

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017



CPA LIMITED

潘展聰會計師行有限公司

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(EXPRESSED IN THE NEAREST HONG KONG DOLLARS)

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED MARCH 31, 2017

The directors submit their annual report together with the audited financial statements for the year ended March 31, 2017.

PRINCIPAL ACTIVITIES

Hong Kong Professional & Educational Services Limited (“the company”) is a non-profit making organisation established to mobilise, empower and support committed professionals and business executives to become a positive influence in society and to contribute to the holistic development of Greater China and other Asian countries.

DIRECTORS

Directors of the company during the year and up to the date of this report were:

Chin Ping Ngai, Kenneth
Yuen Hoi Pak
Tang Yau Shun
Szeto. Wing Fu
Ng Cheuk Man, Derek
Ng Chak Wai
Tang Lok Man

In accordance with the Articles of Association, all directors retire and, being eligible, offer themselves for re-election.

BUSINESS REVIEW

The company falls within reporting exemption for the financial year. Accordingly, the company is exempted from preparing a business review.

...../To be continued

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED MARCH 31, 2017

...../Continued

AUDITORS

Philip Poon & Partners CPA Limited are the company's retiring auditors who, being eligible, offer themselves for re-appointment.

FOR AND ON BEHALF OF THE BOARD



SZETO WING FU
CHAIRMAN

Hong Kong
July 31, 2017



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

Opinion

We have audited the financial statements of Hong Kong Professional & Educational Services Limited ("the Company") set out on pages 7 to 21, which comprise the statement of financial position as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report and financial statements, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

...../To be continued



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

...../Continued

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

...../To be continued



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

...../Continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

...../To be continued



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

(Incorporated in Hong Kong and limited by guarantee)

...../Continued

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements; including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Certified Public Accountants
Hong Kong
July 31, 2017

Philip Poon & Partners CPA Limited
Mr. Poon Chin Chung, Philip
Practising Certificate No.: P01748

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED**香港專業人才服務機構有限公司****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME****FOR THE YEAR ENDED MARCH 31, 2017**

	<u>NOTE</u>	<u>2017</u> \$	<u>2016</u> \$
INCOME			
Bank interest received		157	175
Contribution received			
Architect and planner project		--	16,000
Donations received		1,074,938	1,164,063
Marketplace excellence program		216,164	897,646
Subsidies received		72,000	114,000
Sundry income		139,225	220,588
		<u>1,502,484</u>	<u>2,412,472</u>
LESS: OPERATING EXPENSES			
Auditors' remuneration		6,000	6,000
Bank charges		12,640	5,247
Clinical claims		3,912	3,200
Depreciation	6	12,116	13,806
Insurance		3,368	4,047
IT Project		110,244	105,000
Mandatory provident fund contribution		32,726	40,990
Ministry consultant and associates partner expenses		331,894	226,029
Postage and stamps		148	220
Printing and stationery		2,543	2,806
Rent		283,732	264,000
Repair and maintenance		3,240	6,240
Salaries		661,482	819,792
Sundry expenses		4,549	4,140
Telephone and fax expenses		3,625	3,505
Utilities		13,156	15,457
Website expenses		4,320	5,034
		<u>1,489,695</u>	<u>1,525,513</u>

...../To be continued

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2017

...../Continued

	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
LESS: PROMOTION EXPENSES		
Newsletter design and printing	22,650	22,850
Postage and label expenses	18,067	18,678
Transportation	606	1,600
	<u>41,323</u>	<u>43,128</u>
	-----	-----
LESS: PROGRAM EXPENSES		
Marketplace excellence program	93,308	658,447
	<u>93,308</u>	<u>658,447</u>
(DEFICIT)/SURPLUS FOR THE YEAR	<u>(121,842)</u>	<u>185,384</u>
	-----	-----
OTHER COMPREHENSIVE INCOME	--	--
	<u>-----</u>	<u>-----</u>
TOTAL COMPREHENSIVE (EXPENSE)/INCOME	<u>(121,842)</u>	<u>185,384</u>
	=====	=====

The notes on pages 12 to 21 form part of these financial statements.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED

香港專業人才服務機構有限公司

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

	NOTE	2017 \$	2016 \$
NON-CURRENT ASSETS			
Plant and equipment	6	27,501	22,687
CURRENT ASSETS			
Prepayments and deposits		81,220	63,629
Bank balances and cash		1,570,932	1,754,801
		1,652,152	1,818,430
CURRENT LIABILITIES			
Accruals		41,593	17,661
Amount due to a related company	7	104,057	81,538
Bank overdrafts		--	86,073
		145,650	185,272
NET CURRENT ASSETS		1,506,502	1,633,158
TOTAL ASSETS		1,534,003	1,655,845
MEMBERS' EQUITY			
General fund		1,534,003	1,655,845

Approved and authorised for issue by the board of directors on July 31, 2017



SZETO WING FU
DIRECTOR



TANG KAU SHUN
DIRECTOR

The notes on pages 12 to 21 form part of these financial statements.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

STATEMENT OF CHANGES IN MEMBERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2017

	<u>General fund</u>
	<u>\$</u>
Total members' equity at April 1, 2015	1,470,461
Total comprehensive income for the year	185,384
	<hr/>
Total members' equity at March 31, 2016	1,655,845
	<hr/> <hr/>
Total members' equity at April 1, 2016	1,655,845
Total comprehensive expense for the year	(121,842)
	<hr/>
Total members' equity at March 31, 2017	1,534,003
	<hr/> <hr/>

The notes on pages 12 to 21 form part of these financial statements.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>NOTE</u>	<u>2017</u> \$	<u>2016</u> \$
NET CASH USED IN OPERATING ACTIVITIES	8	(81,023)	(279,284)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(16,930)	(17,943)
Interest received		157	175
Net cash used in investing activities		(16,773)	(17,768)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(97,796)	(297,052)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,668,728	1,965,780
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,570,932	1,668,728
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		1,570,932	1,754,801
Bank overdrafts		--	(86,073)
		1,570,932	1,668,728

The notes on pages 12 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

1. CORPORATE INFORMATION

Hong Kong Professional & Educational Services Limited (“the company”) is a company incorporated in Hong Kong and limited by guarantee. The address of its registered office is 8A, Alpha House, 27-33 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

The company is a non-profit making organisation established to mobilise, empower and support committed professionals and business executives to become a positive influence in society and to contribute to the holistic development of Greater China and other Asian countries.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) (which also include Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, and the requirements of the Hong Kong Companies Ordinance. These financial statements are presented to the nearest Hong Kong dollars, which is the company’s functional and presentation currency.

(b) Reporting exemption

The company falls within reporting exemption as a small guarantee company for the reporting period under sections 359(1)(a) and 363 of the Hong Kong Companies Ordinance.

(c) Basis of measurement

The measurement base used in preparing these financial statements is historical cost convention.

(d) Going concern

These financial statements have been prepared on the basis that the company is a going concern.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Adoption of new and revised HKFRSs

In current year, the company has adopted all of the new and revised standards and interpretations issued by the HKICPA that are relevant to its operations and effective for current accounting period of the company. The adoption of these new and revised standards and interpretations has no material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Standards and interpretations not yet effective

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the current accounting period of the company and have not been adopted in these financial statements. The directors anticipate that the adoption of these amendments, new standards and interpretations in future periods is unlikely to have a significant impact on the company's results of operations and financial position.

(b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost of plant and equipment, less their estimated residual value, if any, using the straight-line method at the following rates per annum:

Furniture and fixtures	20%
Office equipment	20%
Office renovation	20%
Computer software	20%

(c) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental applicable to such operating leases are charged to surplus or deficit on the straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment

At the end of each reporting period, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to surplus or deficit in the year in which the reversals are recognised.

(e) Account and other receivables

Account and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits at banks, net of short-term bank loans and bank overdrafts which are repayable on demand.

(g) Account and other payables

Account and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which cases, they are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(i) Revenue recognition

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

- (i) Contribution and subsidies income are recognised on actual cash receipt basis; and
- (ii) Interest income is recognised on a time proportion basis by reference to the principal amounts outstanding and the interest rates applicable.

(j) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(k) Foreign currency translations

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the end of the reporting period exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Foreign currency translations (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss shall be recognised directly in equity. Conversely, when a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss shall be recognised in surplus or deficit.

(l) Related parties

(i) A person or a close member of that person's family is related to the company if that person:

- (a) has control or joint control over the company;
- (b) has significant influence over the company; or
- (c) is a member of the key management personnel of the company or of a parent of the company.

(ii) An entity is related to the company if any of the following conditions applies:

- (a) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (c) Both entities are joint ventures of the same third party.
- (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (e) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
- (f) The entity is controlled or jointly controlled by a person identified in (i).
- (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

4. DIRECTORS' REMUNERATION

Remuneration of the directors of the company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

The directors received no remuneration for their services to the company during the year (2016: Nil).

5. TAXATION

No provision for Hong Kong Profits Tax has been provided in the financial statements as the company is exempted for taxation under section 88 of the Hong Kong Inland Revenue Ordinance by reason of being a charitable institution or trust of a public character.

HONG KONG PROFESSIONAL & EDUCATIONAL SERVICES LIMITED
香港專業人才服務機構有限公司

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

6. PLANT AND EQUIPMENT

	<u>Furniture and fixtures</u> \$	<u>Office equipment</u> \$	<u>Office renovation</u> \$	<u>Computer software</u> \$	<u>Total</u> \$
<u>Cost:</u>					
At April 1, 2015	18,625	186,971	137,538	30,278	373,412
Additions	--	7,880	--	10,063	17,943
At March 31, 2016	<u>18,625</u>	<u>194,851</u>	<u>137,538</u>	<u>40,341</u>	<u>391,355</u>
At April 1, 2016	18,625	194,851	137,538	40,341	391,355
Additions	9,800	7,130	--	--	16,930
At March 31, 2017	<u>28,425</u>	<u>201,981</u>	<u>137,538</u>	<u>40,341</u>	<u>408,285</u>
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<u>Accumulated depreciation and impairment losses:</u>					
At April 1, 2015	18,593	175,864	137,538	22,867	354,862
Depreciation charge for the year	32	9,104	--	4,670	13,806
At March 31, 2016	<u>18,625</u>	<u>184,968</u>	<u>137,538</u>	<u>27,537</u>	<u>368,668</u>
At April 1, 2016	18,625	184,968	137,538	27,537	368,668
Depreciation charge for the year	1,960	5,983	--	4,173	12,116
At March 31, 2017	<u>20,585</u>	<u>190,951</u>	<u>137,538</u>	<u>31,710</u>	<u>380,784</u>
	-----	-----	-----	-----	-----
<u>Carrying amount:</u>					
At April 1, 2015	32	11,107	--	7,411	18,550
At March 31, 2016	<u>--</u>	<u>9,883</u>	<u>--</u>	<u>12,804</u>	<u>22,687</u>
At April 1, 2016	--	9,883	--	12,804	22,687
At March 31, 2017	<u>7,840</u>	<u>11,030</u>	<u>--</u>	<u>8,631</u>	<u>27,501</u>
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NOTES TO THE FINANCIAL STATEMENTS**FOR THE YEAR ENDED MARCH 31, 2017****7. AMOUNT DUE TO A RELATED COMPANY**

The amount due to a related company is unsecured, interest free and has no fixed repayment term.

8. RECONCILIATION OF (DEFICIT)/SURPLUS FOR THE YEAR TO NET CASH USED IN OPERATING ACTIVITIES

	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
(Deficit)/Surplus for the year	(121,842)	185,384
Adjustments for:		
Depreciation	12,116	13,806
Interest income	(157)	(175)
Operating (deficit)/surplus before working capital changes	<u>(109,883)</u>	<u>199,015</u>
(Increase)/Decrease in prepayments and deposits	(17,591)	128,693
Increase/(Decrease) in accruals	23,932	(302,441)
Decrease in receipts in advance	--	(110,835)
Increase/(Decrease) in amount due to a related company	22,519	(193,716)
Net cash used in operating activities	<u><u>(81,023)</u></u>	<u><u>(279,284)</u></u>

9. RELATED PARTY TRANSACTIONS

Significant related party transactions during the year not otherwise disclosed in these financial statements are as follows:

	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
Subsidies income received from a related company	72,000	114,000
Sundry income received from a related company	--	30,000
Donations received from directors	123,000	119,200
Marketplace excellence program contribution received from directors	24,714	--

The above transactions were carried out in the normal course of the company's operation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

10. OPERATING LEASE COMMITMENTS

At March 31, 2017, the company had commitments for future minimum lease payments in respect of land and buildings under non-cancellable operating leases which fall due as follows:

	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
Within 1 year	288,000	55,000
After 1 year but within 5 years	362,400	--
	<u>650,400</u>	<u>55,000</u>

11. FINANCIAL RISK MANAGEMENT

The company's activities are exposed to a variety of financial risks as summarised below:

(a) Interest rate risk

As the company has no significant interest-bearing liabilities, it exposes to interest rate risk primarily to the bank deposits. In the opinion of directors, the interest rate risk is minimal.

(b) Foreign exchange risk

Most of the company's monetary assets and liabilities are denominated in Hong Kong dollars, and the company conducted its operation transactions principally in Hong Kong dollars. Therefore, the foreign exchange risk is not significant.

(c) Credit risk

The company is not subject to significant credit risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

11. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity risk

The company has policies to maintain continuity of funding to meet its liabilities. In the opinion of directors, the company has a solid financial position, and the exposure to liquidity risk is minimal.

(e) Capital management

The company's primary objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide benefits for its stakeholders.

The company regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions.

The capital comprises all components of funds and reserves, and the company's management are of the opinion that they have monitored the capital under satisfactory level for the year.