(183)**	(6)
Others	**8**	76
	(1,060)	(1,397)

(b) Gain on disposal of subsidiaries

The Group entered into an agreement with Mr. Cheng Chung Hing, the former chairman and the former ultimate controlling shareholder of the Group to dispose of the entire equity interest of Man Sang International Holdings Limited and Hong Kong Man Sang Investments Limited, both being the wholly owned subsidiaries of the Group, for a total consideration of HK$55,665,000 which was determined with reference to their financial positions as at 25 September 2015. The disposal was completed on 25 September 2015.

	Year ended 31 March 2016
	HK$'000
Net assets disposed of:	
Property, plant and equipment	101,351
Cash and bank balances	517
Prepayments and other receivables	73
Accruals and other payables	(9)
Bank borrowing	(44,200)
Deferred tax liabilities	(12,858)
	44,874
Legal and professional fees for disposal of subsidiaries	848
Gain on disposal of subsidiaries	9,943
	55,665
Satisfied by:	
Cash	55,665

7. LOSS BEFORE INCOME TAX

	2017	2016
	HK$'000	*HK$'000*
Costs of inventories	**142,922**	111,834
Employee benefit expenses (including directors' emoluments)	**56,340**	62,599
Auditor's remuneration		
– Audit services	**3,300**	1,080
– Non-audit services	**378**	476
Depreciation of property, plant and equipment	**2,442**	4,042
Provision for impairment of trade receivables *(note 11)*	**1,195**	2,907
(Reversal of provision for)/provision for inventory obsolescence	**(10,566)**	5,961
Operating lease rental on rented premises	**12,787**	11,543
Exhibition	**5,008**	5,268
Commission and customers' designated payments	**1,175**	1,440

8. INCOME TAX (CREDIT)/EXPENSE

	2017	2016
	HK$'000	*HK$'000*
Current income tax:		
Hong Kong profits tax	**157**	1,285
PRC corporate income tax	**4**	233
	161	1,518
(Over)/under-provision in prior year:		
Hong Kong profits tax	**891**	(923)
PRC corporate income tax	**(1,537)**	–
	(646)	(923)
Deferred income tax:		
Net (credit)/charge for current year	**89**	(513)
	(396)	82

Hong Kong profits tax

Hong Kong profits tax has been provided at a rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the year.

PRC corporate income tax

In accordance with the relevant PRC corporate income tax laws, regulations and implementation guidance note, subsidiaries in the PRC are subject to PRC corporate income tax rate at 25% (2016: 25%).

Withholding tax on distributed/undistributed profits

The PRC tax law imposes a withholding tax at 10%, unless reduced by a tax treaty, for dividends distributed by PRC subsidiaries to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008.

Deferred income tax liabilities has not been recognised for withholding tax that would be payable on the unremitted retained earnings of certain PRC subsidiaries as the Company controls the dividend policies of these subsidiaries and it is not probable that these subsidiaries would distribute earnings in the foreseeable future.

9. DIVIDEND

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

10. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2017	2016
Loss attributable to equity holders of the Company *(HK$'000)*	**(23,886)**	(10,940)
Weighted average number of shares for the purpose of calculating basic loss per share *(thousands)*	**319,521**	269,819
Basic loss per share *(HK cents per share)*	**(7.48)**	(4.05)

There are no potential dilutive effects to the ordinary shares during the year ended 31 March 2017 (2016: Nil).

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		2017	2016
		HK$'000	*HK$'000*
Trade and other receivables, deposits and prepayments	*(Note a)*	**74,459**	66,716
Loans to a third party	*(Note b)*	**12,800**	–
		87,259	66,716
Less: Non Current portion			
Trade and other receivables, deposits and prepayments	*(Note a)*	**(3,728)**	(3,534)
Loans to a third party	*(Note b)*	**(7,800)**	–
		(11,528)	(3,534)
		75,731	63,182

(a) Trade and other receivables, deposits and prepayments

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**72,095**	65,191
Less: provision for impairment of trade receivables	**(12,738)**	(11,543)
Trade receivables – net	**59,357**	53,648
Other receivables, deposits and prepayments *(Note)*	**15,102**	13,068
Trade and other receivables, deposits and prepayments	**74,459**	66,716
Less: Non-current portion		
Prepayments	**(3,728)**	(3,534)
Current portion	**70,731**	63,182

Note:

The Group grants a credit period of 30 days to 120 days to its customers. The carrying amounts of the trade and other receivables approximate to their fair values as these financial assets, which are measured at amortised cost, are expected to be received within one year.

At each balance sheet date, the recoverability of the Group's trade receivables due from individual customers are assessed based on the credit history of its customers, their financial conditions and current market conditions. Consequently, specific impairment provision is recognised.

The Group has provided fully for all receivables when the receivables are long outstanding. When the Group has determined that such balances are not recoverable, in which case the impairment loss is directly written off against the corresponding trade receivables. Based on past experience and the Group's assessment, management believes that no impairment provision is necessary in respect of the remaining balances as there had not been a significant change in credit quality of such receivables and the balances are considered fully recoverable.

Movements in the provision for impairment of trade receivables are as follows:

	2017	2016
	HK$'000	*HK$'000*
At beginning of the year	**11,543**	8,733
Provision for impairment losses	**1,195**	2,907
Amounts written off as uncollectible	**–**	(97)
At end of the year	**12,738**	11,543

Included in trade and other receivables, deposits and prepayments of the Group are trade receivables of HK$72,095,000 (2016: HK$65,191,000) and their ageing analysis based on involve dates is as follows:

	2017	2016
	HK$'000	*HK$'000*
0 to 60 days	**26,887**	24,422
61 to 120 days	**11,598**	7,817
over 120 days	**33,610**	32,952
	72,095	65,191

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

As of 31 March 2017, trade receivables of HK$45,435,000 (2016: HK$40,393,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. Based on past experience, management believes that no impairment provision is necessary in respect of these balances as there has not been a significant change in credit quality of these receivables and the balances are still considered fully recoverable. The ageing analysis of these trade receivables is as follows:

	2017	2016
	HK$'000	*HK$'000*
1 to 60 days past due	**26,579**	16,094
61 to 120 days past due	**7,054**	5,255
More than 120 days past due	**11,802**	19,044
	45,435	40,393

As of 31 March 2017, trade receivables of HK$12,738,000 (2016: HK$11,543,000) were impaired and provided for. The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. The ageing analysis of these receivables is as follows:

	2017	2016
	HK$'000	*HK$'000*
61 to 120 days past due	**1,000**	93
More than 120 days past due	**11,738**	11,450
	12,738	11,543

(b) Loans to a Third Party

	2017	2016
	HK$'000	*HK$'000*
Non Current Portion	**7,800**	–
Current Portion	**5,000**	–
Total	**12,800**	–

The loans to a third party company (the "Third Party Company") as at 31 March 2017 are interest bearing at 5% per annum, unsecured and the carrying value approximate to its fair value. Included in the loans consist of HK$7,800,000 that is denominated in the United States dollar, the term of the loan is two years of which the balance is repayable over one year. The remaining HK$5,000,000 is denominated in Hong Kong dollar and is repayable within one year.

On 18 April 2017, the Group entered into a sale and purchase agreement to acquire 33% of the entire issued share capital of a target company at an aggregate consideration of HK$79,200,000. The target company is an investment holding company whose principal asset is its holding of the entire equity interests of the Third Party Company. The Third Party Company is a private company domiciled in the Republic of Korea ("South Korea") and its principal activity is the manufacture, export and sale of fruit juices and other functional beverages in South Korea. The transaction was completed on 10 May 2017 and the then third party debtor became an associate company of the Group (Note 16).

12. LOANS AND INTEREST RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Loans to individuals	**45,000**	–
Interest receivables	**1,878**	–
	46,878	–
Less: impairment loss recognised	**–**	–
	46,878	–

All loans are denominated in Hong Kong dollars. The loans receivable carry effective interest rate ranging from 18% to 19% per annum (2016: Nil). A maturity profile of the loans receivable (net of impairment loss recognised, if any) at 31 March 2017 and 2016, based on the maturity date is as follows:

	2017	2016
	HK$'000	*HK$'000*
Current assets		
Mature within one year	**46,878**	–

At 31 March 2017, the loans to customers were unsecured personal loans and not subject to any personal guarantee.

In determining the recoverability of the loans receivable, the Group considers any change in the credit quality of the loans receivables from the date credit was initially granted up to the reporting date. The management has assessed the loans and interest receivables and believes that no impairment provision is necessary in respect of these balances.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	HK$'000	*HK$'000*
Equity securities classified as held for trading investments:		
Listed equity securities in Hong Kong	**29,154**	–
Financial assets designated at fair value through profit or loss:		
Unlisted fund	**13,620**	–
	42,774	–

Fair values of listed securities are determined with reference to quoted market closing price.

The net asset value ("NAV") of the unlisted fund will be determined as at the close of business in the relevant market or markets on each reporting date. The NAV is calculated based on the value of the unlisted fund's assets and/or investments quoted, listed, traded or dealt on any stock exchange, commodities exchange or futures made by reference to the exchange close price on the principal stock exchange for such investments as at the close of business in such place on the reporting date as of which such calculation is to be made, minus the value of the unlisted fund's liabilities on the reporting date.

Financial assets at fair value through profit or loss are denominated in Hong Kong dollar for the listed equity, and is denominated in United Status dollar for the unlisted fund.

Financial assets at fair value through profit or loss are presented within "operating activities" as part of changes in working capital in the consolidated statement of cash flows.

The Group has placed redemption notice of the unlisted fund in August 2017.

14. HELD-TO-MATURITY INVESTMENT

Held-to-maturity investment comprise of:

	2017	2016
	HK$'000	*HK$'000*
Debt debenture	**7,976**	–
Analysed for reporting purposes as:		
Current asset	**7,976**	–

The Group's held-to-maturity investment represented debt debenture with maturity of 120 days at an interest rate of 9% per annum.

Held-to-maturity investment was denominated in the United States dollar and matured in May 2017. It is unsecured and the carrying value approximates to its fair value.

15. TRADE AND OTHER PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**8,543**	8,648
Accrued payroll and other employee benefits	**6,427**	7,471
Other accruals and other payables	**8,183**	7,819
	23,153	23,938

The ageing analysis of trade payables based on invoice date is as follows:

	2017	2016
	HK$'000	*HK$'000*
0 to 60 days	**6,958**	4,019
61 to 120 days	**145**	1,285
More than 120 days	**1,440**	3,344
	8,543	8,648

16. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in the consolidated financial statements, the following event took place subsequent to 31 March 2017.

On 18 April 2017, the Group entered into a sale and purchase agreement with the vendors, pursuant to which the vendors have conditionally agreed to sell and the purchaser, a wholly-owned subsidiary of the Company, has conditionally agreed to purchase the sale shares, representing 33% of the entire issued share capital of a target company at aggregate consideration of HK$79,200,000, which shall be satisfied by the payment of the cash consideration of HK$3,500,000 and the allotment and issue of 19,868,766 consideration shares of the Company in the aggregate value of HK$75,700,000 at the issue price of HK$3.81 per consideration share to the vendors. The transaction was completed on 10 May 2017. Upon completion, the target company has become an associate company of the Group. The share capital of the Company has increased from HK$3,195,000 to HK$3,394,000.

SCOPE OF WORK OF MOORE STEPHENS CPA LIMITED

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 March 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, Moore Stephens CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Moore Stephens CPA Limited 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 Moore Stephens CPA Limited on the preliminary announcement.

FINAL DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2017.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 10 October 2017 to Friday, 13 October 2017 (both days inclusive), for the purpose of determining shareholders' entitlement to attend and vote at the forthcoming annual general meeting, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 9 October 2017.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 13 October 2017, notice of which will be published on the website of the Company (www.affluent-partners.com) and the designated issuer website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk), and despatched to shareholders of the Company accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Overview

The board of directors (the "Board") of Affluent Partners Holdings Limited (the "Company") is pleased to report the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2017 ("FY17"). During FY17, the consolidated loss attributable to equity holders of the Company was HK$23.9 million (year ended 31 March 2016 ("FY16"): HK$10.9 million), representing an increase of 118.3% as compared with that in FY16. Basic loss per share was 7.48 HK cents (FY16: 4.05 HK cents), representing an increase of 84.7% as compared with that in FY16.

Business Review

Pearls and Jewellery Business Segment

The Group is one of the world's largest merchants, purchasers and processors of pearls, with its customers spanning through 50 countries and regions around the globe. Leveraging its own competitive advantages, which include the close and stable relationship with customers and suppliers, the Group has offered vertically integrated product chain and built a renowned reputation in the pearl and jewellery industry.

The global market sentiment for pearl and fine jewellery continue to be weak during the year which had an adverse impact on demand of the Group's pearl and jewellery products. There was also a weakening consumption sentiment in the PRC and Hong Kong which reduced the sales contribution from our prestigious showroom ("VIP showroom") in our Hong Kong headquarters (FY17: HK$5.0 million; FY16: HK$14.4 million). For FY17, the return on capital of pearls and jewellery products was (5.4)% (FY16: (4.2)%).

The Group will continue to strictly control costs and improve operation efficiency and productivity in a bid to stay competitive. The Group will continue to actively participate in various important jewellery & gem fairs around the world in order to expand into a diversified customer base.

Strategic Investment and Financial Services Segment

In order to capture new business and development opportunities, the Group has established a strategic investment and financial services segment, principally engaging in investments in the stock market, bonds and other forms of securities, which may include long-term and short-term investments in listed securities in Hong Kong and other recognised overseas securities markets as well as other potential investment opportunities. The segment has been actively exploring suitable merging and acquisition opportunities in European and Asian regions, leveraging the Company's platform and resources as a listed company to add value for investment projects and enhancing its profitability and returns.

Currently, the Group has completed the acquisition of a company which holds a money lenders licence in Hong Kong and 33% of the entire issued share capital of a Korean beverage company, Dellos Group Limited. Dellos Group Limited under the established brand of "Dellos" principally engages in the manufacturing, sale and distribution of fruit juice and other beverage products with its products selling in Korea and over 50 counties and regions around the globe, spanning the European Union, Russia, Middle East, South America and Africa. Dellos Group Limited jointly develops the nano water-soluble technology with an independent third party, which could be applied to the manufacturing process of beverage for easily digested and absorbed by human body. As consumers have been increasingly concerned about healthy beverage, the global demand for "Dellos" beverage products with application of nano technology is expected to surge. Meanwhile, according to its past and estimated financial performance, Dellos Group Limited might seek listing of its shares on the Stock Exchange or any other qualified stock exchange in the medium term.

The strategic investment and financial service segment of the Group will continue to look for new investing opportunities and exercise due care in examining its risks and returns so as to diverse business lines and enhance shareholders' values.

Investment Review

During FY17, the Group acquired Hong Kong listed equities and unlisted fund at the aggregate acquisition cost of HK$44,130,000. Return on financial assets at fair value through profit or loss for FY17 is (3.1)% (2016: Nil).

Movements in the Hong Kong listed equities and unlisted fund held by the Group during FY17 are as follows:

	2017 ***HK$'000***
Carrying amount at beginning of year	–
Acquisitions	44,130
Loss arising on change in fair value of financial assets at fair value through profit or loss	(1,356)
Carrying amount at end of year	42,774

Details of the Hong Kong listed equities and unlisted fund held by the Group at 31 March 2017 are as follows:

	Number of shares held at 31 March 2017	Fair value at 31 March 2017 *HK$'000*	Fair value as compared to the consolidated total assets of the Group at 31 March 2017	Loss arising on change in fair value recognised in the year ended 31 March 2017 *HK$'000*
Name of Hong Kong listed equities				
Beijing Gas Blue Sky Holdings Limited (Stock code: 6828)	25,800,000	14,964	4.8%	–
China Baoli Technologies Holdings Limited(Stock code: 164)	66,000,000	14,190	4.5%	726
Name of unlisted fund				
Quantum Growth Fund	1,371,599	13,620	4.4%	630
		42,774		1,356

During the year, the Group has newly commenced money lending business which generated interest income on loans of HK$1,878,000. The Group granted new loans in the aggregate principal amount of HK$45,000,000 to its customers. Throughout the reporting period, the directors has continuously assessed the collectability of loans receivable. As there was no objective evidence that the Group would not be able to collect all amounts due, no impairment loss on loans receivable was recognised. At 31 March 2017, the Group's loans receivable together with accrued interest receivable amounted to HK$46,878,000 (2016: Nil). Return on loans and interest receivables for FY17 was 4.2% (FY16: Nil). Subsequent to the reporting period, the Company has received loans interest of HK$4,224,000, which is timely according to payment schedule.

Financial Review

The Group currently is principally engaged in purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products.

Revenue and Gross Profit

Revenue increased slightly during the year (FY17: HK$212.2 million; FY16: HK$210.0 million), comprised sales of pearl and jewellery of HK$210.1 million (FY16: HK$210.0 million) and interest income on strategic investment and financial services of HK$2.1 million (FY16: Nil), mainly as a result of the new income stream from money lending business.

Gross profit decreased by HK$5.0 million or 8.5% to HK$54.2 million (FY16: HK$59.2 million). The decrease was mainly due to a decrease in gross profit margin during FY17 (FY17: 25.5%; FY16: 28.2%). The decrease in gross profit margin was mainly attributable to the deeper discount offered to customers and the decrease in retail sales from the VIP showroom during the year.

Selling and Administrative Expenses (the "S&A expenses")

S&A expenses mainly comprised selling expenses of HK$8.3 million (FY16: HK$9.3 million) and administrative expenses of HK$69.2 million (FY16: HK$69.0 million). S&A expenses decreased by HK$0.8 million or 1.0% to HK$77.5 million (FY16: HK$78.3 million) in FY17, as a result of cost control measures deployed by the Group which reduced advertising expenses and administrative expenses, netted off by the increase in expenses of the newly established business segment during the year.

Loss Attributable to Equity Holders of the Company

The loss attributable to equity holders of the Company increased by HK$13.0 million or 118.3% to HK$23.9 million (FY16: HK$10.9 million) in FY17 mainly due to the decrease of gross profit of the Group.

Liquidity and Capital Resources

During the year, the Group funded its operations through a combination of cash generated from operations and equity attributable to owners of the Company. As at 31 March 2017, the Group's total equity was HK$290.1 million (2016: HK$313.7 million), representing a decrease of 7.5% from last year.

As at 31 March 2017, the Group had cash and cash equivalents of HK$54.3 million (2016: HK$163.9 million). Cash and cash equivalents were mainly denominated in United States dollars, Hong Kong dollars and Chinese Renminbi. The Group's working capital or net current assets were HK$271.9 million (2016: HK$304.0 million). The current ratio, represented by the current assets divided by the current liabilities, was 12.7 (2016: 12.9).

As at 31 March 2017, the Group did not have any available banking facilities (2016: HK$85.0 million) or unused banking facilities (2016: HK$85.0 million). With the available cash and cash equivalents and cash generated from operations, the Group has adequate financial resources to meet the anticipated future liquidity requirements and capital expenditure commitment.

Capital structure

There were no movements in either the Company's authorised or issued share capital during the year.

Material acquisitions and disposals of subsidiaries

The Group did not have any material acquisition or disposal of subsidiaries during FY17.

Exposure to fluctuations in exchange rates

The Group principally operates its businesses in Hong Kong and the PRC. The Group is exposed to foreign exchange fluctuations from various currencies, such as United States dollars and Renminbi, which were the major foreign currencies transacted by the Group during FY16 and FY17.

Since Hong Kong dollars remain pegged to the United States dollars within a defined range, the Group is not exposed to any significant foreign exchange risk against the United States dollars. The Group has subsidiaries operating in the PRC, in which most of their transactions, including revenue, expenses and other financing activities, are denominated in Renminbi.

The Group manages its foreign currency risk against other currencies by closely monitoring the movement of the foreign currency rates and may use hedging derivative, such as foreign currency forward contract, to manage its foreign currency risk as appropriate.

Human Resources

As at 31 March 2017, the Group had a total workforce of 384 (2016: 472), of whom 49 (2016: 50) were based in Hong Kong. The total staff cost, including directors' emoluments and mandatory provident fund, was approximately HK$56.3 million (2016: HK$62.6 million). Employees were remunerated on the basis of their performance and experience. Remuneration packages, including salary and year-end discretionary bonus, were determined by reference to market conditions and individual performance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange as the code of conduct for dealing in securities of the Company by the directors of the Company (the "Directors"). All Directors have confirmed, upon specific enquiries made by the Company, that they have complied with the required standard set out in the Model Code during the year ended 31 March 2017. To ensure Directors' dealings in the securities of the Company (the "Securities") are conducted in accordance with the Model Code and securities code of the Company, a Director is required to notify the Chairman in writing and obtain a written acknowledgement from the Chairman prior to any dealings in the Securities.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules. The Company has received confirmation of independence from all four Independent Non-executive Directors, namely Mr. Pang Siu Yin, Mr. Lai Yat Yuen, Mr. Lee Kin Keung and Mr. Chan Chi Yuen in accordance with Rule 3.13 of the Listing Rules.

The Board has reviewed the independence of all Independent Non-executive Directors and concluded that all of them are independent within the definition of the Listing Rules. Furthermore, the Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the Independent Non-executive Directors has been impaired up to the date of this announcement.

AUDIT COMMITTEE

The audit committee, which comprises three Independent Non-executive Directors of the Company, has reviewed with the management in conjunction with the auditor, the accounting principles and practices adopted by the Group and discussed the internal control, risk management and financial reporting matters including the review of the draft consolidated financial statements of the Group for the year ended 31 March 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

CORPORATE GOVERNANCE CODE

The Group recognises the importance of achieving the highest standard of corporate governance consistent with the needs and requirements of its businesses and the best interest of all of its stakeholders, and the Board is fully committed to doing so. The Board believes that high standards of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, achieve high standard of accountability and protect stakeholders' interests.

The Group has adopted a corporate governance statement of policy which provides guidance on the application of the corporate governance principles on the Group, with reference to the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules.

In the opinion of the Directors, the Company has complied with all code provisions as set out in the CG Code throughout the year ended 31 March 2017 and, where appropriate, the applicable recommended best practices of the CG Code.

PROSPECTS

Looking forward, the strategic investment and financial services segment will expectedly diversify the income streams of the Group, and generate additional investment returns on the available funds of the Company from time to time. We expect that the segment will be the growth driver of the Company, and will actively make continuous efforts to find appropriate investment projects in the future.

The Group will further use its resources as a listed company to add value for the acquisition project, so as to increase its profitability and return. Dellos will continue to actively expand its distribution network, especially the local sales network in Korea, and is expected to seek listing of its shares on the Stock Exchange or any other qualified stock exchange in the medium term.

Meanwhile, the Group will continue developing the mature pearls and jewellery business, actively participating in various important jewellery & gem fairs around the world, and expanding into a diversified customer base.

BOARD OF DIRECTORS

As at the date of this announcement, the executive Directors are Mr. Lan Zhi Cheng (Chairman), Mr. Archambaud-Chao Percy Henry Junior, Mr. Leung Alex, Mr. Luk Siu Fung Mark and Mr. Lee Tsz Hang; and the independent non-executive Directors are Mr. Pang Siu Yin, Mr. Lai Yat Yuen, Mr. Lee Kin Keung and Mr. Chan Chi Yuen.

By Order of the Board
AFFLUENT PARTNERS HOLDINGS LIMITED
Lan Zhi Cheng
Chairman

Hong Kong, 25 August 2017

Remark:

This results announcement is published on the website of the Company at www.affluent-partners.com and the Stock Exchange's website at www.hkexnews.hk.