CL GROUP (HOLDINGS) LIMITED
（昌利（控股）有限公司）

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8098)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (GEM) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE STOCK EXCHANGE)

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the Directors) of CL Group (Holdings) Limited (the Company) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the GEM Listing Rules) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- The Group's turnover for the year ended 31 March 2013 was approximately HK$48.5 million (2012: approximately HK$50.9 million), representing a decrease of approximately 4.7% from that of the year ended 31 March 2012.
- The Group's profit before tax for the year ended 31 March 2013 amounted to approximately HK$27.1 million (2012: approximately HK$27.5 million).
- The Group's profit attributable to the owners of the Company amounted to approximately HK$22.5 million for the year ended 31 March 2013 (2012: approximately HK$22.7 million).
- Basic earnings per share amounted to approximately HK2.25 cents for the year ended 31 March 2013 (2012: approximately HK2.27 cents).
- The Board proposed the final dividend of HK2.0 cents per share for the financial year ended 31 March 2013.

FINAL RESULTS

The board of Directors (the Board) is pleased to present the consolidated results of the Company and its subsidiaries (collectively the Group) for the year ended 31 March 2013 (the Financial Year) together with comparative figures for the year ended 31 March 2012, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Notes	**2013**	2012
		HK$	*HK$*
Turnover	*4*	**48,546,509**	50,946,613
Net other income	*5*	**4,060,824**	535,662
Impairment loss on goodwill		**(531,658)**	—
Administrative expenses		**(24,979,444)**	(23,965,504)
Finance costs		**—**	(13)
Profit before tax	*7*	**27,096,231**	27,516,758
Income tax expenses	*8*	**(4,602,219)**	(4,808,216)
Profit and total comprehensive income for the year		**22,494,012**	22,708,542
Profit (loss) and total comprehensive income (expenses) for the year attributable to:			
Owners of the Company		**22,491,674**	22,749,213
Non-controlling interests		**2,338**	(40,671)
		22,494,012	22,708,542
Earnings per share			
— Basic	*10*	**2.25 cents**	2.27 cents
— Diluted	*10*	**2.25 cents**	2.27 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2013

	Notes	2013 HK$	2012 HK$
Non-current assets			
Plant and equipment		**769,047**	1,975,367
Intangible assets		**69,780**	139,560
Other assets		**1,705,000**	1,731,119
Goodwill		**—**	531,658
		2,543,827	4,377,704
Current assets			
Trade receivables	*11*	**84,090,495**	103,813,126
Loan receivables	*12*	**28,386,650**	13,023,226
Other receivables, deposits and prepayments		**2,586,002**	2,655,546
Financial assets at fair value through profit or loss		**15,778,223**	11,082,125
Tax refundable		**11,072**	928,610
Other investment		**3,807,000**	—
Pledged bank deposit		**5,000,000**	5,000,000
Bank balances and cash — trust accounts		**30,428,353**	17,489,491
Bank balances and cash — general accounts		**48,563,330**	48,023,254
		218,651,125	202,015,378
Current liabilities			
Trade payables	*13*	**31,639,476**	17,909,963
Other payables and accruals		**1,385,180**	3,011,721
		33,024,656	20,921,684
Net current assets		**185,626,469**	181,093,694
Total assets less current liabilities		**188,170,296**	185,471,398
Non-current liability			
Deferred tax liabilities		**33,660**	104,007
Net assets		**188,136,636**	185,367,391
Capital and reserves			
Share capital	*14*	**10,000,000**	10,000,000
Reserves		**178,270,597**	175,503,690
Equity attributable to owners of the Company		**188,270,597**	185,503,690
Non-controlling interests		**(133,961)**	(136,299)
Total equity		**188,136,636**	185,367,391

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2013

	Share capital *HK$*	Share premium *HK$*	Merger reserve *HK$*	Share option reserve *HK$*	Retained profits *HK$*	Attributable to owners of the Company *HK$*	Non-controlling interests *HK$*	Total *HK$*
At 1 April 2011	10,000,000	112,473,021	32,500,000	31,412	27,483,288	182,487,721	—	182,487,721
Profit (loss) and total comprehensive income (expenses) for the year	—	—	—	—	22,749,213	22,749,213	(40,671)	22,708,542
Acquisition of subsidiaries	—	—	—	—	—	—	(95,628)	(95,628)
Recognition of equity-settled share-based payments	—	—	—	266,756	—	266,756	—	266,756
Dividend	—	—	—	—	(20,000,000)	(20,000,000)	—	(20,000,000)
At 31 March 2012 and 1 April 2012	10,000,000	112,473,021	32,500,000	298,168	30,232,501	185,503,690	(136,299)	185,367,391
Profit and total comprehensive income for the year	—	—	—	—	22,491,674	22,491,674	2,338	22,494,012
Recognition of equity-settled share-based payments	—	—	—	275,233	—	275,233	—	275,233
Share option expired	—	—	—	(361,495)	361,495	—	—	—
Dividend	—	—	—	—	(20,000,000)	(20,000,000)	—	(20,000,000)
At 31 March 2013	10,000,000	112,473,021	32,500,000	211,906	33,085,670	188,270,597	(133,961)	188,136,636

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

Pursuant to a group reorganisation on 22 February 2011 (the "Reorganisation") in preparation for the listing of shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM of the Stock Exchange") and for the purpose of rationalising the Group's structure, the Company became the holding company of the subsidiaries now comprising the Group on 22 February 2011. Details of the Reorganisation are set out in the prospectus of the Company dated on 28 February 2011.

The Company's shares have been listed on the GEM of the Stock Exchange since 8 March 2011.

The Reorganisation involved business combinations of entities under common control before and immediately after the Reorganisation. Consequently, immediately after the Reorganisation, there was a continuation of the risks and benefits to the controlling parties that existed prior to the Reorganisation. The Group is regarded and accounted for as a continuing group resulting from the Reorganisation since all of the entities which took part in the Reorganisation were under common control in a manner similar to pooling of interests. Accordingly, the financial statements have been prepared on a combined basis by applying the principles of merger accounting. The financial statements has been presented as if the current group structure had been in existence throughout the years ended 31 March 2011 or from the respective dates of incorporation of the companies comprising the Group, where there is a shorter period.

The consolidated financial statements are presented in Hong Kong Dollars, which is also the functional currency of the Company.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are engaged in the provision of securities, futures and options broking and trading, margin and loan financing service, placing and underwriting services, wealth management service and securities advisory service.

The parent and ultimate holding company of the Group is Zillion Profit Limited, a private company incorporated in the British Virgin Islands with limited liability.

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

The following new and revised HKFRSs issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") have been applied by the Group in the current year.

Application of new and revised standards and interpretations

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

The application of these new and revised HKFRSs has had no material impact on the Group's financial performance and positions for the current and prior year.

New and revised HKFRSs issued but not yet effective

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

HKFRS 1 (Amendments)	Government Loans[2]
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements Disclosure of Interests in Other Entities: Transition Guidance[2]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[3]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle except for the amendments to HKAS 1[2]
HK (IFRIC) — Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] Effective for annual periods beginning on or after 1 July 2012.
[2] Effective for annual periods beginning on or after 1 January 2013.
[3] Effective for annual periods beginning on or after 1 January 2014.
[4] Effective for annual periods beginning on or after 1 January 2015.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as a fair value through profit and loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC) — Int 12 Consolidation — Special Purpose Entities. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 Interests in Joint Ventures and HK (SIC) — Int 13 Jointly Controlled Entities — Non-Monetary Contributions by Ventures. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning on 1 April 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. However, the directors have not yet performed a detailed analysis of the impact of the application of these Standards and have not yet quantified the extent if the impact.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurement, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 Financial Instruments: Disclosure will be extended by HKFRS 13 to cover all assets and liabilities with its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that the application of the new standard may affect certain amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

HKAS 1 (Amendments) Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss.

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (as revised in 2011) — Investment Entities

The amendments to HKFRS 10 introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interest in subsidiaries at fair value through profit or loss.

To qualify as in investment entity, certain criteria have to be met. Specifically, an entity is required to:

1. Obtain funds from one or more investors for the purpose of providing them with professional investment management services;

2. Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

3. Measure and evaluate performance of substantially all of its investments on a fair value basis.

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

The amendments to HKFRS 10, HKFRS 12 and HKAS 27 (as revised in 2011) are effective from annual periods beginning on or after 1 January 2014 with early application permitted. The directors is in the process of assessing the potential impact of the new HKFRSs but is not yet in a position to determine whether the new HKFRSs will have a significant impact on how its results of operations and financial position are prepared and presented. The new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

The directors anticipate that the application of other new or revised standards, amendments and interpretations will have no material impact on results and financial position of the Group.

Amendments to HKFRS 7 and HKAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures

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

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The directors anticipate that the application of these amendments to HKAS 32 and HKFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in the future.

HKAS 19 Employee Benefits

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach" permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a "net-interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application. The directors anticipate that the amendments to HKAS 19 will have no effect to the Group's financial statements as the Group does not provide in such benefits.

Annual Improvements to HKFRSs 2009–2011 Cycle issued in June 2012

The Annual Improvements to HKFRSs 2009–2011 Cycle include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include amendments to HKAS 16 Property, Plant and Equipment; and amendments to HKAS 32 Financial Instruments: Presentation.

Amendments to HKAS 16

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise. The directors do not anticipate that the amendments to HKAS 16 will have a significant effect on the Group's consolidated financial statements.

Amendments to HKAS 32

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. The directors anticipate that the amendments to HKAS 32 will have no effect on the Group's consolidated financial statement.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or another measurement basis required by another Standard.

When the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognised at their fair value at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Group's interest in the recognised amounts of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the recognised amounts of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the acquisition, the excess was recognised immediately in profit or loss.

The non-controlling interest in the acquiree was initially measured at the minority interest's proportionate share of the recognised amounts of the assets, liabilities and contingent liabilities of the acquiree.

Contingent consideration was recognised, if and only if, the contingent consideration was probable and could be measured reliably. Subsequent adjustments to contingent consideration were recognised against the cost of the acquisition.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

Subsidiary

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less that its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4. TURNOVER

An analysis of the Group's revenue for the year from continuing operations is as follows:

	2013	2012
	HK$	*HK$*
Commission and brokerage fees from securities dealing on The Stock Exchange of Hong Kong Limited	**3,124,885**	6,427,540
Commission and brokerage fees on dealing in futures contracts	**365,976**	883,811
Commission from wealth management business	**919,698**	77,832
Commission from securities advisory service	**14,700,000**	15,500,000
Placing and underwriting commission	**8,723,890**	13,506,990
Clearing and settlement fee	**270,410**	588,145
Handling service and dividend collection fees	**916,119**	689,071
Interest income from		
— authorised financial institutions	**1,214,818**	794,317
— clients	**18,310,684**	12,478,837
— others	**29**	70
	48,546,509	50,946,613

5. NET OTHER INCOME

	2013	2012
	HK$	*HK$*
Gain on trading of financial assets at fair value through profit or loss	**1,861,791**	557,182
Loss on trading in futures contracts	**—**	(2,227)
Dividend income	**5,480**	8,723
Net change in fair value of financial assets at fair value through profit or loss	**685,101**	(1,009,059)
Other income	**1,508,452**	981,043
	4,060,824	535,662

6. SEGMENTS INFORMATION

Segment revenues and results

The following is an analysis of the Group's revenues and results by reportable segments:

	2013				
	Securities and futures broking *HK$*	**Placing and underwriting** *HK$*	**Loan and financing** *HK$*	**Securities advisory service** *HK$*	**Consolidated** *HK$*
Segment revenue	**4,885,977**	**8,723,890**	**19,021,824**	**14,700,000**	**47,331,691**
Segment results	**213,185**	**5,564,073**	**17,786,231**	**13,499,815**	**37,063,304**
Gain from investments					**2,552,372**
Other interest income					**1,214,818**
Other income					**1,508,452**
Impairment loss on goodwill					**(531,658)**
Unallocated other operating expenses					**(14,711,057)**
Profit before tax					**27,096,231**
Income tax expenses					**(4,602,219)**
Profit for the year					**22,494,012**

	2012				
	Securities and futures broking *HK$*	Placing and underwriting *HK$*	Loan and financing *HK$*	Securities advisory service *HK$*	Consolidated *HK$*
Segment revenue	10,603,097	13,506,990	10,542,139	15,500,000	50,152,226
Segment results	2,538,662	11,580,978	10,490,970	13,754,990	38,365,600
Loss from investments					(445,381)
Other interest income					794,387
Other income					981,043
Unallocated other operating expenses					(12,178,878)
Finance costs					(13)
Profit before tax					27,516,758
Income tax expenses					(4,808,216)
Profit for the year					22,708,542

Revenue reported above represents revenue generated from external customers. There was no inter-segment sale during the year (2012: HK$nil).

Segment assets and liabilities

	2013				
	Securities and futures broking *HK$*	**Placing and underwriting** *HK$*	**Loan and financing** *HK$*	**Securities advisory service** *HK$*	**Consolidated** *HK$*
Assets					
Segment assets	**34,823,533**	**—**	**104,597,625**	**8,700,000**	**148,121,158**
Unallocated assets					**73,073,794**
Total assets					**221,194,952**
Liabilities					
Segment liabilities	**29,890,154**	**31,200**	**3,053,302**	**—**	**32,974,656**
Unallocated liabilities					**83,660**
Total liabilities					**33,058,316**

	2012				
	Securities and futures broking *HK$*	Placing and underwriting *HK$*	Loan and financing *HK$*	Securities advisory service *HK$*	Consolidated *HK$*
Assets					
Segment assets	23,539,222	12,800	109,120,956	10,650,000	143,322,978
Unallocated assets					63,070,104
Total assets					206,393,082
Liabilities					
Segment liabilities	18,508,575	31,200	—	754,786	19,294,561
Unallocated liabilities					1,731,130
Total liabilities					21,025,691

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

- all assets are allocated to reportable segments other than financial assets at fair value through profit or loss, other investment, tax refundable, bank balances and cash — general accounts and other receivable. 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 other payables and accruals and current and deferred tax liabilities. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

Information on major customers

A major customer of the Group accounted for approximately 16% (2012: 15%) of the total revenue during the year ended 31 March 2013.

7. PROFIT BEFORE TAX

	2013	2012
	HK$	*HK$*
Profit before tax has been arrived at after charging:		
Staff costs	**6,420,281**	6,440,623
Auditor's remuneration	**448,000**	428,000
Depreciation of plant and equipment	**817,805**	1,207,372
Amortisation of intangible assets	**69,780**	69,780
Write-off of plant and equipment	**439,514**	—
Impairment loss on trade receivables	**1,787,359**	—
Loss on disposal of plant and equipment	**3,611**	—
Operating lease payments in respect of rented premises	**5,286,064**	5,530,312
Equity-settled share-based payments	**275,233**	266,756

8. INCOME TAX EXPENSES

	2013	2012
	HK$	*HK$*
Hong Kong Profits Tax		
— current year	**4,713,270**	4,924,516
— overprovision in prior year	**(40,704)**	—
	4,672,566	4,924,516
Deferred tax		
— current year	**(70,347)**	(116,300)
	4,602,219	4,808,216

The tax expenses for the year can be reconciled to the profit before tax per the consolidated statement of comprehensive income as follows:

	2013	2012
	HK$	*HK$*
Profit before tax	**27,096,231**	27,516,758
Tax at the domestic income tax rate of 16.5% (2012: 16.5%)	**4,470,879**	4,540,265
Overprovision in prior year	**(40,704)**	—
Tax effect of expenses not deductible for tax purpose	**148,019**	—
Tax effect of income not taxable for tax purpose	**(103,231)**	(230,785)
Tax effect of temporary differences not recognised	**(5,580)**	—
Tax effect of tax loss not recognised	**132,836**	498,736
Tax expenses for the year	**4,602,219**	4,808,216

9. DIVIDEND

	2013	2012
	HK$	*HK$*
2012 Final dividend, paid — HK2.0 cents per share (2011 Final dividend, paid HK2.0 cents per share)	**20,000,000**	20,000,000

The board of directors proposed a final dividend of HK2.0 cents per ordinary share for the year ended 31 March 2013 (2012: HK2.0 cents). This proposed final dividend is not reflected as a dividend payable as of 31 March 2013, but will be recorded as a distribution of retained profits for the year ending 31 March 2014.

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to owners of the Company and the weighted average number of the Company's ordinary shares in issue during the year.

	2013	2012
	HK$	*HK$*
Profit for the year attributable to owners of the Company	**22,491,674**	22,749,213

	2013	2012
Weighted average number of ordinary shares in issue during the year	**1,000,000,000**	1,000,000,000
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	**—**	—
Weighted average number of ordinary shares and dilutive potential ordinary shares in issue during the year	**1,000,000,000**	1,000,000,000

The calculation of basic earnings per share is based on the Group's profit attributable to the owners of the Company of HK$22,491,674 (2012: HK$22,749,213) and the weighted average number of ordinary shares of 1,000,000,000 (2012: 1,000,000,000) during the year.

The diluted earnings per share is not presented because there were no potential dilutive effects during the year ended 31 March 2013 and 2012.

11. TRADE RECEIVABLES

	2013	2012
	HK$	*HK$*
Trade receivables from the business of dealing in futures contracts:		
Clearing houses	**673,908**	24,400
Trade receivables from the business of dealing in securities:		
Cash clients	**33,910**	713,470
Margin clients	**73,569,880**	90,946,641
Clearing houses	**1,112,797**	1,423,559
Commission receivables from wealth management business	**—**	55,056
Trade receivables from securities advisory service	**8,700,000**	10,650,000
	84,090,495	103,813,126

The settlement terms of trade receivables arising from the business of dealing in securities are two days after the trade date, and trade receivables arising from the business of dealing in futures contracts are one day after the trade date.

Listed securities of clients are held as collateral against secured margin loans and term loans. The fair value of the listed securities at 31 March 2013 held as collateral was HK$224,896,798. (2012: HK$236,931,282).

The aging analysis of the trade receivables are as follows:

	2013 *HK$*	2012 *HK$*
Margin clients balances:		
No due date	**71,143,801**	90,946,641
Past due	**2,426,079**	—
	73,569,880	90,946,641
Other balances		
Less than 1 month past due	**8,519,474**	12,300,950
1 to 3 months past due	**619**	53,035
Over 3 months but less than 1 year past due	**522**	175,850
Over 1 year past due	**2,000,000**	336,650
	10,520,615	12,866,485
	84,090,495	103,813,126

Impairment loss on trade receivables:

	2013 *HK$*	2012 *HK$*
Balance at beginning of the year	**—**	—
Impairment loss for the year	**1,787,359**	—
Balance at end of the year	**1,787,359**	—

12. LOAN RECEIVABLES

	2013 *HK$*	2012 *HK$*
Loan receivables	**28,230,000**	13,000,000
Loan interest receivables	**156,650**	23,226
	28,386,650	13,023,226

Certain loan receivables are secured by properties and other asset. All the loans bear interest at market interest rate and repayable within one year. The fair values of the Group's loan receivables at the end of reporting period, are determined based on the present value of the estimated future cash flows discounted using the prevailing market rates at the end of each reporting period. The fair values of the Group's loan receivables approximate to the corresponding carrying amounts of the loan receivables.

The loan receivables have been reviewed by the directors to assess impairment which are based on the evaluation of collectability, aging analysis of accounts and on their judgement, including the current creditworthiness and the past collection statistics. The directors considered that no impairment is required to be provided for the year.

All loan receivables are not yet due at the end of reporting period.

13. TRADE PAYABLES

	2013	2012
	HK$	*HK$*
Trade payables from the business of dealing in futures contracts:		
Margin clients	**1,649,197**	257,062
Trade payables from the business of dealing in securities:		
Margin clients	**2,973,302**	178,321
Cash clients	**27,016,977**	17,474,580
	31,639,476	17,909,963

The settlement terms of trade payables arising from the business of dealing in securities are two days after trade date, and trade payables arising from the business of dealing in futures contracts are one day after trade date. No aging analysis is disclosed as in the opinion of the directors, the aging analysis does not give additional value in view of the nature of this business.

Included in trade payables to cash clients attributable to dealing in securities and futures transaction is an amount of HK$30,428,353 (2012: HK$17,489,491) representing these clients' undrawn monies/excess deposits placed with the Group. The balances are repayable on demand.

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

14. SHARE CAPITAL

The Company

	Number of shares	*HK$*
As at 31 March 2012 and 2013, ordinary shares of HK$0.01 each	5,000,000,000	50,000,000

	Number of shares	*HK$*
Issued and fully paid:		
As at 31 March 2012 and 2013, ordinary shares of HK$0.01 each	1,000,000,000	10,000,000

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the reporting period, as impacted by the external environment, the stock market in Hong Kong was volatile. With benefit from the hot money inflow to Hong Kong, an upward trend in the stock market was observed in the second half of year 2012. Overall, investors became cautious in investment as particularly affected by the quantitative easing policies in the United States and national policies in China.

As at 28 March 2013, the Hang Seng Index recorded as 22,299 representing approximately 8.5% increase as compared with 20,556 as at 30 March 2012.

The total value of transaction of the Hong Kong stock market for the year ended 31 March 2013 decreased by approximately 15.1% as compared with the year ended 31 March 2012. The average daily value of transaction was approximately HK$56.3 billion.

BUSINESS REVIEW

Turnover

The Group's turnover for the year was approximately HK$48.5 million, as compared with 2012 of approximately HK$50.9 million, decreased by approximately 4.7% or approximately HK$2.4 million. The breakdown of turnover by business activities of the Group is set out below:

	Year ended 31 March				**Increase/**
	2013		2012		**(decrease)**
	HK$	*%*	*HK$*	*%*	*%*
Commission and brokerage fee from securities dealings	**3,124,885**	**6.4%**	6,427,540	12.6%	(51.4%)
Commission and brokerage fee from dealing in futures contracts	**365,976**	**0.7%**	883,811	1.7%	(58.6%)
Commission from wealth management business	**919,698**	**1.9%**	77,832	0.1%	1,081.6%
Commission from securities advisory services	**14,700,000**	**30.3%**	15,500,000	30.4%	(5.2%)
Placing and underwriting commission	**8,723,890**	**18.0%**	13,506,990	26.5%	(35.4%)
Clearing and settlement fee	**270,410**	**0.6%**	588,145	1.2%	(54.0%)
Handling service and dividend collection fees	**916,119**	**1.9%**	689,071	1.4%	32.9%
Interest income					
from authorised financial institutions	**1,214,818**	**2.5%**	794,317	1.6%	52.9%
from clients	**18,310,684**	**37.7%**	12,478,837	24.5%	46.7%
from others	**29**	**0.0%**	70	0.0%	(58.6%)
	48,546,509	**100%**	50,946,613	100.00%	

Securities and Futures Brokerage

The commission and brokerage fee from securities dealings decreased by approximately 51.4% from approximately HK$6.4 million for the year ended 31 March 2012 to approximately HK$3.1 million for the year ended 31 March 2013. The total value of transaction decreased by approximately 62.2% from approximately HK$25,147.3 million for the year ended 31 March 2012 to approximately HK$9,500.9 million for the year ended 31 March 2013.

The total value of transactions for securities dealings carried out by the Group for the year ended 31 March 2013 decreased as compared with 2012. As a result, income relating to clearing and settlement fee also decreased by approximately 54.0% from approximately HK$0.6 million for the year ended 31 March 2012 to approximately HK$0.3 million for the year ended 31 March 2013.

The commission and brokerage fee from dealing in futures contracts decreased by approximately 58.6% from approximately HK$0.9 million for the year ended 31 March 2012 to approximately HK$0.4 million for the year ended 31 March 2013.

The commission from wealth management business increased by approximately 1,081.6% from HK$77,832 for the year ended 31 March 2012 to HK$919,698 for the year ended 31 March 2013.

Loan and Financing

Revenue form loan and financing represent interest income from margin financing, IPO financing and loans and advances to customers.

The interest income from margin and loan financing for the year ended 31 March 2013 was approximately HK$18.2 million represents an increase of approximately 73.6% from that of the year ended 31 March 2012 amounting approximately HK$10.5 million.

Securities Advisory Services

The Group holds licence under the Securities and Futures Ordinance to engage in Type 4 regulated activities — Advising on Securities. Revenue generated from this segment derived from services provided under this regulated activities.

During the reporting period, Cheong Lee Securities Limited ("Cheong Lee"), the Company's wholly-owned subsidiary, provides securities advisory services to customers.

Commission income from securities advisory services decreased by 5.2% from approximately HK$15.5 million for the year ended 31 March 2012 to approximately HK$14.7 million for the year ended 31 March 2013.

Placing and Underwriting Business

Under normal circumstances, the Group acts as an underwriter or a sub-underwriter or a placing agent or a sub-placing agent on best effort basis for fund-raising activities. It would take the role on underwritten basis only if it received special requests from the issuers and/or their respective placing and underwriting agents.

During the year ended 31 March 2013, the placing and underwriting commission decreased by approximately 35.4% from approximately HK$13.5 million for the year ended 31 March 2012 to approximately HK$8.7 million for the year ended 31 March 2013 due to decrease in fund raising activities in Hong Kong.

Administrative Expenses

During the year ended 31 March 2013, the administrative expenses increased by approximately 4.2% from approximately HK$24.0 million for the year ended 31 March 2012 to approximately HK$25.0 million for the year ended 31 March 2013.

Due to the total value of transaction decreased by 62.2% from approximately HK$25,147.3 million for the year ended 31 March 2012 to HK$9,500.9 million for the year ended 31 March 2013. The related expenses such as CCASS charges was decreased by approximately 61.2% from approximately HK$1.1 million for the year ended 31 March 2012 to approximately HK$416,483 for the year ended 31 March 2013.

Staff cost excluding the effects of fair value provision for pre-IPO share options were approximately HK$6.4 million for the year ended 31 March 2013 as compared to approximately HK$6.4 million for the year ended 31 March 2012.

Liquidity, Financial Resources and Capital Structure

The Group financed its operations by shareholders' equity and cash generated from operations.

The Group maintained a strong financial position, with pledged bank deposit and bank balance and cash in general accounts amounting to approximately HK$53.6 million as at 31 March 2013. This represented an increase of approximately 1.02% as compared with the position as at 31 March 2012 of approximately HK$53.0 million. Most of the Group's cash and bank balances in general accounts were denominated in HK dollars.

The net current assets of the Group increased from approximately HK$181.1 million as at 31 March 2012 to approximately HK$185.6 million as at 31 March 2013 which represents an increase of approximately 2.5%. The current ratio of the Group as at 31 March 2013 was approximately 6.6 times (2012: approximately 9.7 times).

The Group had no secured loans (2012: Nil).

The gearing ratio is calculated as total indebtedness divided by total capital. Total indebtedness is total bank borrowings (including current and non-current bank borrowings). Total capital is calculated as "equity", as shown in the statement of financial position. At the end of the reporting period, the Group has no bank borrowings and, accordingly, the gearing ratio is 0%. (2012: 0%)

Taking into consideration the existing financial resources available to the Group, it is anticipated that the Group should have adequate financial resources to meet its ongoing operating and development requirements.

Charge on Group Assets and Guarantee

As at 31 March 2013, a bank fixed deposit amounted of HK$5,000,000 have been pledged to secure the overdraft facilities amounting to HK$10.0 million (2012: HK$10.0 million) granted to Cheong Lee.

Contingent liabilities

As at 31 March 2013, the Group had no material contingent liabilities.

Capital commitments

As at 31 March 2013, the Group had no significant capital commitments.

Staff and remuneration policies

As at 31 March 2013, the Group had 23 (2012: 25) employees, including Directors. Total staff costs (including directors' emoluments) were approximately HK$6.4 million for the year ended 31 March 2013 as compared to approximately HK$6.4 million for the year ended 31 March 2012.

Remuneration is determined based on the individual's qualification, experience, position, job responsibility and market conditions. Salary adjustments and staff promotion are based on evaluation of staff performance by way of annual review, and discretionary bonuses would be paid to staff with reference to the financial performance of the Group of the preceding financial year. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong, pre-IPO share options and options that may be granted under the share option scheme.

Future plans for material investments or capital assets

The Group had no plans for material investments or acquisition of capital assets as at 31 March 2013, but will actively pursue opportunities for investments to enhance the profitability of the Group in its ordinary course of business.

Material Acquisitions of subsidiaries and affiliated companies

The Group has not made any material acquisitions and disposal of subsidiaries and associated companies. As at 31 March 2013 and up to the date of this announcement, the Group did not hold any significant investment.

Significant Investment

During the year under review there was no significant investment held by the Group.

Foreign exchange exposure

The Group's business is principally conducted in Hong Kong dollars, the Directors consider that potential foreign exchange exposure of the Group is limited.

OUTLOOK

Over the past year, Hong Kong financial market was volatile. With the threats from US and Europe financial tensions as well as the concern on the sustainability of China's economic growth, investors are looking forward a stronger and vital signal of recovery. Under the volatile financial environment, the Board believes that the Group's business will sustain well despite the unstable economic conditions. The Group will continue to grow its brokerage business and placing and underwriting business by broadening clients base and by strengthening its trading platform. The Group will continue to put efforts on expanding the margin and loan financing business and securities advisory services and on satisfying the needs of clients.

The Group aims to become a leading financial service group in Hong Kong. The Group will actively review future business opportunities to develop into various financial services in Hong Kong in anticipating to bring in new sources of income and to further increase the profitability of the Group.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by VC Capital Limited ("VC Capital"), the compliance adviser of the Company, neither VC Capital nor its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 31 March 2013.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

For the year ended 31 March 2013, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry to all the Directors and the Directors have confirmed compliance with this code of conduct throughout the financial year ended 31 March 2013. No incident of non-compliance was noted by the Company during this period.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to promoting high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders' interests and the Group's assets. Throughout the year ended 31 March 2013, the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF SHARES

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 2013.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

Directors proposed to declare a final dividend of HK2.0 cents per share for the year ended 31 March 2013, which is subject to approval by shareholders of the Company at the forthcoming annual general meeting (the "AGM").

The AGM of the Company is scheduled to be held on Thursday, 1 August 2013. The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the AGM. The record date for entitlement to the proposed final dividend is Wednesday, 7 August 2013. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on Wednesday, 7 August 2013, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 6 August 2013.

The payment of final dividend is expected to be made on Wednesday, 14 August 2013.

AUDIT COMMITTEE

The Company set up an audit committee (the "Committee") on 21 February 2011, with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. The Committee comprises three independent non-executive directors of the Company, namely Ms. Choy Wing Man, Mr. Au-Yeung Tai Hong Rorce and Mr. Chiu Wai Keung. The audited consolidated results of the Group for the year ended 31 March 2013 have been reviewed by the Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF HLM CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2013 have been agreed by the Group's auditors, HLM CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLM 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 HLM CPA Limited on the preliminary announcement.

By Order of the Board
CL Group (Holdings) Limited
Alexis Ventouras
Chairman

Hong Kong, 24 June 2013

As at the date of this announcement, the Company's non-executive Director is Mr. Alexis Ventouras (Chairman), the Company's executive directors are Mr. Kwok Kin Chung (Chief Executive officer), Mr. Lau Kin Hon and Ms. Yu Linda, and the Company's independent non-executive directors are Mr. Au-Yeung Tai Hong Rorce, Ms. Choy Wing Man and Mr. Chiu Wai Keung.

This announcement will remain on the Latest Company Announcements page of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its posting. This announcement will also be posted on the Company's website at www.cheongleesec.com.hk.