

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Wang On Group Limited, you should at once hand this Composite Document together with the accompanying Form(s) of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance, the provisions of which form part of the terms of the Offers contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form(s) of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form(s) of Acceptance.



CAISTER LIMITED

(Incorporated in the British Virgin Islands)

WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

**COMPOSITE DOCUMENT RELATING TO THE
VOLUNTARY CONDITIONAL CASH OFFERS BY**



KINGSTON SECURITIES LTD.

**ON BEHALF OF
CAISTER LIMITED**

**FOR ALL THE OUTSTANDING SHARES OF
WANG ON GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED
BY CAISTER LIMITED AND ITS CONCERT PARTIES)
AND**

**FOR THE CANCELLATION OF ALL THE OUTSTANDING OPTIONS
OF WANG ON GROUP LIMITED**

Financial Adviser to Caister Limited



KINGSTON CORPORATE FINANCE LTD.

**Independent Financial Adviser to the Independent Board Committee of
Wang On Group Limited**

Nuada Limited

Corporate Finance Advisory

Financial Adviser to Wang On Group Limited

VEDA | CAPITAL

智略資本

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Kingston Securities containing, among other things, the details of the terms and conditions of the Offers is set out on pages 7 to 15 of this Composite Document. A letter from the Board is set out on pages 16 to 21 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offers to the Independent Shareholders and the Optionholders is set out on pages 22 to 23 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offers is set out on pages 24 to 44 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out on pages I-1 to I-10 in Appendix I to this Composite Document and in the accompanying Form(s) of Acceptance. Acceptances of the Share Offer must be received by the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Monday, 28 July 2014 and acceptance of the Option Offer must be received by the company secretary of the Company at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong by no later than 4:00 p.m. on Monday, 28 July 2014, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form(s) of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "Important Notices" contained in this Composite Document before taking any action. It is the responsibility of each Overseas Holder wishing to accept the Offers to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdiction. Overseas Holders are advised to seek professional advice on deciding whether to accept the Offers.

* For identification purpose only

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EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to changes. Any change to the timetable will be announced by the Offeror and the Company as and when appropriate.

Despatch date of the Composite Document and Form(s) of Acceptance (<i>Note 1</i>)	Monday, 7 July 2014
Commencement date of the Offers (<i>Note 1</i>)	Monday, 7 July 2014
First Closing Date (<i>Notes 2 and 6</i>)	Monday, 28 July 2014
Latest time for acceptance of the Offers on the first Closing Date (<i>Notes 3 and 6</i>)	4:00 p.m. on Monday, 28 July 2014
Announcement of the results of the Offers as at the first Closing Date on the website of the Stock Exchange	7:00 p.m. on Monday, 28 July 2014
Latest date for posting of remittances in respect of valid acceptances received at or before the latest time for acceptance of the Offers on the first Closing Date (assuming the Offers become or are declared unconditional in all respects on the first Closing Date) (<i>Note 4</i>)	Wednesday, 6 August 2014
Latest time and date by which the Offers can become or be declared unconditional as to acceptances (<i>Note 5</i>)	7:00 p.m. on Friday, 5 September 2014
Latest time and date by which the Offers can become or be declared unconditional in all respects (<i>Note 5</i>)	7:00 p.m. on Friday, 26 September 2014

Notes:

1. The Offers are made on 7 July 2014, being the date of posting of this Composite Document, and are capable of acceptance on and from that date until the close of the Offer Period.
2. The Offers will initially remain open for acceptances until 4:00 p.m. on 28 July 2014 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offers until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any extension of the Offers, which announcement will state either the next Closing Date or, if the Share Offer is at that time unconditional as to acceptances, a statement that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Offers are closed to those Shareholders and Optionholders who have not accepted the Offers.
3. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

EXPECTED TIMETABLE

Acceptances of the Share Offer are irrevocable and are not capable of being withdrawn, except in the circumstances as set out in the section headed “**8. Right of Withdrawal**” in Appendix I to this Composite Document.

4. Remittances in respect of the cash consideration for the Offer Shares or the Options tendered under the Offers will be despatched to the accepting Shareholder(s) (to the address specified on the relevant Shareholder’s **White** Form of Share Offer Acceptance) or Optionholder(s) (to the company secretary of the Company for collection by the relevant Optionholder) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following later of the date of receipt by the Registrar (in the case of Offer Shares) or the company secretary of the Company (in the case of Options) of all the relevant documents to render the acceptance under the Offers complete and valid, and the date on which the Offers become or are declared unconditional in all respects.
5. In accordance with the Takeovers Code, except with the consent of the Executive, the Offers may not become or be declared unconditional as to acceptances after 7:00 p.m. on 5 September 2014, being the 60th day after the day this Composite Document is posted. Accordingly, unless the Offers have previously become unconditional as to acceptances, the Offers will lapse on 5 September 2014 unless extended with the consent of the Executive and in accordance with the Takeovers Code. In addition, unless the Offers become or are declared unconditional in all respects within 21 days of the Offers becoming or are being declared unconditional as to acceptances, the Offers will lapse. Therefore, the last day by which the Offers can become or be declared unconditional in all respects is 26 September 2014. If the Offers become or are declared unconditional as to acceptances, the Offeror may declare the Offers open for acceptances (i) up to the date that is four (4) months from the day this Composite Document is posted or (ii) if the Offeror has by that time become entitled to exercise compulsory acquisition rights, until any such later date as the Offeror may choose to close the Offers in accordance with the Takeovers Code. In any event, in accordance with the Takeovers Code, when the Offers become or are declared unconditional in all respects, at least 14 days’ notice in writing must be given before the Offers are closed to those Shareholders and Optionholders who have not accepted the Offers. The Option Offer is conditional upon Share Offer becoming or being declared unconditional in all respects and will remain open for so long as the Share Offer remains open for acceptance.
6. The latest time and date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances will not take effect if there is a tropical cyclone warning signal number 8 or above, or a “black rainstorm warning, in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances. Instead the latest time for acceptance of the Offers and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

All time and date references contained in this Composite Document and accompanying Form(s) of Acceptance are to Hong Kong times and dates. The expected timetable above is indicative only and further announcement(s) will be made in the event of changes to the timetable.

IMPORTANT NOTICES

NOTICE TO HOLDERS OUTSIDE HONG KONG

The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Holders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person who wishes to accept the Offers to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction. The Offeror, Kingston Securities and any other person involved in the Offers shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see “I. Overseas Holders” in the “Letter from Kingston Securities”.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror and the Company assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable laws.

DEFINITIONS

In this Composite Document, the following expressions have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the date stated in this Composite Document as the first closing date of the Share Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability, whose Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“Composite Document”	this composite document jointly issued by the Offeror and the Company in relation to the Offers in accordance with the Takeovers Code and the Listing Rules
“Concert Parties”	parties acting in concert (as such term is defined in the Takeovers Code) with the person or party as specified and as determined in accordance with the Takeovers Code
“Conditions”	the conditions to the Offers, as set out in the section “C. Conditions to the Offers” in the letter from Kingston Securities in this Composite Document
“Despatch Date”	7 July 2014
“Directors”	the directors of the Company
“Encumbrances”	mortgage, charge, pledge, lien, option, restriction, purchase right, right of first refusal, right of pre-emption, voting trust or agreement, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any of his delegates

* For identification purpose only

DEFINITIONS

“Facility”	a standby loan facility granted by Kingston Securities to the Offeror for financing the entire consideration of the Offers payable by the Offeror under the Offers
“Form(s) of Acceptance”	the Form of Share Offer Acceptance and the Form of Option Offer Acceptance, and “Form of Acceptance” means either of them
“Form of Option Offer Acceptance”	the YELLOW form of acceptance in respect of the Option Offer accompanying this Composite Document
“Form of Share Offer Acceptance”	the WHITE form of acceptance in respect of the Share Offer accompanying this Composite Document
“Final Dividend”	a final dividend of HK0.6 cents per Share recommended by the Board for the financial year ended 31 March 2014, subject to Shareholders’ approval
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the HKSCC Nominees Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau, established for the purpose of making a recommendation to the Independent Shareholders and the Optionholders in relation to the Offers
“Independent Financial Adviser”	Nuada Limited, a corporation licensed under the SFO to carry out business in Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser to the Independent Board Committee
“Independent Shareholders”	Shareholders other than the Offeror and its Concert Parties
“Kingston CF”	Kingston Corporate Finance Limited, a corporation licensed by the SFC to carry out business in Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offers

DEFINITIONS

“Kingston Group”	Kingston Securities and Kingston CF, together with entities controlling, controlled by them or under their same control as any one of them
“Kingston Securities”	Kingston Securities Limited, a corporation licensed by the SFC to carry out business in Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offers on behalf of the Offeror
“Latest Practicable Date”	4 July 2014, being the latest practicable date for the purpose of ascertaining certain information contained in this Composite Document prior to its publication
“Last Trading Date”	11 June 2014, being the last trading day immediately prior to suspension of trading in the Shares pending the release of the Offer Announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Announcement”	the joint announcement dated 16 June 2014 issued jointly by the Offeror and the Company in respect of the Offers
“Offer Period”	has the meaning ascribed to it under the Takeovers Code
“Offer Share(s)”	issued Share(s) other than those Shares already owned or agreed to be acquired by the Offeror and its Concert Parties
“Offeror”	Caister Limited, a company incorporated in the British Virgin Islands with limited liability
“Offers”	the Share Offer and the Option Offer
“Option Offer”	the offer proposed to be made by the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Options in accordance with the terms and conditions set out in this Composite Document
“Optionholders”	the holders of the Options
“Options”	the 22,392,845 outstanding share options granted by the Company pursuant to the Share Option Scheme, whether vested or not
“Overseas Holder(s)”	Shareholder(s) and/or Optionholder(s) whose addresses, as shown on the register of members and register of Optionholders of the Company, are outside Hong Kong

DEFINITIONS

“PRC”	the People’s Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Registrar”	Tricor Tengis Limited, the Hong Kong branch share registrar and transfer office of the Company
“Relevant Period”	the period from 16 December 2013, being six months preceding the commencement of the Offer Period on 16 June 2014, up to and including the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Offer”	the voluntary conditional cash offers to be made by Kingston Securities on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions set out in this Composite Document
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$0.23 per Offer Share
“Share Option Scheme”	means the share option scheme adopted by the Company on 3 May 2002, as amended from time to time
“Shareholder(s)”	registered holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers published by the SFC
“Unconditional Date”	the date on which the Offers become or are declared unconditional in all respects

LETTER FROM KINGSTON SECURITIES



KINGSTON SECURITIES LTD.

Suite 2801, 28th Floor
One International Finance Centre
1 Harbour View Street, Central, Hong Kong

7 July 2014

To Independent Shareholders and Optionholders

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH OFFERS BY
KINGSTON SECURITIES LIMITED
ON BEHALF OF CAISTER LIMITED FOR ALL THE OUTSTANDING SHARES
OF WANG ON GROUP LIMITED (OTHER THAN THOSE SHARES ALREADY
OWNED BY CAISTER LIMITED AND ITS CONCERT PARTIES) AND
FOR THE CANCELLATION OF ALL THE OUTSTANDING OPTIONS OF
WANG ON GROUP LIMITED**

A. INTRODUCTION

On 16 June 2014, the Offeror and the Company jointly announced that Kingston Securities would, on behalf of the Offeror, make voluntary conditional cash offers (i) to acquire all of the outstanding Shares (other than those Shares already owned or agreed to be acquired by the Offeror and its Concert Parties); and (ii) to cancel all the outstanding Options for a maximum total consideration of HK\$1,078,737,219.

This letter forms part of the Composite Document and sets out certain background information of the Offeror, the reasons for making the Offers and the intentions of the Offeror in relation to the Company. The terms of the Offers are set out in this letter, Appendix I — “Further Terms of the Offers” to this Composite Document and in the accompanying Form(s) of Acceptance.

Your attention is also drawn to the letter from the Board on pages 16 to 21, the letter from the Independent Board Committee on pages 22 to 23 and the letter from the Independent Financial Adviser on pages 24 to 44 of this Composite Document.

B. THE OFFERS

As at the Latest Practicable Date, there are 6,524,935,021 Shares in issue, of which the Offeror and its Concert Parties hold 1,857,166,046 Shares representing approximately 28.46% of the issued share capital of the Company. As at the Latest Practicable Date, there are outstanding Options in respect of 22,392,845 Shares of which Mr. Chan Chun Hong, Thomas, a Director, has in respect of 180,295 Shares. Other than as disclosed in this section, the Company has no other outstanding Shares, Options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest in issue.

LETTER FROM KINGSTON SECURITIES

Kingston Securities is, on behalf of the Offeror, making the Offers on the following basis:

1. The Share Offer

Consideration of the Share Offer

For each Offer Share HK\$0.23 in cash

The Share Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date. Please refer to the section “I. General matters relating to the Offers” in the letter from the Board.

Comparisons of value

The Share Offer Price of HK\$0.23 per Offer Share represents:

- (a) a premium of 25.00% over the closing price of HK\$0.1840 per Share as quoted on the Stock Exchange on 11 June 2014, being the Last Trading Date;
- (b) a premium of approximately 25.96% over the average closing price of approximately HK\$0.1826 per Share for the last five consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date;
- (c) a premium of approximately 25.82% over the average closing price of approximately HK\$0.1828 per Share for the last ten consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date;
- (d) a premium of approximately 26.51% over the average closing price of approximately HK\$0.1818 per Share for the last 30 consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date;
- (e) a discount of approximately 61.64% to the audited consolidated equity attributable to owners of the Company of approximately HK\$0.5996 per Share as at 31 March 2014, being the date to which the latest audited consolidated annual results of the Group were made up; and
- (f) no discount or premium to the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM KINGSTON SECURITIES
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Highest and lowest Share prices

The highest and lowest closing Share prices during the Relevant Period were:

	Closing Share price (HK\$)	Date quoted on the Stock Exchange
Highest	0.237	20 June 2014
Lowest	0.128	27 January 2014 and 5 February 2014

2. The Option Offer

(a) In respect of Options with an exercise price of HK\$0.2234:

For cancellation of each such Option.HK\$0.0066 in cash

In respect of Options with exercise prices of HK\$0.3893 and HK\$2.0549, as the exercise prices are above the Share Offer Price, Kingston Securities will, on behalf of the Offeror, make a nominal cash offer for the cancellation of such Options on the following terms.

(b) In respect of Options with an exercise price of HK\$0.3893:

For cancellation of each such Option.HK\$0.0001 in cash

(c) In respect of Options with an exercise price of HK\$2.0549:

For cancellation of each such Option.HK\$0.0001 in cash

The Option Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects.

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

Options which are not tendered under the Option Offer will not be cancelled or renounced on the Closing Date. Subject to vesting (where applicable), Optionholder of such Options may exercise such Options in accordance with the Share Option Scheme following the Closing Date.

Nothing in this Composite Document or the Option Offer will serve to extend the life of any Option which lapses under the Share Option Scheme. No exercise of Options or acceptance of the Option Offer may be made in relation to any Option that has lapsed.

LETTER FROM KINGSTON SECURITIES

3. Value of the Offers

Based on the Share Offer Price of HK\$0.23 per Offer Share and 4,667,768,975 outstanding Shares not already held by the Offeror and its Concert Parties:

- (a) Assuming no outstanding Options are exercised prior to the Closing Date, no change in the share capital of the Company and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$1,073,586,864; and
 - (ii) the total amount to satisfy the cancellation of all outstanding Options will be approximately HK\$47,956.

Based on the above and assuming that no Options are exercised prior to the Closing Date, the Offers are valued at approximately HK\$1,073,634,820.

- (b) Assuming all outstanding Options are exercised in full by the Optionholders prior to the Closing Date in which case an additional 22,392,845 new Shares will be in issue and the Share Offer is accepted in full (including all Shares issued and allotted as a result of the exercise of the Options):
 - (i) the value of the Share Offer will be approximately HK\$1,078,737,219; and
 - (ii) no amount will be payable by the Offeror under the Option Offer.

Based on the above and assuming that all outstanding Options are exercised in full prior to the Closing Date, the Offers are valued at approximately HK\$1,078,737,219.

The maximum total consideration to be paid for the Offers is approximately HK\$1,078,737,219.

4. Confirmation of financial resources

Assuming no outstanding Options have been exercised, the financial resources required from the Offeror to satisfy the consideration for the Offers shall amount to an aggregate of HK\$1,073,634,820.

Assuming all outstanding Options have been exercised, the financial resources required from the Offeror to satisfy the consideration for the Offers shall amount to an aggregate of HK\$1,078,737,219.

The Offeror intends to finance the entire consideration payable by the Offeror under the Offers from external financing under the Facility. Kingston CF, the financial adviser to the Offeror is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy full acceptance of the Offers.

LETTER FROM KINGSTON SECURITIES

5. Settlement of consideration

Provided that the Offers have become, or have been declared, unconditional in all respects, settlement of the consideration in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days following the later of the date of receipt of duly completed and valid acceptances in respect of the Offers and the Unconditional Date.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder or an Optionholder (as the case may be) who accepts the Share Offer or the Option Offer (as the case may be) will be rounded up to the nearest cent.

C. CONDITIONS TO THE OFFERS

The Share Offer is conditional on the satisfaction of the following conditions:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of Shares which, together with Shares acquired or agreed to be acquired before or during the Offers, will result in the Offeror and its Concert Parties holding more than 50% of the voting rights of the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date save for any temporary suspension(s) of trading in the Shares as a result of the Offers and no indication being received on or before the Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of the Offers; and
- (c) no event having occurred which would make the Offers or the acquisition of any of the Shares or cancellation of the Options under the Offers void, unenforceable or illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Offers.

The Offeror reserves the right to waive, in whole or in part, Condition (b). Conditions (a) and (c) cannot be waived.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any of the Conditions (other than Condition (a)) so as to cause the Offers to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offers.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

If the Conditions are not satisfied (or not waived where applicable) on or before the first Closing Date, the Share Offer will lapse. The Offeror will issue an announcement in relation to the revision, extension or lapse of the Share Offer or the fulfilment (or if permissible, waiver)

LETTER FROM KINGSTON SECURITIES

of the Conditions in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter. The latest time on which the Offeror can declare the Share Offer unconditional as to acceptance is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

WARNING: Shareholders, Optionholders and/or potential investors of the Company should note that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions, and the Option Offer is subject to, and conditional upon, the Share Offer becoming or being declared unconditional in all respects. The Offers may or may not become unconditional. Shareholders, Optionholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company (including the Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

D. MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing status of the Company on the Stock Exchange. If the Offeror acquires the requisite percentage of the Offer Shares to enable it to compulsorily acquire all the issued Shares, the Offeror does not intend to exercise its right to compulsorily acquire the remaining Shares. The Offeror will take such steps as are necessary to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company maintains an adequate public float so as to comply with the applicable requirements of the Listing Rules.

According to the Listing Rules, the Stock Exchange has stated that if, upon the close of the Offers, less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. In this connection, it should be noted that upon the close of the Share Offer, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and any new directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. Any future transactions between the Group and the Offeror will be carried out on an arm's length basis and in compliance with the Listing Rules.

E. INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is directly and wholly-owned by Mr. Tang Ching Ho.

Mr. Tang Ching Ho is a founder of the Company and the chairman and an executive director of the Company. He is also the chairman and an executive director of Wai Yuen Tong.

F. INFORMATION OF WAI YUEN TONG

Wai Yuen Tong is an exempted company incorporated in Bermuda with limited liability and whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897). Wai Yuen Tong and its subsidiaries are principally engaged in (i) manufacturing, processing and retailing of traditional Chinese medicine, which includes Chinese medicinal products sold under the brand name of “Wai Yuen Tong” and a range of products manufactured by selected medicinal materials with traditional prescription, mainly in the PRC and Hong Kong; (ii) processing and retailing of western pharmaceutical, health food and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”, respectively; and (iii) property investment.

G. REASONS FOR THE OFFERS AND THE EXPECTED BENEFITS

The Offeror believes that the Company is well positioned for growth within the market, and the Group’s future development could benefit from further support of its single largest shareholder. Mr. Tang Ching Ho is a founder of the Company and had played an important role in steering the Company’s strategies and development over the years. The acquisition by Mr. Tang Ching Ho of a controlling stake in the Company would benefit the Group as it would incentivise him to play an even greater role in directing the future of the Group and provide the Group with the vision it requires to create greater value for the Shareholders.

The Offeror further believes that the Share Offer provides an opportunity for the Independent Shareholders to monetise some or all of their investments in return for immediate cash. The Share Offer Price represents a 25.00% premium over the closing price of HK\$0.184 per Share on the Last Trading Date, approximately 26.51% premium over the average closing price of approximately HK\$0.1818 per Share for the last 30 consecutive trading days immediately prior to the Last Trading Date and no premium or discount to the closing price of HK\$0.23 per Share on the Latest Practicable Date. The Offeror believes that the Share Offer represents an attractive premium to the prices at which the market has valued the Company.

H. INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Following completion of the Offers, the Offeror intends that the Group will continue to operate its business in substantially its current state. The Offeror has no intention to introduce major changes to the business of the Group including (i) the introduction of significant changes in the management and employees of the Group; and (ii) the redeployment of the fixed assets of the Group as a result of the completion of the Offers (other than those changes which may occur in the ordinary course of business). However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group’s businesses and operations to optimise the value of the Group.

I. OVERSEAS HOLDERS

The Offeror intends to make the Share Offer and Option Offer available to all Independent Shareholders and Optionholders, respectively, including those who are not resident in Hong Kong. The making and the implementation of the Share Offer and Option Offer to the Independent Shareholders and Optionholders who are not resident in Hong Kong may be

LETTER FROM KINGSTON SECURITIES

subject to the laws of the relevant overseas jurisdictions in which such Independent Shareholders and Optionholders are located. Such Independent Shareholders and Optionholders should inform themselves about and observe any applicable requirements and restrictions in their own jurisdictions. Independent Shareholders and Optionholders who have registered addresses outside Hong Kong and wish to accept the Offers should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes payable by such accepting Independent Shareholders and Optionholders in such jurisdiction).

In the event that the receipt of the Composite Document by overseas Shareholders or Optionholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such overseas Independent Shareholders or Optionholders. The Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Acceptance of the Offers by overseas Independent Shareholders or Optionholders will constitute a warranty by such overseas Shareholders or overseas Optionholders (as the case may be) that they (i) are permitted under all applicable laws to receive and accept the Share Offer or the Option Offer (as applicable) and any revision thereof, (ii) have observed all applicable laws and regulations of the relevant jurisdictions in connection with such acceptance, including obtaining any government or other consent which may be required and (iii) have complied with any other necessary formality and have paid any transfer or other taxes due to such jurisdiction(s) and that such acceptance shall be valid and binding in accordance with all applicable laws.

The Offeror will comply with the requirements of the Takeovers Code in respect of Overseas Holders.

J. GENERAL INFORMATION

As at the Latest Practicable Date:

- (a) save as disclosed in the section "F. Shareholding Structure of the Company" in the letter from the Board in this Composite Document:
 - (i) the Offeror and its Concert Parties have no other outstanding Shares, Options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest in the Company;
 - (ii) the Offeror and its Concert Parties do not own, control or have direction over any voting rights in any Shares or Options nor own, control or have direction over any other rights or interests in the issued share capital or voting rights of the Company; and

LETTER FROM KINGSTON SECURITIES

- (iii) there is no outstanding derivatives in respect of the securities in the Company which is owned, controlled or directed by has been entered into by the Offeror or its Concert Parties;
- (b) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Offers;
- (c) there are no relevant securities in the Company which the Offeror and its Concert Parties have borrowed or lent;
- (d) the Offeror and its Concert Parties have not received any other irrevocable commitment to accept or reject the Offers; and
- (e) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offers.

K. ACCEPTANCE OF THE OFFERS

Acceptance of the Share Offer or the Option Offer by Independent Shareholders or Optionholders, respectively, will be deemed to constitute a warranty by such person(s) to the Offeror that such Shares acquired under the Share Offer or the Options tendered under the Option Offer (as the case may be) are sold or tendered by Independent Shareholders or Optionholders (as the case may be) free from all third party rights, liens, claims, charges, equities and encumbrances and together with all rights accruing or attaching thereto on the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the Closing Date.

L. ADDITIONAL INFORMATION ABOUT THE OFFERS

Your attention is drawn to the letter from the Board on pages 16 to 21 of this Composite Document, the letter from the Independent Board Committee on pages 22 to 23 of this Composite Document and the letter from the Independent Financial Adviser on pages 24 to 44 of this Composite Document in relation to their respective recommendations and advice with respect to the Offers.

Your attention is also drawn to the additional information set out in the Appendices to this Composite Document.

Yours faithfully,
For and on behalf of
Kingston Securities Limited
Jammy Lui
Director



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

Executive Directors:

Mr. Tang Ching Ho, *JP (Chairman)*
Ms. Yau Yuk Yin, *(Deputy Chairman)*
Mr. Chan Chun Hong, Thomas *(Managing Director)*

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

Head office and principal

place of business in Hong Kong:
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

7 July 2014

To the Independent Shareholders and Optionholders

Dear Sirs or Madam,

VOLUNTARY CONDITIONAL CASH OFFERS BY



KINGSTON SECURITIES LTD.

ON BEHALF OF

CAISTER LIMITED

FOR ALL THE OUTSTANDING SHARES OF

WANG ON GROUP LIMITED

**(OTHER THAN THOSE SHARES ALREADY OWNED
BY CAISTER LIMITED AND ITS CONCERT PARTIES)**

AND

**FOR THE CANCELLATION OF ALL THE OUTSTANDING OPTIONS
OF WANG ON GROUP LIMITED**

A. INTRODUCTION

Reference is made to the Offer Announcement dated 16 June 2014. On 16 June 2014, Caister Limited, being the Offeror, and the Company jointly announced that Kingston Securities will, on behalf of the Offeror, make voluntary conditional cash offers (i) to acquire

* *For identification purpose only*

LETTER FROM THE BOARD

all of the outstanding Shares (other than those Shares already owned or agreed to be acquired by the Offeror and its Concert Parties); and (ii) to cancel all the outstanding Options for a maximum total consideration of HK\$1,078,737,219.

The Independent Board Committee, which comprise all the independent non-executive Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau, has been established by the Board to make a recommendation to the Independent Shareholders as to whether the Share Offer is, or is not, fair and reasonable and as to its acceptance and to the Optionholders as to its views on the Option Offer.

The purpose of this Composite Document of which this letter forms part is to provide you with, among other matters, the terms of the Offers, information relating to the Group and the Offeror as well as to set out (i) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Share Offer and its recommendations to the Optionholders in respect of the Option Offer; and (ii) the letter from Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offers.

B. THE OFFERS

As disclosed in the “Letter from Kingston Securities” in this Composite Document, Kingston Securities is, on behalf of the Offeror, making the Offers on the following basis:

1. The Share Offer

Consideration of the Share Offer

For each Offer Share HK\$0.23 in cash

The Share Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date. Please refer to the section “I. General matters relating to the Offers” in this letter.

2. The Option Offer

(a) In respect of Options with an exercise price of HK\$0.2234:

For cancellation of each such Option HK\$0.0066 in cash

In respect of Options with exercise prices of HK\$0.3893 and HK\$2.0549, as the exercise prices are above the Share Offer Price, Kingston Securities will, on behalf of the Offeror, make a nominal cash offer for the cancellation of such Options on the following terms.

LETTER FROM THE BOARD

(b) In respect of Options with an exercise price of HK\$0.3893:

For cancellation of each such Option HK\$0.0001 in cash

(c) In respect of Options with an exercise price of HK\$2.0549:

For cancellation of each such Option HK\$0.0001 in cash

The Option Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects.

C. VALUE OF THE OFFERS

Your attention is drawn to the section “B. The Offers — 3. Value of the Offers” in the “Letter from Kingston Securities” in this Composite Document which sets out the value of the Offers.

D. CONDITIONS OF THE SHARE OFFER

Your attention is drawn to the section “C. Conditions to the Offers” in the “Letter from Kingston Securities” in this Composite Document which sets out the conditions of the Share Offer and Option Offer.

E. INFORMATION ON THE GROUP

The Company is an exempted company incorporated in Bermuda with limited liability, whose Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222).

The Group is principally engaged in property investment and property development in Hong Kong, management and sub-licensing of Chinese wet markets in Hong Kong and the PRC. It also has interests in the pharmaceutical business through its investment in Wai Yuen Tong.

F. SHAREHOLDING STRUCTURE OF THE COMPANY

1. Outstanding Shares in issue and outstanding Options

Outstanding Shares in issue

As at the Latest Practicable Date, there are 6,524,935,021 Shares in issue, of which the Offeror and its Concert Parties hold 1,857,166,046 Shares representing approximately 28.46% of the issued share capital of the Company.

LETTER FROM THE BOARD

The shareholding structure of the Company as at the Latest Practicable Date is as follows:

	<i>Number of Shares</i>	<i>Approximate shareholding %</i>
The Offeror and its Concert Parties		
— The Offeror	34,172,220	0.52
— Mr. Tang Ching Ho (<i>Note 1</i>)	18,684,213	0.29
— Tang’s Family Trust (<i>Note 1</i>)	1,663,309,609	25.49
— Wai Yuen Tong (<i>Note 2</i>)	141,000,000	2.16
— Kingston Securities	4	0.00000006
— Sub-total	1,857,166,046	28.46
Public Shareholders	4,667,768,975	71.54
Total	6,524,935,021	100.00

Note 1: The Offeror’s ultimate beneficial shareholder is Mr. Tang Ching Ho. Mr. Tang and his spouse, Ms. Yau Yuk Yin, are taken to be interested in the 1,663,309,609 Shares held by the discretionary Tang’s Family Trust by virtue of being the founder and a beneficiary of it, respectively. In addition, Mr. Tang and Ms. Yau are personally interested in 9,342,113 Shares and 9,342,100 Shares, respectively.

Note 2: Mr. Tang Ching Ho is a director of Wai Yuen Tong, which holds 141,000,000 Shares.

Kingston Securities provides the Facility to the Offeror to finance the entire consideration payable by the Offeror under the Offer as disclosed in paragraph 10(d) of the section headed “Appendix IV — General Information” and it is a stockbroker of the Offeror. Kingston CF is the financial adviser to the Offeror in respect of the Offers. Both Kingston Securities and Kingston CF are part of the Kingston Group. Accordingly, the Kingston Group is presumed to be a Concert Party of the Offeror. As at the Latest Practicable Date, Kingston Securities holds four Shares.

Outstanding Options

As at the Latest Practicable Date, there are outstanding Options in respect of 22,392,845 Shares of which Mr. Chan Chun Hong, Thomas, a Director, has in respect of 180,295 Shares.

The respective exercise prices of the outstanding Options and the respective periods during which they are exercisable are as follows:

Exercise price (HK\$ per Share)	Number of outstanding Options	Exercisable period
2.0549	14,562,108	1 March 2007 to 28 February 2017
0.3893	797,445	8 January 2010 to 7 January 2019 (<i>Note 1</i>)
0.2234	7,033,292	12 May 2011 to 11 May 2020 (<i>Note 1</i>)

LETTER FROM THE BOARD

Note 1: The Options vest as follows:

- On the 1st anniversary of the date of grant: 30% vest.
- On the 2nd anniversary of the date of grant: Further 30% vest.
- On the 3rd anniversary of the date of grant: Remaining 40% vest.
- As of the Latest Practicable Date, all such outstanding Options have fully vested.

Pursuant to the Share Option Scheme, if a general offer by way of a takeover is made, Optionholders will have a right to exercise their Options within 14 days after the Offeror takes control of the Company. Options not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the Offers.

G. INFORMATION ON AND INTENTION OF THE OFFEROR

Your attention is drawn to the sections “E. Information of the Offeror”, “F. Information of Wai Yuen Tong” and “H. Intentions of the Offeror in relation to the Group” in the “Letter from Kingston Securities” in this Composite Document. The Board is aware of the Offeror’s intention that the Company will continue to operate its business in its current state.

H. MAINTAINING THE LISTING STATUS OF THE COMPANY

As stated in the “Letter from Kingston Securities” in this Composite Document, the Offeror intends to maintain the listing status of the Company on the Stock Exchange. If the Offeror acquires the requisite percentage of the Offer Shares to enable it to compulsorily acquire all the issued Shares, the Offeror has stated that it does not intend to exercise its right to compulsory acquire the remaining Shares. The Company will take such steps as are necessary to ensure, or procure the Offeror to take such steps as are necessary to ensure, that the Company maintains an adequate public float so as to comply with the applicable requirements of the Listing Rules.

According to the Listing Rules, the Stock Exchange has stated that if, upon the close of the Offers, less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. In this connection, it should be noted that upon the close of the Share Offer, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained.

The Directors and any new directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. Any future transaction between the Group and the Offeror will be carried out on an arm’s length basis and in compliance with the Listing Rules.

LETTER FROM THE BOARD

I. GENERAL MATTERS RELATING TO THE OFFERS

The Company does not intend to declare or pay any dividend or other distribution on the Shares before the Closing Date save and except for the payment of the Final Dividend. As disclosed in the Company's 2014 annual report, the Board has recommended the payment of the Final Dividend to the Shareholders on the register of members of the Company as of 24 July 2014. Therefore, as the Closing Date is after the ex-dividend date, being 21 July 2014, the Offeror will not receive any Final Dividend in respect of those Shares which the Independent Shareholders have accepted and tendered in respect of the Share Offer.

J. RECOMMENDATIONS

Your attention is drawn to (i) the "Letter from the Independent Board Committee" on pages 22 to 23 of this Composite Document, which set out its recommendations to the Independent Shareholders and the Optionholders in relation to the Offers; and (ii) the "Letter from the Independent Financial Adviser" on pages 24 to 44 of this Composite Document, which sets out its advice to the Independent Board Committee in relation to the Offers and the principal factors considered by it in arriving at its recommendations.

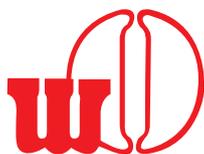
You are also advised to read the "Letter from Kingston Securities" on pages 7 to 15 of this Composite Document, the Appendices to this Composite Document and the accompanying Form(s) of Acceptance in respect of the terms and acceptance and settlement procedures of the Offers.

Independent Shareholders and Optionholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offers.

WARNING: Shareholders, Optionholders and/or potential investors of the Company should note that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions, and the Option Offer is subject to, and conditional upon, the Share Offer becoming or being declared unconditional in all respects. The Offers may or may not become unconditional. Shareholders, Optionholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company (including the Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.

Yours faithfully,
For and on behalf of
Wang On Group Limited
(宏安集團有限公司)*
Chan Chun Hong, Thomas
Managing Director

* *For identification purpose only*



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

To the Independent Shareholders and Optionholders

7 July 2014

Dear Sir or Madam,

VOLUNTARY CONDITIONAL CASH OFFERS BY



KINGSTON SECURITIES LTD.

ON BEHALF OF

CAISTER LIMITED

FOR ALL THE OUTSTANDING SHARES OF

WANG ON GROUP LIMITED

**(OTHER THAN THOSE SHARES ALREADY OWNED BY CAISTER
LIMITED AND ITS CONCERT PARTIES)**

AND

**FOR THE CANCELLATION OF ALL THE OUTSTANDING OPTIONS
OF WANG ON GROUP LIMITED**

We refer to the Composite Document dated 7 July 2014 jointly issued by the Company and the Offeror, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in this Composite Document.

We have been appointed to constitute the Independent Board Committee to consider the terms of the Offers and to advise you (i.e. the Independent Shareholders and Optionholders) as to whether or not the terms of the Offers are fair and reasonable and as to the acceptance of the Offers. Nuada Limited has been appointed as the Independent Financial Adviser to advise us in respect of whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers. Details of the Independent Financial Adviser's advice and recommendation, together with the principal factors and reasons it has considered before arriving at such recommendation, are set out in the "Letter from the Independent Financial Adviser" on pages 24 to 44 of this Composite Document.

We also wish to draw your attention to the "Letter from the Board" on pages 16 to 21 of this Composite Document, the "Letter from Kingston Securities" on pages 7 to 15 of this Composite Document and the additional information set out in the Appendices to this Composite Document.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the terms of the Offers and the independent advice from the Independent Financial Adviser, we consider that the terms of the Share Offer and the Option Offer are fair and reasonable so far as the Independent Shareholders and Optionholders are concerned. Accordingly, we recommend the Independent Shareholders and Optionholders to accept the Share Offer and the Option Offer.

The Independent Shareholders and Optionholders are recommended to read the full text of the letter from the Independent Financial Adviser on pages 24 to 44 of this Composite Document. Notwithstanding our recommendation, Independent Shareholders and Optionholders are strongly advised that the decision to realise or to hold your investment in the Shares and/or Options (as the case may be) is subject to individual circumstances and investment objectives and they should consider carefully the terms of the Offers.

Yours faithfully,

For and on behalf of the Independent Board Committee

Wang On Group Limited

Dr. LEE Peng Fei,	Mr. WONG Chun,	Mr. SIU Yim Kwan,	Mr. SIU Kam Chau
Allen	Justein	Sidney	
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>	<i>non-executive Director</i>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Nuada Limited, the Independent Financial Adviser to the Independent Board Committee in respect of the Offers, for the purpose of inclusion in this Composite Document.

Nuada Limited
Corporate Finance Advisory

Unit 1805-08, 18/F
OfficePlus@Sheung Wan
93-103 Wing Lok Street
Sheung Wan, Hong Kong
香港上環永樂街93-103號
協成行上環中心18樓1805-08室

7 July 2014

To the Independent Board Committee of Wang On Group Limited

Dear Sirs,

**VOLUNTARY CONDITIONAL CASH OFFERS BY
KINGSTON SECURITIES LIMITED
ON BEHALF OF CAISTER LIMITED FOR ALL THE OUTSTANDING SHARES
OF WANG ON GROUP LIMITED (OTHER THAN THOSE SHARES ALREADY
OWNED BY CAISTER LIMITED AND ITS CONCERT PARTIES) AND
FOR THE CANCELLATION OF ALL THE OUTSTANDING OPTIONS OF
WANG ON GROUP LIMITED**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms of the Offers, details of which are set out in the section headed “Letter from Kingston Securities” (the “**Letter**”) in the Composite Document dated 7 July 2014 jointly issued by the Company and the Offeror to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

On 16 June 2014, the Offeror and the Company jointly announced that Kingston Securities will, on behalf of the Offeror, make voluntary conditional cash offers (i) to acquire all of the outstanding Shares (other than those Shares already owned or agreed to be acquired by the Offeror and its Concert Parties); and (ii) to cancel all the outstanding Options for a maximum total consideration of HK\$1,078,737,219.

The Offers are subject to the fulfilment or waiver, as applicable, of a number of Conditions as set out in the Composite Document.

An Independent Board Committee which comprises Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau (representing all the independent non-executive Directors) has been established by the Board to make a recommendation to the Independent Shareholders as to whether the Share Offer is, or is not, fair and reasonable and as to its acceptance and to the Optionholders as to its views on the Option Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We, Nuada Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offers pursuant to Rule 2.1 of the Takeovers Code. The appointment of Nuada Limited as the Independent Financial Adviser has been approved by the Independent Board Committee.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations as provided to us by the Directors and the Offeror (where applicable). We have assumed that all information and representations that have been provided by the Directors and the Offeror (where applicable), for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the Offeror (where applicable) in the Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors and the Offeror (where applicable), which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Offeror or their respective subsidiaries or associated companies, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Offers.

We have assumed that the Offers will be consummated in accordance with the terms and conditions set forth in the Composite Document without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Offers, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offers. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they exist on, and the information made available to us as at the Latest Practicable Date.

This letter is issued for the information for the Independent Board Committee solely in connection with their consideration of the Offers, except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the Offers, we have taken into consideration the following principal factors and reasons:

1. Background and terms of the Offers

Kingston Securities is making the Offers for and on behalf of the Offeror on the following basis:

The Share Offer

For each Offer Share : HK\$0.23 in cash

The Option Offer

For cancellation of each Option of outstanding 7,033,292 : HK\$0.0066 in cash
Options with exercise price of HK\$0.2234
For cancellation of each Option of outstanding 797,445 : HK\$0.0001
Options with exercise price of HK\$0.3893
For cancellation of each Option of outstanding 14,562,108 : HK\$0.0001
Options with exercise price of HK\$2.0549

The Offers are subject to the fulfilment or waiver, as applicable, of a number of Conditions as set out in the Composite Document.

As confirmed by the Director, as at the Latest Practicable Date, there were (i) 6,524,935,021 Shares in issue, of which the Offeror and its Concert Parties hold 1,857,166,046 Shares, representing approximately 28.46% of the issued share capital of the Company and (ii) 22,392,845 outstanding Options, of which Mr. Chan Chun Hong, Thomas, a Director, has in respect of 180,295 Options.

Pursuant to the Share Option Scheme, if a general offer by way of a takeover is made, Optionholders will have a right to exercise their Options within 14 days after the Offeror takes control of the Company. Options not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the Offers.

According to the Directors, as at the Latest Practicable Date, save for the Shares and Options, the Company did not have any outstanding options, warrants, or securities convertible or exchangeable into Shares or other types of equity interest in issue.

On the basis of the Share Offer Price, the entire issued share capital of the Company is valued at approximately HK\$1,500,735,055 and 4,667,768,975 Shares will be subject to the Share Offer and are valued at approximately HK\$1,073,586,864 on the basis of the Share Offer Price. Assuming none of the outstanding Options is exercised prior to Closing Date, the total amount required to satisfy the cancellation of all the outstanding Options is HK\$47,956. Based on the above and assuming no outstanding Options are exercised prior to the Closing Date, the Offers are valued at approximately HK\$1,073,634,820.

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In the event that all 22,392,845 outstanding Options are fully exercised prior to Closing Date, the Company will have to issue 22,392,845 new Shares. The total number of Shares subject to the Share Offer will become 4,690,161,820 Shares and the maximum value of the Share Offer is valued at approximately HK\$1,078,737,219. In that case, no amount will be payable by the Offeror under the Option Offer.

Further Terms of the Offers are set out in the “Letter from Kingston Securities” and Appendix I to the Composite Document.

2. Financial information of the Group

According to the Directors and the annual report of the Company for the financial year ended 31 March 2014 (the “**Annual Report**”), the principal activity of the Company is investment holding. The Group is principally engaged in the business of property investment and property development in Hong Kong, management and sub-licensing of Chinese wet markets in Hong Kong and the PRC.

Set out below is a summary of the financial information of the Group for the financial year ended 31 March 2014 (“**FY 2014**”) and 31 March 2013 (“**FY 2013**”). This information has been extracted from the Annual Report.

	For the year ended 31 March 2014		For the year ended 31 March 2013	
	<i>HK\$'000</i> (audited)	%	<i>HK\$'000</i> (audited)	%
	<i>Approximately</i>		<i>Approximately</i>	
Turnover	1,597,340	100	744,069	100
— Sub-licensing fee income	191,114	11.96	214,441	28.82
— Property management fee income	3,257	0.21	6,129	0.82
— Gross rental income	43,713	2.74	54,316	7.30
— Sale of properties	1,359,256	85.09	469,183	63.06
Gross profit	853,350		364,804	
Profit for the year	593,209		409,534	
		As at 31 March 2014	As at 31 March 2013	
		<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	
Consolidated net asset of the Company		3,912,207	3,567,996	

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As set out above and according to the Annual Report, the substantial increase of the Group's revenue from approximately HK\$744 million in FY 2013 to approximately HK\$1,597 million in FY 2014 was mainly contributed by the increase in the amount of the sale of properties in Hong Kong which increased from approximately HK\$469 million in FY 2013 to approximately HK\$1,359 million in FY 2014. The increase in the sale of properties segment for the FY 2014 was contributed by the disposal of (i) the Group's two development projects in Hong Kong, called "The Met.Focus", a residential building located in Pak Kung Street, Hung Hom and the "726 Nathan Road", a commercial building located in Nathan Road, Mong Kok and (ii) 16 shops in Grandeur Terrace, a shopping mall located in Tin Shui Wai.

The sub-licensing fee income and property management fee income of the Group was mainly derived from the business of management and sub-licensing of Chinese wet markets. The turnover recorded for aforesaid business for the FY2014 amounted to approximately HK\$194.4 million representing a decrease of approximately HK\$26.2 million when compare with that of the last year. The decrease was mainly attributable to the expiration of licences with the landlord for the Chinese wet markets at Hau Tak Estate, Tseung Kwan O and Yiu On Estate, Ma On Shan during the FY 2014.

The Group received gross rental income of approximately HK\$43.7 million in FY 2014 which represent a decrease of approximately HK\$10.6 million when compared to that in FY 2013. The decrease in gross rental income was mainly due to the disposal of some investment properties during the financial year 2014.

As at 31 March 2014, PNG Resources Holdings Limited was indebted to the Group in an aggregate outstanding principal amount of approximately HK\$107.6 million, at an interest rate of 8.0% per annum and repayable within one year. As at 31 March 2014, China Agri-Products Exchange Limited, a listed company in the Stock Exchange, was indebted to the Group in an aggregate outstanding principal amount of HK\$880.0 million, at the interest rates ranging from 10% to 12% per annum and repayable within one to three years.

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3. Outlook of the Company's business

(i) *Sale of properties*

As shown in the table in the section headed "2. Financial information of the Group" above, we noted that over 85% of the Group's turnover was contributed from the sale of properties in Hong Kong in FY 2014. According to the information provided by the management of the Company and the Annual Report, as at the Latest Practicable Date, the Group has five development land portfolio that would launch or the relevant revenue and profit will be recognized in the coming few years, detailed of which are set out below:

No.	Location	Intended usage	Remaining units/ Anticipated site area (square feet)	Anticipated financial year of completion of construction work of the development project/Anticipated financial year of revenue of the development projects will be recognized
1	726, Nathan Road, Mong Kok	Commercial	Presale was completed. The remaining one retail shop to be sold	31 March 2015
2	1-13, Kwai Heung Street, Sai Ying Pun	Residential/ Commercial	The 1st phase presale was completed. The remaining seven residential units to be sold	31 March 2015
3	140-146, Camp Street, Sham Shui Po	Residential/ Commercial	Presale was completed	31 March 2016
4	575-575A, Nathan Road, Mong Kok	Commercial	2,100	31 March 2017
5	13 and 15, Sze Shan Street, Yau Tong	Residential/ Commercial	41,000	31 March 2018

According to the Company, given the existing development land portfolio of the Group as at the Latest Practicable Date, the dollar amount of presale recorded from property number 1, property number 2 and property number 3 as stated in the above table was approximately HK\$2 billion which will be recognized as revenue of the Group in the coming two financial years. In addition, the Group will launch the remaining units of

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development project in Sai Ying Pun in financial year 2015 and will launch the other two development projects in the financial year 2017 and 2018 with site areas of approximately 2,100 square feet and 41,000 square feet respectively.

According to the “Hong Kong Monthly Digest of Statistics — June 2014” (the “**Statistics**”) published by the Census and Statistics Department, Hong Kong Special Administrative Region in June 2014, we noted that the number and consideration of documents received for registration in the Land Registry regarding the sale and purchase of residential units has been experienced a downward trend for the past few years.

According to the Statistics, the number of sale and purchase of residential units decreased from 84,462 in 2011 to 50,676 in 2013. And the figure further decreased by 3,135 to 20,839 for the first five months ended 31 May 2014 when compared with that for the same period in 2013. The consideration of the agreement for sale and purchase of residential units decreased from approximately HK\$442,527 million in 2011 to approximately HK\$298,942 million in 2013. And the figure further decreased by approximately HK\$7,144 million to approximately HK\$129,873 million for the first five months ended 31 May 2014 when compared with that for the same period in 2013.

According to the Statistics, the average price of usable floor of private domestic premises in Hong Kong Island (apartment with usable floor within 40–69.9 square meter) increased from approximately HK\$101,779 per square meter in 2011 to approximately HK\$126,642 per square meter in 2013. However, the figure decreased by approximately HK\$4,222 to approximately HK\$123,361 per square meter for the first four months ended 30 April 2014 when compared with that for the same period in 2013.

With reference to the Statistics, the average price of usable floor of private office (Grade A) in Kwun Tong increased from approximately HK\$116,512 per square meter in February 2013 to approximately HK\$149,223 per square meter in April 2014.

Since we are not expert in Hong Kong’s property market, it is impracticable to predict the future trend of the price of residential and commercial properties in Hong Kong. However, based on the statistic information as stated above, we noted that (i) there is a downward trend in the price of the residential properties in Hong Kong in the past few year; and (ii) there is an upward trend in the price of grade A commercial building in Kwun Tong in the past year.

Since the Group is expected to launch one commercial building project and one residential/commercial building project in the coming few years, the turnover contributed from the aforesaid two projects is uncertain.

(ii) Sub-licensing fee income and property management fee income

According to the management of the Company, as at the Latest Practicable Date, the Group managed a portfolio of approximately 750 stalls in 12 “Allmart” brand of Chinese wet markets in Hong Kong with a total floor area of over 280,000 square feet. In the

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PRC, the Group managed a portfolio of approximately 1,000 stalls in 17 Chinese wet markets with a total gross floor area of over 283,000 square feet under “Huimin” brand in various district of Shenzhen, Guangdong Province.

As shown in the table in the section headed “2. Financial information of the Group” above, we noted that approximately 12.17% of the Group’s turnover was contributed from sub-licensing fee income and property management fee income in FY 2014. According to the management of the Company, most of the sub-licensing fee income and property management fee income recorded by the Group was contributed from the management and sub-licensing of Chinese wet markets business.

Since the amount of the sub-licensing fee income and the property management fee income is subject to the number of the management contract of Chinese wet markets on hand, the number of renewal of the existing management contracts or addition of new management contracts would influence the turnover of the aforesaid business.

According to the information provided by the management of the Company in relation to the terms of the existing management contracts entered into between the Group and the landlords of the Chinese wet markets, we noted that 6 out of 29 of Chinese wet markets that under management by the Group are subject to renewal in the coming year. If the Company cannot renew the aforesaid management contracts upon their expiration, the turnover derived from the sub-licensing fee income and the property management fee income would be adversely affected.

Since it is impracticable to predict whether the Group can renew the aforesaid management contracts upon their expiration, we cannot predict the impact of the aforesaid to the Group’s turnover. Therefore, the outlook of the turnover derived from the sub-licensing fee income and the property management fee income is uncertain.

(iii) Rental income from property investment

As shown in the table in the section headed “2. Financial information of the Group” above, we noted that approximately 2.74% of the Group’s turnover was contributed from the gross rental income in FY2014.

According to the information provided by the management of the Company, as at the Latest Practicable Date, the Group has (i) 11 leased commercial properties and 7 out of 13 tenancy agreements are subject to renewal in the financial year ended 31 March 2015; and (ii) 62 residential units and 172 out of 248 tenancy agreements are subject to renewal in the financial year ended 31 March 2015.

With reference to the Statistic, the average monthly rents of private retail properties in Hong Kong Island, Kowloon and New Territories in 2013 are approximately HK\$1,552 per square meter, approximately HK\$1,485 per square meter and approximately HK\$1,178 per square meter respectively which represent an increase of approximately 19.8%, approximately 19.5% and approximately 13.5% respectively when compared with that figures for year 2011.

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The aforesaid figures for the first four months ended 30 April 2014 further increased by approximately 6.8%, approximately 13.8% and approximately 12.5% when compared with that figures for the same period in 2013.

Since it is impracticable to predict whether the Group can renew the relevant tenancy agreements with the tenant with acceptable rents or not, the performance of this business segment is uncertain.

In view of the analysis as stated above, we consider that the future financial performance of the Group is uncertain.

4. Information on the Offeror

Set out below is the information on the Offeror as extracted from the Letter.

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is directly and wholly-owned by Mr. Tang Ching Ho.

Mr. Tang Ching Ho is a founder of the Company and the chairman and an executive director of the Company. He is also the chairman and an executive director of Wai Yuen Tong.

5. The Offeror's intention regarding the Group

Business

As stated in the Letter, following completion of the Offers, the Offeror intends that the Group will continue to operate its business in substantially its current state. The Offeror has no intention to introduce major changes to the business of the Group including (i) the introduction of significant changes in the management and employees of the Group; and (ii) the redeployment of the fixed assets of the Group as a result of the completion of the Offers (other than those changes which may occur in the ordinary course of business). However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

Maintaining the listing status of the Company

As stated in the Letter, the Offeror intends to maintain the listing status of the Company on the Stock Exchange. If the Offeror acquires the requisite percentage of the Offer Shares to enable it to compulsorily acquire all the issued Shares, the Offeror has stated that it does not intend to exercise its right to compulsorily acquire the remaining Shares. The Company will take such steps as are necessary to ensure, or procure the Offeror to take such steps as are necessary to ensure, that the Company maintains an adequate public float so as to comply with the applicable requirements of the Listing Rules.

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According to the Listing Rules, the Stock Exchange has stated that if, upon the close of the Offers, less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. In this connection, it should be noted that upon the close of the Share Offer, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained, and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after closing of the Share Offer.

6. The Share Offer

The Share Offer Price of HK\$0.23 per Offer Share represents:

- (i) a premium of 25.00% over the closing price of HK\$0.1840 per Share as quoted on the Stock Exchange on 11 June 2014, being the Last Trading Date;
- (ii) a premium of approximately 25.96% over the average closing price of approximately HK\$0.1826 per Share for the last five consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date;
- (iii) a premium of approximately 25.82% over the average closing price of approximately HK\$0.1828 per Share for the last ten consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date;
- (iv) a premium of approximately 26.51% over the average closing price of approximately HK\$0.1818 per Share for the last 30 consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date;
- (v) a discount of approximately 61.64% to the audited consolidated net asset value of the Company of approximately HK\$0.5996 per Share as at 31 March 2014, being the date to which the latest audited consolidated annual results of the Group were made up; and
- (vi) no discount and premium to the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

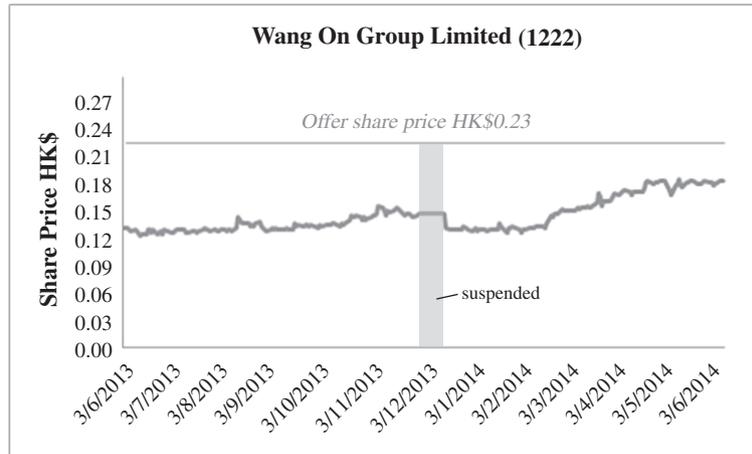
As disclosed above, the Share Offer Price represents (i) a premium over the relevant closing price of the Share; (ii) a discount to the audited consolidated net asset value of the Company as at 31 March 2014; and (iii) no discount and premium to the closing price of the Shares as at the Latest Practicable Date.

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Historical price performance of the Shares

The following chart sets out the closing prices of the Shares as quoted on the Stock Exchange during the period from 1 June 2013 up to and including the Last Trading Date (the “**Review Period**”):

Closing prices of the Shares during the Review Period



Source: the Stock Exchange web-site (www.hkex.com.hk)

Note: Trading in the Shares was suspended during the period from 5 December 2013 to 19 December 2013

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The highest and lowest closing prices and the average daily closing price of the Shares are quoted on the Stock Exchange in each month during the Review Period are shown as follows:

Month	Highest closing price (HK\$)	Lowest closing price (HK\$)	Average daily closing price (HK\$)	No. of trading days of the Shares in each month
2013				
June	0.133	0.124	0.129	19
July	0.132	0.127	0.129	22
August	0.145	0.129	0.134	21
September	0.137	0.13	0.133	20
October	0.147	0.132	0.139	21
November	0.157	0.143	0.150	21
December (<i>Note</i>)	0.149	0.13	0.137	9
2014				
January	0.137	0.128	0.131	21
February	0.149	0.128	0.137	19
March	0.163	0.151	0.157	21
April	0.185	0.163	0.174	20
May	0.187	0.169	0.181	20
June (up to and including 11 June 2014)	0.183	0.180	0.183	7

Source: the Stock Exchange web-site (www.hkex.com.hk)

Note: Trading in the Shares was suspended during the period from 5 December 2013 to 19 December 2013

As illustrated by the above chart and table, during the Review Period, the Share Offer Price was higher than the historical daily closing price and average daily closing prices of the Shares per month. The highest and lowest closing prices of the Shares within the Review Period were HK\$0.187 on 14 May 2014 and HK\$0.124 on 13 June 2013, respectively, and the Share Offer Price represents a premium of approximately 23.0% and approximately 85.5% respectively over the aforesaid closing prices.

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Net asset value per Share

According to the Annual Report, the consolidated net asset per Share as at 31 March 2014 was approximately HK\$0.5996. According to the management of the Company and the information provided by the Company regarding the valuation of the properties held by the Group as at 31 March 2014 and valuation reports as stated in Appendix III of the Composite Document, the properties held by the Group are classified into four categories, i.e. (i) properties held by the Group for investment; (ii) properties held by the Group for sale; (iii) properties held by the Group for development; and (iv) properties held for owner occupation. For properties held by the Group for investment, the Group would conduct valuation on such properties at the end of each financial year so as to consider whether there is any increase or decrease in the value of the properties under this category that would affect the fair value of the properties held by the Group for investment. According to the valuation of the properties held by the Group as at 31 March 2014 and valuation report as stated in Appendix III of the Composite Document, we noted that the value of the properties held by the Group for investment as at 31 March 2014 is indifferent with that in valuation report in Appendix III of this circular. For properties held for owner occupation, the value at the end of each financial year are stated at cost less accumulated depreciation and any impairment losses.

Regarding the categories of properties held by the Group for sale and properties held by the Group for development, according to the Annual Report and the management of the Group, the value of the properties held by the Group under this category are based on cost approach according to the Group's accounting policies and Hong Kong Financial Reporting Standards and the financial information of the Group would not reflect the market value of the said properties until completion of the construction of the properties and/or the completion of sale of those properties. Given that the said properties under the category of properties held by the Group for development are still under construction and the construction cost is not finalized, the cost of development (including but not limited to, the construction cost and the tax effect) in respect of properties held for development cannot be ascertained as at the Latest Practicable Date. In addition, the sales transaction of the said properties have not been completed and the revenue has not been accounted for as at the Latest Practicable Date. Therefore, as we cannot estimate the net asset value per Share without uncertainty as at the Latest Practicable Date, we have adopted the net asset value per Share according to the Annual Report.

For indication purpose only, we have re-assessed the net asset value per Share (the "**Re-assessed NAV**") based on the Annual Report, information provided by the management of the Company and the valuation reports as stated in Appendix III of the Composite Document.

We discussed with Asset Appraisal Limited ("**Asset Appraisal**") and Vigers Appraisal & Consulting Limited ("**Vigers Appraisal**") regarding the valuation methodologies and assumptions of their valuation reports and noted that (i) the valuation report prepared by Asset Appraisal are based on comparison method where comparison based on prices realized or market prices of comparable properties is made and (ii) the valuation report prepared by Vigers Appraisal are based on investment approach as well

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as the comparison approach which capitalizes the rent receivable from the existing tenancies and the potential reversionary market rent of the property interests taking into account the market rental comparables in the open market and with reference to comparable transactions in the market. We also noted that the aforesaid valuation reports have been prepared in according with chapter 5 and Practice Note 12 to the Listing Rules and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

After discussion with Asset Appraisal and Vigers Appraisal, we noted that both Ms. Sandra Lau from Asset Appraisal and Mr. Gilbert K.M. Yuen from Vigers Appraisal are the registered professional surveyor in general practice and Ms. Sandra Lau has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC and Mr. Gilbert K.M. Yuen has over 20 years' valuation experience on properties in Hong Kong.

The market value of property numbered 15 (nos. 13 and 15, Sze Shan Street, Yau Tong, Kowloon), the estimated market value is subject to the payment of land premium to the Hong Kong Government for the lease modification that is not yet agreed between the Company and the relevant government department as at the Latest Practicable Date. However, according to the information of Land Department, the general principal of the amount of the land premium should be equal to the difference between the land value of the development permitted under the existing lease conditions and that permissible under the new lease conditions which the Company have to pay before the completion of the lease modification. Therefore, there is no effect on the net asset value of the Group.

Based on the aforesaid information, the Re-assessed NAV is approximately HK\$0.6629. Shareholder should be noted that the Re-assessed NAV is a hypothesis figure and is subject to number of factors or uncertainties as stated above.

As illustrated by the chart and table as stated in paragraph headed "Historical price performance of the Shares" above, during the Review Period, the trading price of the Shares and the Share Offer Price was below the aforesaid consolidated net asset per Share.

Set out below are the comparison of the ratio of Share Offer Price to net asset per Share ("**PB Ratio**") to that of other listed companies in the Stock Exchange (the "**Industrial Comparable**") with (i) similar market capitalization to the Company as at the Last Trading Date (i.e. with market capitalization in between HK\$1.0 billion to HK\$1.5 billion as the market capitalization of the Company as at the Last Trading Date was approximately HK\$1.2 billion); and (ii) similar business, i.e. over 50% revenue are contributed from the sale of properties with reference to their relevant latest annual report.

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The table below set out the Comparable Companies that we have identified and reviewed and the list are exhaustive.

No.	Company name (Stock Code)	Business	Market capitalization as at the Last Trading Date (HK\$' million)	Net asset per share according to their relevant latest annual report (HK\$)	Closing price per share as at the Last Trading Date (HK\$)	Closing price per share as at the Last Trading Date over Net asset per share according to their relevant latest annual report (Times) (approximately)
1.	Beijing North Star Company Limited (588)	Property leasing, land and property development, property investment, property management; provision of food and beverage services; operation of hotels and department stores	1,343	RMB4.579 (approximately HK\$5.734)	1.19	0.2075
2.	SRE Group Limited (1207)	Real estate development, property leasing and hotel operations	1,258	1.629	0.222	0.1363
3.	Golden Wheel Tiandi Holdings Company Limited (1232)	Property development and property leasing	1,298	RMB1.955 (approximately HK\$2.448)	0.72	0.2941
				Minimum Mean Maximum		0.1363 0.2126 0.2941
	The Company		1,201	0.5996 (net asset value per share as at 31 March 2014)	0.230	0.3836 (note 1)
				0.6629 (Re-assessed NAV)		0.3470 (note 2)

Source: the Stock Exchange web-site (www.hkex.com.hk)

Note:

- (i) The PB Ratio of the Company is based on the Share Offer Price and the net asset per Share as at 31 March 2014
- (ii) The PB Ratio of the Company is based on the Share Offer Price and the Re-assessed NAV

As indicated in the above table, the PB Ratio of the Comparable Companies range from approximately 0.1363 times to approximately 0.2941 times with mean of approximately 0.2126 times. The PB Ratio implied by the Share Offer Price and the Re-assessed NAV, being 0.3836 times and 0.3470 times respectively is above the range of the PB Ratio of the Industry Comparable.

However, we consider that (i) the trading price of the Shares is determined under an open market which is a fair market price, i.e. it is the value a willing buyer is prepared to buy and a willing seller is prepared to sell for each Share on the Stock Exchange; and (ii) the net asset per Share is a reference to the value of the Share that may be returned to

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Shareholders if the Company is put under liquidation (in a non-distressed state and assuming willing buyers of assets at the stated value) but it is not a cash value which the Shareholders may require the Company to pay in return for each Share. Accordingly, we consider it is more appropriate to ascertain the Share Offer Price based on the historical market prices of the Company rather than the net asset value of the Company and the comparison of PB Ratio implied by the Share Offer Price to the Industry Comparable provides an additional information for the Independent Shareholder to consider the fairness of the Share Offer Price.

Historical trading liquidity of the Shares

The number of trading days, the average daily number of the Shares traded per month, and the respective percentages of the Shares' monthly average trading volume as compared to (i) the total number of issued Shares held by the public and (ii) the total number of issued Shares of the Company as at Last Trading Date during the Review Period are tabulated as below:

Month	No. of trading days of the Shares in each month	Average daily trading volume (the "Average trading Volume") <i>Number of Shares</i>	% of the average volume to total number of issued Shares as at the Offer Announcement <i>(Note 2)</i> % <i>(Approximately)</i>	% of the average volume to total number of issued Shares held by the public as at the Offer Announcement <i>(Note 3)</i> % <i>(Approximately)</i>
2013				
June	19	16,186,361	0.248	0.347
July	22	11,143,398	0.171	0.239
August	21	13,771,062	0.211	0.295
September	20	11,924,043	0.183	0.255
October	21	17,354,270	0.266	0.372
November	21	18,386,939	0.282	0.394
December <i>(Note 1)</i>	9	19,453,369	0.298	0.417
2014				
January	21	10,823,737	0.166	0.232
February	19	12,672,887	0.194	0.271
March	21	30,405,831	0.466	0.651
April	20	18,481,092	0.283	0.396
May	20	6,016,669	0.092	0.129
June (up to and including 11 June 2014)	7	3,088,287	0.047	0.066

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Source: the Stock Exchange web-site (www.hkex.com.hk)

Notes:

- (1) Trading in the Shares was suspended from 5 December 2013 to 19 December 2013 (both days inclusive)
- (2) Based on 6,524,935,021 Shares in issue as at the date of the Offer Announcement
- (3) Based on 4,667,768,975 Shares held by the public as at the date of the Offer Announcement

We noted from the above table that the volume of the Shares traded during the Review Period was below 1% of the total number of issued Shares held by the public as at the Last Trading Date and thus, trading in the Shares had been thin. In light of that the Shares are illiquid, the disposal of large block of Shares held by the Shareholders in the open market would likely to trigger price slump of the Shares. For this reason, there is no guarantee that Independent Shareholders will be able to realize their investments in the Company (especially those with relatively sizeable shareholdings) at a price higher than the Share Offer Price given the market price of the Shares is HK\$0.23 as the Latest Practicable Date, which is equal to the Share Offer Price. We, therefore, consider that the Share Offer provides an exit alternative for the Independent Shareholders who would like to realize their investments in the Company.

Nonetheless, if any Independent Shareholders who would like to realise their investments in the Company are able to dispose of their Shares in the open market and/or identify potential purchaser(s) to acquire for their Shares at a price higher than the Share Offer Price, those Independent Shareholders may consider not accepting the Offers but selling their Shares in the open market and/or to such potential purchaser(s), as they wish to do so and as they think fit having regard to their own circumstances, in case the net proceeds from the sale of their Shares would exceed the net amount receivable under the Share Offer.

For those Independent Shareholders who, after reading through the Composite Document and this letter and having regard to their own circumstances, consider retaining all or any part of their Shares should note there are some uncertainties in the outlook of the Group's business as stated in the section headed "Outlook of the Group's business" above.

Accordingly, Independent Shareholders should closely monitor the market price and liquidity of the Shares during the Offer Period and carefully consider the relevant risks and uncertainties based on their individual risk preference and tolerance level. Those Independent Shareholders who decide to retain part or all of their investments in the Company should also carefully monitor the financial performance of the Group as well as the intention of the Offeror in relation to the Company in the future, and the potential difficulties that they may encounter in disposing of their investments in the Shares after the close of the Share Offer.

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Other general offer comparison

In order to provide additional recent reference for the Shareholders to consider the fairness of the Offers, we intend to compare the term of the Offers to that of Industrial Comparable, i.e. with (i) similar market capitalization to the Company as at the Last Trading Date (with market capitalization in between HK\$1 billion to HK\$1.5 billion as the market capitalization of the Company as at the Last Trading Date was approximately HK\$1.2 billion); and (ii) similar business, i.e. over 50% revenue are contributed from the sale of properties with reference to their relevant latest annual report, announced within four months before the date of the Joint Announcement. Based on our findings, we cannot identify any comparable which would fulfil such requirements. Therefore, we relax our selection criteria to only with similar business, i.e., over 50% revenue are contributed from the sale of properties with reference to their relevant latest annual report.

Based on the new selection criteria, we have identified two listed companies that with similar business with the Company that announced a privatization proposal/general offer within four months before the date of the Joint Announcement, which is New World China Land Limited (stock code: 917) (“NWCL”) and Paladin Limited (stock code: 495 and 642 (Preference Shares)). However, according to the latest annual report of Paladin Limited, the asset value of shares of Paladin Limited is negative. The table set out below is the list that we have identified based on the aforesaid selection criteria which is exhaustive.

No.	Company name (Stock Code)	Business	Date of relevant announcement	Market capitalization as at the trading date immediately before the relevant announcement HK\$' million	Offer price over closing price of relevant share on the last trading day before the issue of the relevant announcement times (approximately)	Offer price/ Cancellation price over net asset value per share of relevant share according to the relevant latest annual report times (approximately)	Result
1.	New World China Land Limited (917)	Property development and investment in the PRC	14 March 2014	44,598	1.3230	0.6753	Not approved under headcount test (note vi)
2.	Paladin Limited (495 and 642 (Preference Shares))	Properties construction and redevelopment for sale purpose	12 June 2014	292	0.8772 (note iii) 0.8056 (note iv)	— (note v)	n.a.
				Maximum	1.3230	0.6753	
				Mean	1.0019	0.6753	
				Minimum	0.8056	0.6753	
	The Company			1,201	1.250	0.3836 (note i) 0.3470 (note ii)	n.a.

Source: the Stock Exchange web-site (www.hkex.com.hk)

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Notes:

- (i) Based on the Share Offer Price and the net asset per Share as at 31 March 2014
- (ii) Based on the Share Offer Price and the Re-assessed NAV
- (iii) Based on the offer price and trading price of ordinary shares of Paladin Limited
- (iv) Based on the offer price and trading price of preference shares of Paladin Limited
- (v) Net liabilities according to latest annual report of Paladin Limited
- (vi) Approximately 0.16% of the total number of shares held by independent shareholders of NWCL and approximately 65.95% of the number of independent shareholders of NWCL at the court meeting, were against the privatization scheme of Easywin Enterprises Corporation Limited

Based on the information set of in the above table, we noted that (i) the Share Offer Price represent a premium of approximately 25% over the closing price of the Shares as the Last Trading Date while that for NWCL and Paladin Limited is premium of approximately 32.30% and discount of approximately 12.28% (based on the offer price and trading price of ordinary shares of Paladin Limited) and approximately 19.44% (based on the offer price and trading price of preference shares of Paladin Limited) as at the date immediately before the date of the relevant announcement; and (ii) the Share Offer Price represent approximately 0.3836 times to the net asset value per Share (as at 31 March 2014) and approximately 0.3470 times to the Re-assessed NAV while the offer price of NWCL represent approximately 0.6753 times to the adjusted net asset value per shares of NWCL according to the latest annual report of NWCL (the net asset value of Paladin Limited is negative according to its latest annual report).

Although the offer price of NWCL as stated above is better than that of the Company in terms of the ratio of offer price over net asset value per share, we consider that as the market capitalization of the Company is only approximately 2.7% of that of NWCL, the comparison among them is not a good reference.

In addition, according to the reasons as stated in the paragraph headed “Net asset value per Share” above, we consider it is more appropriate to ascertain the Share Offer Price based on the historical market prices of the Company rather than the net asset value of the Company.

The Option Offer

Please refer to the Letter and section headed “I. Background and terms of the Offer” for detailed information of the Option Offer. As at the Latest Practicable Date, the market price of the Shares are higher than exercise price of Options with an exercise price of HK\$0.2234, for Optionholders who hold the Options with exercise price of HK\$0.2234 should consider convert their Options into the Shares and selling their Shares in the open market, where possible, instead of accepting the Option Offer, if the net proceeds from such sales exceed the net amount receivable under the Option Offer during the Offer Period. Regarding Optionholders who hold the Options with exercise price of HK\$0.3893

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and HK\$2.0549, since the exercise prices of the aforesaid Options are higher than the market price of the Shares as at the Latest Practicable Date, we consider that those Optionholders should accept the Option Offer.

RECOMMENDATION

Taking into consideration the above-mentioned principal factors and reasons, in particular:

- (i) there are uncertainties of the Group's business outlook;
- (ii) the Share Offer Price represents a premium over the historical closing price of the Shares during the Review Period;
- (iii) Options with exercise prices of HK\$0.3893 and HK\$2.0549 are higher than the market price of the Shares;
- (iv) for those Optionholders hold the Options with exercise price of HK\$0.2234 should consider convert their Options into the Shares and selling their Shares in the open market, where possible, instead of accepting the Option Offer, if the net proceeds from such sales exceed the net amount receivable under the Option Offer during the Offer Period;
- (v) the overall liquidity of the Shares, in general, was low during the Review Period;
- (vi) although the Share Offer Price represent approximately 0.3836 times to the net asset value per Share (as at 31 March 2014) and approximately 0.3470 times to the Re-assessed NAV, the PB Ratio implied by the Share Offer Price and the Re-assessed NAV (i.e. 0.3836 times to the net asset value per Share (as at 31 March 2014) and approximately 0.3470 times to the Re-assessed NAV) is above the range of the PB Ratio of the Industry Comparable as stated in the paragraph headed "Net asset value per Share"; and
- (vii) although the offer price of NWCL as stated above is better than that of the Company in terms of the ratio of cancellation price/offer price over net asset value per share, we consider that (i) as the market capitalization of the Company is only approximately 2.7% of that of NWCL, the comparison among them is not a good reference; (ii) the Share Offer Price is above the trading price of the Shares within the Review Period (i.e. for a period from 1 June 2013 up to and including the Last Trading Date, longer than a year) as stated in the paragraph headed "Historical price performance of the Shares" above; and (iii) the Offer provide an exit alternative for the Independent Shareholders who would like to realize their investments in the Company,

we are of the opinion that the terms of the Shares Offer and the Options Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and the Optionholders (except for those Optionholders hold the Option with exercise price of HK\$0.2234 should consider convert their Options into the Shares and selling their Shares in

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the open market, where possible, instead of accepting the Option Offer, if the net proceeds from such sales exceed the net amount receivable under the Option Offer during the Offer Period) to accept the Share Offer and the Option Offer.

Overall speaking, we would also like to remind the Independent Board Committee to remind the Independent Shareholders to closely monitor the market price and liquidity of the Shares during the Offer Period, especially that the disposal of large blocks of Shares held by the Independent Shareholders in the open market may trigger price slump of the Shares as a result of the thin trading of the Shares. For those Independent Shareholders who intend to realize their investment in the Company should consider selling their Shares in the open market, where possible, instead of accepting the Share Offer, if the net proceeds from such sales exceed the net amount receivable under the Share Offer.

Moreover, as different Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Shareholder or Optionholder who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Nuada Limited
Kevin Chan
Director

1. PROCEDURES FOR ACCEPTANCE OF THE OFFERS

To accept the Offers, you should complete and sign the accompanying Form(s) of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Offers.

A. The Share Offer

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer in respect of your Shares, you must send the **White** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "**Wang On Group Limited Share Offer**" on the envelope, in any event not later than 4:00 p.m., on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your Shares, you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver in an envelope marked "**Wang On Group Limited Share Offer**" the duly completed and signed **White** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked "**Wang On Group Limited Share Offer**" the duly completed and signed **White** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC to accept the Share Offer on your behalf on or before the deadline set out by HKSCC. In order to meet the deadline set by HKSCC, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant stock account with CCASS, authorise your instruction via the CCASS phone system or CCASS internet system no later than the deadline set out by HKSCC.
- (c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **White** Form of Share Offer Acceptance and deliver it in an envelope marked “**Wang On Group Limited Share Offer**” to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an authority to the Offeror and/or Kingston Securities or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar as if it was/they were delivered to the Registrar with the **White** Form of Share Offer Acceptance.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares is/are not readily available or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **White** Form of Share Offer Acceptance and deliver it in an envelope marked “**Wang On Group Limited Share Offer**” to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (e) Acceptance of the Share Offer will be treated as valid only if the duly completed and signed **White** Form of Share Offer Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time

and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code), and the Registrar has recorded that the **White** Form of Share Offer Acceptance and any relevant documents required, under paragraph (f) below have been so received.

- (f) Acceptance of the Share Offer may not be counted as valid unless the **White** Form of Share Offer Acceptance is duly completed and signed and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph under this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.

If the **White** Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

- (g) No acknowledgement of receipt of any **White** Form of Share Offer Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (h) If the Share Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Registrar will be returned to the Shareholders who have accepted the Share Offer by ordinary post at the Shareholders' own risk as soon as possible but in any event within 10 days after the Share Offer has lapsed.

B. The Option Offer

- (a) If you accept the Option Offer, you should complete and sign the **Yellow** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms and conditions of the Option Offer.

- (b) The duly completed and signed **Yellow** Form of Option Offer Acceptance should be sent, together with the certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) stating the number of Options in respect of which you intend to accept the Option Offer, to the company secretary of the Company at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong, marked “**Wang On Group Limited Option Offer**” on the envelope, as soon as possible and in any event so as to reach the company secretary of the Company at the aforesaid address by no later than 4:00 p.m. on the Closing Date.
- (c) No acknowledgment of receipt of any **Yellow** Form of Option Offer Acceptance, the certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (d) If the Option Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, the certificate(s) of the Options other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the company secretary of the Company will be returned to the Optionholders who have accepted the Option Offer by ordinary post at the Optionholders’ own risk as soon as possible but in any event within 10 days after the Option Offer has lapsed.

2. SETTLEMENT

A. The Share Offer

- (a) If you accept the Share Offer, settlement of the consideration, less seller’s ad valorem stamp duty, will be made by cheque as soon as possible, but in any event within seven (7) Business Days following the later of the date of receipt of a complete and valid acceptance of the Share Offer and the date on which the Share Offer becomes or is declared unconditional in all respects. Each cheque will be despatched by ordinary post to the address specified on the relevant Shareholder’s **White** Form of Share Offer Acceptance at his/her/its own risk.
- (b) No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

B. The Option Offer

- (a) If you accept the Option Offer, settlement of the consideration will be made by cheque as soon as possible, but in any event within seven (7) Business Days following the later of the date of receipt of a complete and valid acceptance of the Option Offer and the date on which the Option Offer becomes or is declared unconditional in all respects. Each cheque will be despatched by ordinary post

at the own risk of the relevant Optionholder to the company secretary of the Company at 5/F, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong for collection.

- (b) No fractions of a cent will be payable and the amount of cash consideration payable to an Optionholder who accepts the Option Offer will be rounded up to the nearest cent.

3. EXERCISE OF OPTIONS

An Optionholder who wishes to accept the Share Offer may exercise his/her Options (to the extent exercisable) by completing, signing and delivering a notice for exercising the Options together with a cheque for payment of the subscription monies and the related certificate(s) of the Options (if applicable) to the company secretary of the Company at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on or before the first Closing Date, or such other time and/or date as the Offeror may, subject to the Takeovers Code, decide and announce. Optionholders should at the same time complete and sign the **White** Form of Share Offer Acceptance and deliver it to the Registrar together with a copy of the set of documents delivered to the Company for exercising the Options. Exercise of the Options is subject to the terms and conditions of the Share Option Scheme and the terms attaching to the grant of the relevant Options. Delivery of the completed and signed **White** Form of Share Offer Acceptance to the Registrar will not serve to complete the exercise of the Options but will only be deemed to be an irrevocable authority to the Offeror and/or the Kingston Securities and/or any of their respective agent(s) or such other person(s) as they may direct to collect from the Company or the Registrar on his/her behalf the relevant share certificate(s) when issued on exercise of the Options as if it was/they were delivered to the Registrar with the **White** Form of Share Offer Acceptance. If an Optionholder fails to exercise his/her Options as aforesaid, there is no guarantee that the Company may issue the relevant share certificate(s) in respect of the Share(s) allotted pursuant to his/her/its exercise of the Option(s) to such Optionholder in time for him/her/it to accept the Share Offer as a Shareholder of such Share(s) under the terms of the Share Offer.

4. LAPSE OF OPTIONS

Nothing in this Composite Document or the Option Offer will serve to extend the life of any Option which lapses under the Share Option Scheme. No exercise of Options or acceptance of the Option Offer may be made in relation to any Option that has lapsed.

5. ACCEPTANCE PERIOD AND REVISIONS

- (a) The Offers are made on 7 July 2014, namely the date of despatch of this Composite Document, and are capable of acceptance on and from this date.
- (b) Unless the Offers have previously been revised or extended with the consent of the Executive and in accordance with the Takeovers Code, to be valid, the **White** Form of Share Offer Acceptance and the **Yellow** Form of Option Offer Acceptance must be received by the Registrar (as regards the Share Offer) and by the company secretary

of the Company (as regards the Option Offer) respectively by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form(s) of Acceptance and the Offers will close on the Closing Date.

- (c) If the Offers are extended, the announcement of such extension will state the next Closing Date or a statement that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given to the Independent Shareholders and Optionholders before the Offers are closed. If, in the course of the Offers, the Offeror revises the terms of the Offers, all Independent Shareholders and Optionholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offers under the revised terms. The revised Offers must be kept open for at least 14 days following the date on which the revised offer document(s) are posted and shall not close earlier than the Closing Date.
- (d) If the Closing Date is extended, any references in this Composite Document and the Form(s) of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

6. ANNOUNCEMENT

- (a) By 6:00 p.m. on a Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offers. The Offeror must publish an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating whether the Offer has been revised or extended or has expired.

The announcement will state the total number of Shares and Options:

- (i) for which acceptances of the Offers have been received;
- (ii) held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror or parties acting in concert with it during the Offer Period.

The announcement will also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold.

The announcement will also specify the percentages of the issued share capital of the Company, and the percentages of voting rights, represented by these numbers.

In computing the total number of Shares and Options represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in this Appendix I, and which have been received by the Registrar

(as regards the Share Offer) and by the company secretary of the Company (as regards the Option Offer) no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offers, shall be included.

- (b) As required under the Takeovers Code, all announcements in relation to the Offers will be made in accordance with the requirements of the Listing Rules.

7. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders and Optionholders, those Shareholders and Optionholders who hold Shares and Options as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. In order for beneficial owners of Shares and Options, whose investments are registered in the names of nominees, to accept the Offers, it is essential that they provide instructions of their intentions with regard to the Offers to their nominees.

8. RIGHT OF WITHDRAWAL

The Share Offer is conditional upon fulfilment of the Conditions set out in the letter from Kingston Securities in this Composite Document and the Option Offer is conditional upon the Share Offer becoming and being declared unconditional in all respects. Acceptance of the Share Offer and the Option Offer tendered by Shareholders and Optionholders, respectively, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the following paragraph or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Share Offer or the Option Offer shall be entitled to withdraw his/her/its consent within 21 days from the first Closing Date (being, 28 July 2014) and if the Offers have not by then become unconditional as to acceptances. An acceptor of the Share Offer or the Option Offer may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar and/or company secretary of the Company.

Furthermore, in the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offers as described under the paragraph headed “**6. Announcement**” above), the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

Save as aforesaid, acceptances of the Offers shall be irrevocable and not capable of being withdrawn.

9. GENERAL

- (a) All communications, notices, the Form(s) of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Shareholders and Optionholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to Shareholders and Optionholders at their

addresses, in the case of Shareholders, specified on the relevant **White** Form of Share Offer Acceptance, and in the case of Optionholders to the company secretary of the Company in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. None of the Offeror, Kingston Securities, Kingston CF, the Company, the Registrar, the company secretary of the Company or any of their respective directors or agents, or any other person involved in the Offers, accepts any liability for any loss or delay in transmission in postage or any other liabilities that may arise as a result.

- (b) If no number of Shares is specified in the **White** Form of Share Offer Acceptance or the number of Shares specified by the acceptor in the **White** Form of Share Offer Acceptance is greater than the number of Shares registered in the name of the acceptor as holder or the number of Shares represented by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities in respect thereof) that are forwarded by the acceptor to the Registrar, the **White** Form of Share Offer Acceptance will be returned to the acceptor for correction. Any corrected **White** Form of Share Offer Acceptance must be re-submitted and received by the Registrar on or before the latest time of acceptance of the Share Offer in order for it to be counted towards fulfilling the acceptance condition.
- (c) If no number of Options is specified in the **Yellow** Form of Option Offer Acceptance or the number of Options specified by the acceptor in the **Yellow** Form of Option Offer Acceptance is greater than the number of Options represented by the relevant certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) that are forwarded by the acceptor to the company secretary of the Company, the **Yellow** Form of Option Offer Acceptance will be returned to the acceptor for correction. Any corrected **Yellow** Form of Option Offer Acceptance must be re-submitted and received by the company secretary of the Company on or before the latest time of acceptance of the Option Offer in order for it to be counted towards fulfilling the acceptance condition.
- (d) The provisions set out in the **White** Form of Share Offer Acceptance and the **Yellow** Form of Option Offer Acceptance form part of the terms of the Share Offer and the Option Offer, respectively.
- (e) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers is made will not invalidate the Offers in any way.
- (f) The Offers and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (g) Due execution of the Form(s) of Acceptance will constitute an irrevocable authority to the Offeror and/or the Kingston Securities (or such person or persons as the Offeror and/or the Kingston Securities may direct) to complete and execute any document on behalf of the person accepting the Share Offer and/or Option Offer and to do any other act that may be necessary or expedient for the purposes of vesting in

the Offeror (or such person or persons as it may direct) the Shares in respect of which such person has accepted the Share Offer and/or of cancelling the Options in respect of which such person or persons has/have accepted the Option Offer.

(h) Acceptance of:

- (i) the Share Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror, Kingston Securities and the Company that the Shares acquired under the Share Offer are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to including, save for the Final Dividends, the right to receive in full all dividends and other distributions, if any, declared, paid or made on or after the date on which the Share Offer is made. Please refer to the section “I. General matters relating to the Offers” in the letter from the Board.
 - (ii) the Option Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror, Kingston Securities and the Company that the Options acquired under the Option Offer are sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching thereto on or after the date on which the Option Offer is made.
- (i) References to the Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension and/or revision thereof.
- (j) Sellers’ ad valorem stamp duty for the Shares arising in connection with the acceptance of the Share Offer will be payable by the Shareholders at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by the Offeror for such person’s Shares or the market value of such person’s Shares, whichever is the higher, and will be deducted from the cash amount due to such person under the Share Offer. The Offeror will pay the buyer’s ad valorem stamp duty on its own behalf and the seller’s ad valorem stamp duty on behalf of the accepting Shareholders in respect of the Shares accepted under the Share Offer.
- (k) No stamp duty is payable in connection with the acceptance of the Option Offer.
- (l) Any Independent Shareholders or Optionholders accepting the Share Offer or the Option Offer respectively will be responsible for payment of any other transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.
- (m) Settlement of the consideration to which any Independent Shareholder and/or Optionholder is entitled under the Offers will be implemented in full in accordance with the terms of the Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder and/or Optionholder.

- (n) Acceptance of the Offers by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares and/or Options it has indicated in the Form(s) of Acceptance is the aggregate number of Shares and/or Options for which such nominee has received authorisations from the beneficial owners to accept the Offers on their behalf.
- (o) The English text of this Composite Document and of the Form(s) of Acceptance shall prevail over the Chinese text for the purpose of interpretation.
- (p) In making their decision, Independent Shareholders and Optionholders must rely on their own examination of the Group and the terms of the Share Offer and the Option Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form(s) of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, Kingston Securities, or their respective professional advisers. Shareholders and Optionholders should consult their own professional advisers for professional advice.
- (q) This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Share Offer and the Option Offer in Hong Kong and the operating rules of the Stock Exchange.

I. FINANCIAL SUMMARY

Set out below is a summary of the financial information of the Group for the three financial years ended 31 March 2012, 2013 and 2014, which is extracted from the audited consolidated financial statements of the Group as set forth in the annual reports of the Company for the three financial years ended 31 March 2012, 2013 and 2014. The auditor's report issued by Ernest & Young in respect of the Group's audited consolidated financial statements for the three financial years ended 31 March 2012, 2013 and 2014 did not contain any qualifications.

The Group has no exceptional items recorded in the financial statements of the Group for the three financial years ended 31 March 2012, 2013 and 2014.

THREE-YEAR FINANCIAL SUMMARY

	Year ended 31 March		
	2014	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Restated)	(Restated)
Revenue	<u>1,597,340</u>	<u>744,069</u>	<u>393,763</u>
Profit before income tax	680,744	450,560	423,153
Income tax expense	(87,535)	(41,026)	(29,666)
Profit for the year from discontinued operations	<u>—</u>	<u>—</u>	<u>1,809</u>
Profit for the year attributable to:			
Owners of the Company	593,521	409,536	395,228
Non-controlling interests	<u>(312)</u>	<u>(2)</u>	<u>68</u>
Dividends	<u>48,937</u>	<u>42,412</u>	<u>42,412</u>
Dividends per share	<u>HK0.75 cents</u>	<u>HK0.65 cents</u>	<u>HK0.65 cents</u>
Earnings per share attributable to the ordinary equity holders of the Company for the year			
— Basic and diluted	<u>HK9.10 cents</u>	<u>HK6.28 cents</u>	<u>HK6.06 cents</u>
From continuing operations			
— Basic and diluted	<u>HK9.10 cents</u>	<u>HK6.28 cents</u>	<u>HK6.03 cents</u>

II. AUDITED CONSOLIDATED FINANCIAL INFORMATION

The following financial information has been derived from the audited consolidated financial statements of the Group for the year ended 31 March 2014 as set forth in the annual report of the Company for the year ended 31 March 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2014

	Notes	2014 HK\$'000	2013 HK\$'000 (Restated)
REVENUE	5	1,597,340	744,069
Cost of sales		<u>(743,990)</u>	<u>(379,265)</u>
Gross profit		853,350	364,804
Other income and gains	5	116,604	85,119
Selling and distribution expenses		(56,139)	(40,716)
Administrative expenses		(136,025)	(95,498)
Other expenses		(159,572)	(145,713)
Finance costs	7	(18,354)	(11,228)
Fair value gains/(losses) of financial assets at fair value through profit or loss, net		41,365	(383)
Fair value gains/(losses) on investment properties, net	15	(11,580)	109,871
Share of profits and losses of:			
A joint venture		8,057	4,925
An associate		<u>43,038</u>	<u>179,379</u>
PROFIT BEFORE TAX	6	680,744	450,560
Income tax expense	10	<u>(87,535)</u>	<u>(41,026)</u>
PROFIT FOR THE YEAR		<u>593,209</u>	<u>409,534</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		(291,308)	205,890
Reclassification adjustment for an impairment loss included in profit or loss		<u>84,833</u>	<u>—</u>
		<u>(206,475)</u>	<u>205,890</u>
Exchange differences on translation of foreign operations		<u>(85)</u>	<u>2,465</u>
Other reserves:			
Release upon deemed partial disposals of an associate		—	(1,085)
Share of other comprehensive income of an associate		415	984
Share of other comprehensive income/(loss) of a joint venture		<u>(458)</u>	<u>1,109</u>
		<u>(43)</u>	<u>1,008</u>

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i> (Restated)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>(206,603)</u>	<u>209,363</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>386,606</u></u>	<u><u>618,897</u></u>
Profit attributable to:			
Owners of the parent	<i>11</i>	593,521	409,536
Non-controlling interests		<u>(312)</u>	<u>(2)</u>
		<u><u>593,209</u></u>	<u><u>409,534</u></u>
Total comprehensive income attributable to:			
Owners of the parent	<i>11</i>	386,918	618,899
Non-controlling interests		<u>(312)</u>	<u>(2)</u>
		<u><u>386,606</u></u>	<u><u>618,897</u></u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<i>13</i>		
For the year			
Basic and diluted		<u><u>HK9.10 cents</u></u>	<u><u>HK6.28 cents</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2014

	<i>Notes</i>	31 March 2014 <i>HK\$'000</i>	31 March 2013 <i>HK\$'000</i> (Restated)	1 April 2012 <i>HK\$'000</i> (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	<i>14</i>	70,668	4,818	7,581
Investment properties	<i>15</i>	1,140,070	679,900	719,790
Properties under development	<i>16</i>	700,000	1,249,162	1,264,114
Investment in a joint venture	<i>18</i>	91,341	93,438	90,457
Investment in an associate	<i>19</i>	521,592	480,327	361,968
Available-for-sale investments	<i>20</i>	119,704	334,529	—
Loans and interest receivables	<i>23</i>	210,797	881,054	255,805
Deposits paid	<i>24</i>	3,996	117,916	15,072
Deferred tax assets	<i>31</i>	548	817	570
Total non-current assets		<u>2,858,716</u>	<u>3,841,961</u>	<u>2,715,357</u>
CURRENT ASSETS				
Properties under development	<i>16</i>	567,283	585,118	—
Properties held for sale	<i>21</i>	341,109	167,346	364,514
Trade receivables	<i>22</i>	1,958	4,652	5,649
Loans and interest receivables	<i>23</i>	846,015	35,139	410,395
Prepayments, deposits and other receivables	<i>24</i>	347,138	286,876	49,669
Financial assets at fair value through profit or loss	<i>25</i>	105,274	55,989	75,446
Tax recoverable		699	1,024	2,454
Time deposits with original maturity over three months	<i>26</i>	10,000	—	20,000
Cash and cash equivalents	<i>26</i>	710,591	734,535	566,688
Total current assets		<u>2,930,067</u>	<u>1,870,679</u>	<u>1,494,815</u>
CURRENT LIABILITIES				
Trade payables	<i>27</i>	56,792	38,473	22,687
Other payables and accruals	<i>28</i>	60,159	47,983	29,929
Deposits received and receipts in advance		361,446	367,471	106,894
Interest-bearing bank loans	<i>29</i>	447,315	284,122	229,483
Provisions for onerous contracts	<i>30</i>	2,398	880	770
Tax payable		121,864	43,197	27,493
Total current liabilities		<u>1,049,974</u>	<u>782,126</u>	<u>417,256</u>
NET CURRENT ASSETS		<u>1,880,093</u>	<u>1,088,553</u>	<u>1,077,559</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,738,809</u>	<u>4,930,514</u>	<u>3,792,916</u>

		31 March 2014	31 March 2013	1 April 2012
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)	<i>HK\$'000</i> (Restated)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,738,809</u>	<u>4,930,514</u>	<u>3,792,916</u>
NON-CURRENT LIABILITIES				
Interest-bearing bank loans	29	819,540	1,345,697	790,171
Provisions for onerous contracts	30	1,651	2,369	2,687
Deferred tax liabilities	31	4,427	10,188	8,663
Other payables	28	<u>984</u>	<u>4,264</u>	<u>—</u>
Total non-current liabilities		<u>826,602</u>	<u>1,362,518</u>	<u>801,521</u>
Net assets		<u><u>3,912,207</u></u>	<u><u>3,567,996</u></u>	<u><u>2,991,395</u></u>
EQUITY				
Equity attributable to owners of the parent				
Issued capital	32	65,249	65,249	65,249
Reserves	34(a)	<u>3,846,805</u>	<u>3,502,282</u>	<u>2,925,679</u>
		<u>3,912,054</u>	<u>3,567,531</u>	<u>2,990,928</u>
Non-controlling interests		<u>153</u>	<u>465</u>	<u>467</u>
Total equity		<u><u>3,912,207</u></u>	<u><u>3,567,996</u></u>	<u><u>2,991,395</u></u>

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

Year ended 31 March 2014

	Attributable to owners of the parent											
	Notes	Issued capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Available-for-sale investment			Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
					revaluation reserve HK\$'000	Share option reserve HK\$'000	Exchange fluctuation reserve HK\$'000					
At 1 April 2012												
As previously reported		65,249	1,462,363	306,353	—	8,535	12,236	3,861	1,132,331	2,990,928	467	2,991,395
Prior year adjustments		—	—	—	—	—	(13,979)	11,333	2,646	—	—	—
As restated		65,249	1,462,363	306,353	—	8,535	(1,743)	15,194	1,134,977	2,990,928	467	2,991,395
Profit for the year		—	—	—	—	—	—	—	409,536	409,536	(2)	409,534
Other comprehensive income for the year:												
Change in fair value of available-for-sale investments	20	—	—	—	205,890	—	—	—	—	205,890	—	205,890
Exchange differences on translation of foreign operations		—	—	—	—	—	2,465	—	—	2,465	—	2,465
Share of other comprehensive income of a joint venture		—	—	—	—	—	—	1,109	—	1,109	—	1,109
Release upon deemed partial disposals of an associate		—	—	—	—	—	—	(1,085)	—	(1,085)	—	(1,085)
Share of other comprehensive income of an associate		—	—	—	—	—	—	984	—	984	—	984
Total comprehensive income for the year		—	—	—	205,890	—	2,465	1,008	409,536	618,899	(2)	618,897
Transfer of share option reserve upon the forfeiture or expiry of share options		—	—	—	—	(2,554)	—	—	2,554	—	—	—
Equity-settled share option arrangements	33	—	—	—	—	116	—	—	—	116	—	116
Final 2012 dividend		—	—	—	—	—	—	—	(32,625)	(32,625)	—	(32,625)
Interim 2013 dividend	12	—	—	—	—	—	—	—	(9,787)	(9,787)	—	(9,787)
At 31 March 2013		65,249	1,462,363*	306,353*	205,890*	6,097*	722*	16,202*	1,504,655*	3,567,531	465	3,567,996

		Attributable to owners of the parent										
		Issued capital	Share premium account	Contributed surplus	Available-for-sale investment revaluation reserve	Share option reserve	Exchange fluctuation reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2013												
	As previously reported	65,249	1,462,363	306,353	205,890	6,097	15,810	4,069	1,501,700	3,567,531	465	3,567,996
	Prior year adjustments	—	—	—	—	—	(15,088)	12,133	2,955	—	—	—
	As restated	65,249	1,462,363	306,353	205,890	6,097	722	16,202	1,504,655	3,567,531	465	3,567,996
	Profit for the year	—	—	—	—	—	—	—	593,521	593,521	(312)	593,209
	Other comprehensive loss for the year:											
	Available-for-sale investments:											
	Change in fair value of available-for-sale investments	20	—	—	(291,308)	—	—	—	—	(291,308)	—	(291,308)
	Reclassification adjustment for an impairment loss included in profit or loss		—	—	84,833	—	—	—	—	84,833	—	84,833
	Exchange differences on translation of foreign operations		—	—	—	—	(85)	—	—	(85)	—	(85)
	Share of other comprehensive loss of a joint venture		—	—	—	—	—	(458)	—	(458)	—	(458)
	Share of other comprehensive income of an associate		—	—	—	—	—	415	—	415	—	415
	Total comprehensive income for the year		—	—	(206,475)	—	(85)	(43)	593,521	386,918	(312)	386,606
	Transfer of share option reserve upon the forfeiture of share options		—	—	—	(181)	—	—	181	—	—	—
	Equity-settled share option arrangements	33	—	—	—	17	—	—	—	17	—	17
	Final 2013 dividend	12	—	—	—	—	—	—	(32,625)	(32,625)	—	(32,625)
	Interim 2014 dividend	12	—	—	—	—	—	—	(9,787)	(9,787)	—	(9,787)
	At 31 March 2014	65,249	1,462,363*	306,353*	(585)*	5,933*	637*	16,159*	2,055,945*	3,912,054	153	3,912,207

* These reserve accounts comprise the consolidated reserves of HK\$3,846,805,000 (2013: HK\$3,502,282,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOW

Year ended 31 March 2014

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i> (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		680,744	450,560
Adjustments for:			
Finance costs	7	18,354	11,228
Share of profits and losses of a joint venture and an associate		(51,095)	(184,304)
Loss on deemed partial disposals of an associate	6	—	104,917
Bank interest income and interest income from financial investments and loans receivables		(93,759)	(66,723)
Dividend income from listed securities	5	(2,407)	(787)
Loss on disposal of financial assets at fair value through profit or loss, net	6	—	4,530
Gain on disposal of investment properties, net	5	(699)	(5,354)
Gain on disposal and write-off of items of property, plant and equipment	5	(14)	(14)
Fair value losses/(gains) on investment properties, net	15	11,580	(109,871)
Fair value losses/(gains) on financial assets at fair value through profit or loss, net		(41,365)	383
Depreciation	14	4,677	5,248
Amount provided/(utilised) for onerous contracts, net	6	800	(208)
Impairment of an available-for-sale investment	6	84,833	—
Write-down of properties under development to net realisable value, net	6	73,068	36,049
Impairment/(write-back of impairment) of trade receivables, net	6	17	(7)
Accrued rent-free rental income	15	360	(438)
Equity-settled share option expense	33	17	116
		<u>685,111</u>	<u>245,325</u>
Decrease in properties held for sale		568,999	197,168
Increase in properties under development		(234,609)	(117,638)
Increase in trade receivables, prepayments, deposits and other receivables		(45,265)	(236,676)
Increase in trade payables		18,319	15,786
Increase in other payables and accruals		8,406	21,203
Increase/(decrease) in deposits received and receipts in advance		<u>(6,025)</u>	<u>260,577</u>
Cash generated from operations		994,936	385,745
Profits tax paid		<u>(14,035)</u>	<u>(23,092)</u>
Net cash flows from operating activities		<u>980,901</u>	<u>362,653</u>

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i> (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary that is not a business	35	—	(475,613)
Interest received		85,072	46,687
Dividend income from listed securities		2,407	787
Dividend income from a joint venture		9,696	3,053
Dividend income from an associate		2,188	—
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		(10,000)	20,000
Increase in loans receivables		(131,931)	(229,957)
Investment in an associate		—	(43,998)
Deposit paid for acquisition of investment properties		—	(101,600)
Additions to investment properties		(436,910)	(981)
Purchases of items of property, plant and equipment		(8,527)	(2,599)
Purchases of available-for-sale investments		(76,484)	(124,079)
Purchases of financial assets at fair value through profit or loss		(7,920)	(6,910)
Proceeds from disposal of investment properties		5,099	156,534
Proceeds from disposal of items of property, plant and equipment		14	128
Proceeds from disposal of financial assets at fair value through profit or loss		—	16,894
Net cash flows used in investing activities		<u>(567,296)</u>	<u>(741,654)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(31,915)	(25,102)
Dividends paid		(42,412)	(42,412)
Repayment of bank loans		(790,502)	(200,560)
New bank loans		<u>428,000</u>	<u>814,000</u>
Net cash flows from/(used in) financing activities		<u>(436,829)</u>	<u>545,926</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(23,224)	166,925
Cash and cash equivalents at beginning of year		734,535	566,688
Effect of foreign exchange rate changes, net		(720)	922
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>710,591</u></u>	<u><u>734,535</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	367,653	341,465
Non-pledged time deposits with original maturity of less than three months when acquired	26	<u>342,938</u>	<u>393,070</u>
		<u><u>710,591</u></u>	<u><u>734,535</u></u>

STATEMENT OF FINANCIAL POSITION

31 March 2014

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Investments in subsidiaries	17	<u>2,019,288</u>	<u>1,876,873</u>
CURRENT ASSETS			
Prepayments, deposits and other receivables	24	2,014	1,280
Financial assets at fair value through profit or loss	25	14,639	10,322
Time deposits with original maturity over three months	26	10,000	—
Cash and cash equivalents	26	<u>484,011</u>	<u>490,517</u>
Total current assets		<u>510,664</u>	<u>502,119</u>
CURRENT LIABILITIES			
Other payables and accruals	28	24,813	17,910
Interest-bearing bank loans	29	<u>12,053</u>	<u>16,053</u>
Total current liabilities		<u>36,866</u>	<u>33,963</u>
NET CURRENT ASSETS		<u>473,798</u>	<u>468,156</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,493,086</u>	<u>2,345,029</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	29	<u>15,400</u>	<u>17,454</u>
Net assets		<u><u>2,477,686</u></u>	<u><u>2,327,575</u></u>
EQUITY			
Issued capital	32	65,249	65,249
Reserves	34(b)	<u>2,412,437</u>	<u>2,262,326</u>
Total equity		<u><u>2,477,686</u></u>	<u><u>2,327,575</u></u>

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Wang On Group Limited (the “Company”) is a limited liability company incorporated in Bermuda, and its head office and principal place of business are both located at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the following principal activities:

- property development
- property investment
- management and sub-licensing of Chinese wet markets

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — <i>Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets — Recoverable Amount Disclosure for Non-Financial Assets</i> (early adopted)
HK(IFRIC)-Int 20 <i>Annual Improvements 2009–2011 Cycle</i>	<i>Stripping Costs in the Production Phase of a Surface Mine</i> Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, amendments to HKFRS 10, HKFRS 11, HKFRS 12, HKAS 1 and HKAS 36, and certain amendments included in *Annual Improvements 2009–2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

- (a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation — Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (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 the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 April 2013.

- (b) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

The directors of the Company reviewed and assessed the classification of the Group's investment in a joint arrangement in accordance with the requirements of HKFRS 11 and concluded that the Group's investment in Shenzhen Jimao Market Co., Limited ("Shenzhen Jimao"), which was previously classified as a jointly-controlled entity under HKAS 31 and was accounted for using the proportionate consolidation method, should be classified as a joint venture under HKFRS 11 and be accounted for using the equity method. The change in accounting for investment in a joint venture has been applied retrospectively. The opening balances as at 1 April 2012 and comparative information for the year ended 31 March 2013 have been restated in the consolidated financial statements.

The quantitative impact on the financial statements is summarised below:

Impact on the consolidated statement of profit or loss and other comprehensive income:

	Year ended 31 March 2013 HK\$'000
Decrease in revenue	(17,393)
Decrease in cost of sales	<u>5,762</u>
Decrease in gross profit	(11,631)
Decrease in other income and gains	(461)
Decrease in administrative expenses	5,124
Increase in fair value gains on investment properties, net	1,511
Increase in share of profit and loss of a joint venture	<u>4,925</u>
Decrease in profit before tax	(532)
Decrease in income tax expense	<u>532</u>
Net impact on profit for the year and earnings per share	<u><u>—</u></u>
Net impact on other comprehensive income	<u><u>—</u></u>

Impact on the consolidated statement of financial position:

	As at 31 March 2013 HK\$'000	As at 1 April 2012 HK\$'000
Decrease in property, plant and equipment	(752)	(896)
Decrease in investment properties	(77,117)	(77,652)
Decrease in goodwill	(1,376)	(1,376)
Increase in investment in a joint venture	<u>93,438</u>	<u>90,457*</u>
Increase in total non-current assets	<u>14,193</u>	<u>10,533</u>
Decrease in prepayments, deposits and other receivables	(1,196)	(1,016)
Decrease in cash and cash equivalents	<u>(18,116)</u>	<u>(15,407)</u>
Decrease in total current assets	<u>(19,312)</u>	<u>(16,423)</u>
Decrease in other payables and accruals	1,303	1,248
Decrease in deposits received and receipts in advance	2,756	2,837
Decrease in tax payable	<u>1,125</u>	<u>1,496</u>
Decrease in total current liabilities	<u>5,184</u>	<u>5,581</u>
Decrease in net current assets	<u>(14,128)</u>	<u>(10,842)</u>
Decrease/(increase) in deferred tax liabilities and total non-current liabilities	<u>(65)</u>	<u>309</u>
Impact on net assets and equity	<u>—</u>	<u>—</u>

* The Group recognised the initial investment in Shenzhen Jimao as at 1 April 2012 at the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated, including goodwill arising from acquisition.

Impact on the consolidated statement of cash flows:

	Year ended 31 March 2013 HK\$'000
Decrease in net cash flows from operating activities	(5,360)
Decrease in net cash flows used in investing activities	2,915
Decrease in net cash flows used in financing activities	<u>—</u>
Net decrease in cash and cash equivalents	<u>(2,445)</u>

- (c) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities. Details of the disclosures for subsidiaries, a joint venture and an associate are included in notes 17, 18 and 19 to the financial statements.

- (d) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.
- (e) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended. Additional disclosures required by HKFRS 13 for the fair value measurements of investment properties and financial instruments are included in notes 15 and 41 to the financial statements.
- (f) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The Group has also chosen to use the new title "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.
- (g) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.
- (h) *Annual Improvements 2009–2011 Cycle* issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:
- *HKAS 1 Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 9	<i>Financial Instruments</i> ⁴
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	<i>Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39</i> ⁴
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — <i>Investment Entities</i> ¹
HKFRS 14	<i>Regulatory Deferral Accounts</i> ³
HKAS 19 Amendments	Amendments to HKAS 19 <i>Employee Benefits — Defined Benefit Plans: Employee Contributions</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities</i> ¹
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting</i> ¹
HK(IFRIC)-Int 21	<i>Levies</i> ¹
<i>Annual Improvements 2010–2012 Cycle</i>	Amendments to a number of HKFRSs issued in January 2014 ²
<i>Annual Improvements 2011–2013 Cycle</i>	Amendments to a number of HKFRSs issued in January 2014 ²

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 July 2014

³ Effective for annual periods beginning on or after 1 January 2016

⁴ No mandatory effective date yet determined but is available for adoption

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

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

In December 2013, the HKICPA added to HKFRS 9 the requirements related to hedge accounting and made some related changes to HKAS 39 and HKFRS 7 which include the corresponding disclosures about risk management activity for applying hedge accounting. The amendments to HKFRS 9 relax the requirements for assessing hedge effectiveness which result in more risk management strategies being eligible for hedge accounting.

The amendments also allow greater flexibility on the hedged items and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments. In addition, the amendments to HKFRS 9 allow an entity to apply only the improved accounting for own credit risk-related fair value gains and losses arising on FVO liabilities as introduced in 2010 without applying the other HKFRS 9 requirements at the same time.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

The HKAS 32 Amendments clarify the meaning of “currently has a legally enforceable right to set off” for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2014.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including structured entities), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The results of subsidiaries are included in the Company’s profit or loss to the extent of dividends received and receivable. The Company’s investments in subsidiaries are stated at cost less any impairment losses.

Investment in an associate and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in an associate and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of an associate and a joint venture is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate or joint venture are eliminated to the extent of the Group's investment in an associate or a joint venture, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associate or joint venture is included as part of the Group's investment in an associate or a joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, properties held for sale, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) 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).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3%
Leasehold land under finance leases	Over the lease terms
Leasehold improvements	15% to 33% or over the lease term
Plant and machinery	15% to 50%
Furniture, fixtures and office equipment	15% to 50%
Motor vehicles	20%
Computer equipment	15% to 33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment and depreciation” up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property, plant and equipment and depreciation” above.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise construction costs, borrowing costs, professional fees, payments for land use rights and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Sales deposits/instalments received and receivable from purchasers in respect of pre-sale of properties under development prior to completion of the development are included in current liabilities.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices on an individual property basis.

Investments and other financial assets***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as other expenses in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other expenses. Dividends earned whilst holding the available-for-sale financial investments are reported as dividend income and are recognised in profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primary derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss — is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of other income. Impairment losses on debt instruments are reversed through profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, accruals and interest-bearing bank loans.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Provision for onerous contracts represents provision for lease contracts for certain Hong Kong properties and projects where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received under them. Provisions for onerous contracts are recognised based on the difference between the rental payments receivable by the Group and those unavoidable rental payments payable by the Group under the contracts, together with any compensation or penalties arising from the failure to fulfill the contracts, discounted to their present value as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associate and joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associate and joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

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

- (a) rental and sub-licensing fee income, on a time proportion basis over the lease terms;
- (b) from the provision of services, when the services are rendered;
- (c) from the sale of properties, when the sale agreement becomes unconditional;
- (d) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;
- (e) from the sale of listed securities, on the trade dates; and
- (f) dividend income, where the shareholders' right to receive payment has been established.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 33 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits***Pension schemes***

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme (the "PRC Pension Scheme") operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the PRC Pension Scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the PRC Pension Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Final dividends are recognised as a liability when they have been approved by the shareholders.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and a joint venture are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rate for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Operating lease commitments — Group as lessor

The Group has entered into property leases on its investment property portfolio. The Group has determined, based on an evaluation of terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Whether the presumption that investment properties stated at fair value are recovered through sale is rebutted in determining deferred tax

The Group's joint venture has investment properties located in Mainland China which are measured at fair value. Investment property is property held to earn rentals or for capital appreciation or both. In considering whether the presumption in HKAS 12 Income Taxes that an investment property measured at fair value will be recovered through sale is rebutted in determining deferred tax, the Group has developed certain criteria in making that judgement, such as whether an investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time or through sale. The presumption is rebutted only in the circumstance that there are sufficient evidence such as historical transactions, future development plans and management's intention to demonstrate the investment property is held with the objective to consume substantially all of the economic benefits over time, rather than through sale. Continuous assessments on the presumption will be made by management at each reporting date.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details on deferred tax assets are included in note 31 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment of all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental

costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of properties under development and properties held for sale

Properties under development and properties held for sale are stated at the lower of cost and net realisable value. The cost of each unit in each phase of development is determined using the weighted average method. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost of completion (if any), which are estimated based on the best available information.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in a provision for properties under development and properties held for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which the estimate is changed will be adjusted accordingly.

For the year ended 31 March 2014, a write-down of properties under development to net realisable value amounting to HK\$73,068,000 (2013: HK\$36,049,000) was recognised in other expenses in profit or loss.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location or subject to different leases or other contracts, adjusted to reflect those differences;
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs. The carrying amount of investment properties at 31 March 2014 was HK\$1,140,070,000 (2013: HK\$679,900,000 (as restated)).

Useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and its competitor's actions. Management will increase the depreciation charge where useful lives are less than previously estimates, or it will write off or write down technically obsolete assets that have been abandoned.

The carrying value of an item of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this section. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs to sell and value in use, the calculations of which involve the use of estimates.

Impairment of available-for-sale investments

The Group classifies certain assets as available-for-sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in profit or loss. At 31 March 2014, an impairment loss of HK\$84,833,000 has been recognised for available-for-sale assets (2013: Nil). The carrying amount of available-for-sale assets was HK\$119,704,000 (2013: HK\$334,529,000).

Allowance on trade and other receivables

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability and the aged analysis of the outstanding receivables and on management's estimation.

A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

PRC corporate income tax ("CIT")

The Group is subject to income taxes in the People's Republic of China (the "PRC"). As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the property development segment engages in the development of properties;
- (b) the property investment segment engages in investment and the trading of industrial and commercial premises and residential units for rental or for sale; and
- (c) the Chinese wet markets segment engages in the management and sub-licensing of Chinese wet markets.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, head office and corporate income and expenses and share of profits and losses of a joint venture and an associate are excluded from such measurement.

APPENDIX II
FINANCIAL INFORMATION ON THE GROUP
Year ended 31 March

	Property development		Property investment		Chinese wet markets		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
						(Restated)		(Restated)
Segment revenue:								
Sales to external customers	899,046	—	504,814	524,040	193,480	220,029	1,597,340	744,069
Other revenue	1,065	6	7,461	115,811	5,801	7,568	14,327	123,385
Total	900,111	6	512,275	639,851	199,281	227,597	1,611,667	867,454
Segment results	310,581	(71,769)	295,693	379,644	24,733	19,555	631,007	327,430
<i>Reconciliation:</i>								
Interest income							93,759	66,723
Finance costs							(18,354)	(11,228)
Corporate and unallocated income							49,883	4,882
Corporate and unallocated expenses							(126,646)	(121,551)
Share of profits and losses of:								
A joint venture					8,057	4,925	8,057	4,925
An associate							43,038	179,379
Profit before tax							680,744	450,560
Income tax expense							(87,535)	(41,026)
Profit for the year							593,209	409,534

Year ended 31 March

	Property development		Property investment		Chinese wet markets		Corporate and others		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
						(Restated)				(Restated)
Other segment information:										
Depreciation	53	53	700	110	1,635	3,616	2,289	1,469	4,677	5,248
Impairment of an available-for-sale investment	—	—	—	—	—	—	84,833	—	84,833	—
Write-down of properties under development to net realisable value, net	73,068	36,049	—	—	—	—	—	—	73,068	36,049
Impairment/(write-back) of trade receivables, net	—	—	—	—	17	(7)	—	—	17	(7)
Capital expenditure*	248,833	606,215	541,153	1,089	1,497	1,111	4,387	1,379	795,870	609,794
Fair value losses/(gains) on investment properties, net	—	—	11,580	(109,871)	—	—	—	—	11,580	(109,871)
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	—	—	—	—	—	—	(41,365)	383	(41,365)	383
Investment in a joint venture	—	—	—	—	91,341	93,438	—	—	91,341	93,438
Investment in an associate	—	—	—	—	—	—	521,592	480,327	521,592	480,327
Share of profits and losses of:										
A joint venture	—	—	—	—	(8,057)	(4,925)	—	—	(8,057)	(4,925)
An associate	—	—	—	—	—	—	(43,038)	(179,379)	(43,038)	(179,379)

* Capital expenditure consists of additions to property, plant and equipment, properties under development and investment properties.

Geographical information*(a) Sales to external customers*

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i> (Restated)
Hong Kong	1,596,558	743,272
Mainland China	<u>782</u>	<u>797</u>
	<u><u>1,597,340</u></u>	<u><u>744,069</u></u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i> (Restated)
Hong Kong	2,432,199	2,413,865
Mainland China	<u>91,472</u>	<u>93,780</u>
	<u><u>2,523,671</u></u>	<u><u>2,507,645</u></u>

The non-current assets information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

For the years ended 31 March 2014 and 2013, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents sub-licensing and management fee income received and receivable; the invoiced value of services rendered; gross rental income received and receivable from investment properties and proceeds from the sale of properties during the year.

An analysis of the Group's revenue, other income and gains is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)
Revenue		
Sub-licensing fee income	191,114	214,441
Property management fee income	3,257	6,129
Gross rental income	43,713	54,316
Sale of properties	<u>1,359,256</u>	<u>469,183</u>
	<u>1,597,340</u>	<u>744,069</u>
Other income		
Bank interest income	4,493	2,821
Interest income from financial investments	635	712
Interest income from loans receivable	88,631	63,190
Dividend income from listed securities	2,407	787
Management fee income	3,520	4,247
Commission fee income	2,651	—
Others	<u>13,554</u>	<u>7,994</u>
	<u>115,891</u>	<u>79,751</u>
Gains		
Gain on disposal of investment properties, net	699	5,354
Gain on disposal and write-off of items of property, plant and equipment	<u>14</u>	<u>14</u>
	<u>713</u>	<u>5,368</u>
Other income and gains	<u>116,604</u>	<u>85,119</u>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Group	
		2014 HK\$'000	2013 HK\$'000 (Restated)
Cost of services provided		169,090	180,404
Cost of properties sold		574,900	198,861
Depreciation	14	4,677	5,248
Minimum lease payments under operating leases in respect of land and buildings		115,427	125,511
Auditors' remuneration		2,300	2,250
Employee benefit expense (including directors' remuneration (note 8)):			
Wages and salaries		104,264	78,598
Equity-settled share option expense		17	116
Pension scheme contributions		1,548	1,364
Less: Amount capitalised		<u>(8,702)</u>	<u>(5,532)</u>
		<u>97,127</u>	<u>74,546</u>
Gross rental income	5	(43,713)	(54,316)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		<u>11,755</u>	<u>4,178</u>
		<u>(31,958)</u>	<u>(50,138)</u>
Impairment of an available-for-sale investment*	20	84,833	—
Loss on disposal of financial assets at fair value through profit or loss, net*		—	4,530
Loss on deemed partial disposals of an associate*	19	—	104,917
Write-down of properties under development to net realisable value, net*	16	73,068	36,049
Amount provided/(utilised) for onerous contracts, net	30	800	(208)
Impairment/(write-back of impairment) of trade receivables, net*	22	17	(7)
Foreign exchange losses, net*		<u>1,654</u>	<u>224</u>

* These expenses are included in "Other expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans:		
Wholly repayable within five years	20,963	13,470
Repayable beyond five years (<i>Note</i>)	<u>11,615</u>	<u>9,481</u>
	32,578	22,951
Less: Interest capitalised	<u>(14,224)</u>	<u>(11,723)</u>
	<u><u>18,354</u></u>	<u><u>11,228</u></u>

The above analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements.

Note:

Included interests of HK\$4,488,000 (2013: HK\$5,464,000) on bank borrowings which contain a repayment on demand clause.

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Fees	<u>771</u>	<u>771</u>
Other emoluments:		
Salaries, allowances and benefits in kind	16,126	10,276
Performance-related bonuses*	27,707	23,983
Equity-settled share option expense	—	—
Pension scheme contributions	<u>101</u>	<u>100</u>
	<u>43,934</u>	<u>34,359</u>
	<u><u>44,705</u></u>	<u><u>35,130</u></u>

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the Group's operating results, individual performance of the directors and comparable market practices during the year.

In prior years, share options were granted to these directors, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 33 to the financial statements. The fair value of these options, which has been recognised in profit or loss over the vesting period, was determined as at the dates of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

APPENDIX II
FINANCIAL INFORMATION ON THE GROUP

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

Executive directors and independent non-executive directors:

	Fees <i>HK\$'000</i>	Salaries, allowances and benefits in kind <i>HK\$'000</i>	Performance — related bonuses <i>HK\$'000</i>	Equity- settled share option expense <i>HK\$'000</i>	Pension scheme contributions <i>HK\$'000</i>	Total remuneration <i>HK\$'000</i>
2014						
Executive directors:						
Mr. Tang Ching Ho, <i>JP</i>	—	10,168	19,542	—	15	29,725
Ms. Yau Yuk Yin	—	4,515	551	—	15	5,081
Mr. Chan Chun Hong, Thomas	—	1,443	7,614	—	71	9,128
	<u>—</u>	<u>16,126</u>	<u>27,707</u>	<u>—</u>	<u>101</u>	<u>43,934</u>
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, <i>CBE, BS, FHKIE, JP</i>	297	—	—	—	—	297
Mr. Wong Chun, Justein, <i>BBS, MBE, JP</i>	217	—	—	—	—	217
Mr. Siu Yim Kwan, Sidney, <i>S.B. St.J.</i>	117	—	—	—	—	117
Mr. Siu Kam Chau	140	—	—	—	—	140
	<u>771</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>771</u>
	<u>771</u>	<u>16,126</u>	<u>27,707</u>	<u>—</u>	<u>101</u>	<u>44,705</u>
2013						
Executive directors:						
Mr. Tang Ching Ho, <i>JP</i>	—	4,536	13,172	—	15	17,723
Ms. Yau Yuk Yin	—	4,327	271	—	15	4,613
Mr. Chan Chun Hong, Thomas	—	1,413	10,540	—	70	12,023
	<u>—</u>	<u>10,276</u>	<u>23,983</u>	<u>—</u>	<u>100</u>	<u>34,359</u>
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, <i>CBE, BS, FHKIE, JP</i>	297	—	—	—	—	297
Mr. Wong Chun, Justein, <i>BBS, MBE, JP</i>	217	—	—	—	—	217
Mr. Siu Yim Kwan, Sidney, <i>S.B. St.J.</i>	117	—	—	—	—	117
Mr. Siu Kam Chau	140	—	—	—	—	140
	<u>771</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>771</u>
	<u>771</u>	<u>10,276</u>	<u>23,983</u>	<u>—</u>	<u>100</u>	<u>35,130</u>

There were no other emoluments payable to the independent non-executive directors during the year (2013: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2013: three) directors, details of whose remuneration are disclosed in note 8 above. Details of the remuneration for the year of the remaining two (2013: two) non-director, highest paid employees are as follows:

	Group	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Salaries, allowances and benefits in kind	2,491	2,238
Performance-related bonuses	1,845	842
Equity-settled share option expense	—	—
Pension scheme contributions	30	29
	<u>4,366</u>	<u>3,109</u>

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2014	2013
HK\$1,000,001 to HK\$1,500,000	—	1
HK\$1,500,001 to HK\$2,000,000	1	1
HK\$2,000,001 to HK\$2,500,000	—	—
HK\$2,500,001 to HK\$3,000,000	1	—

In prior years, share options were granted to these non-directors, highest paid employees, in respect of their services to the Group, further details of which are set out in note 33 to the financial statements. The fair value of these options, which has been recognised in profit or loss over the vesting period, was determined as at the dates of grant and the amount included in the financial statements for the current year is included in the above non-director highest paid employees' remuneration disclosures.

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China.

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)
Group:		
Current — Hong Kong		
Charge for the year	86,857	31,459
Under/(over) provision in prior years	2,831	(1,407)
	89,688	30,052
Current — Mainland China		
Charge for the year	3,339	10,174
Deferred (note 31)	(5,492)	800
	(2,153)	10,974
Total tax charge for the year	<u>87,535</u>	<u>41,026</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)
Profit before tax	<u>680,744</u>	<u>450,560</u>
Tax at the statutory tax rates of different jurisdictions	112,323	74,884
Effect of withholding tax at 10% on the distributable profits of the Group's PRC joint venture	801	305
Adjustments in respect of current tax of previous periods	2,831	(1,407)
Profits and losses attributable to a joint venture and an associate	(9,115)	(30,829)
Income not subject to tax	(56,632)	(30,496)
Expenses not deductible for tax	38,917	27,659
Tax losses utilised from previous periods	(5,045)	(3,709)
Tax losses not recognised	7,427	5,895
Other tax	2,538	—
Others	<u>(6,510)</u>	<u>(1,276)</u>
Tax charge at the Group's effective rate	<u>87,535</u>	<u>41,026</u>

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 March 2014 includes a loss of HK\$19,857,000 (2013: HK\$9,595,000) which has been dealt with in the financial statements of the Company (note 34(b)).

12. DIVIDENDS

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interim — HK0.15 cents (2013: HK0.15 cents) per ordinary share	9,787	9,787
Proposed final — HK0.6 cents (2013: HK0.5 cents) per ordinary share	<u>39,150</u>	<u>32,625</u>
	<u>48,937</u>	<u>42,412</u>

The final dividend proposed subsequent to the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 6,524,935,021 (2013: 6,524,935,021) in issue during the year.

The calculation of diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2014 and 2013 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

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

	2014 HK\$'000	2013 HK\$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	<u>593,521</u>	<u>409,536</u>
	Number of shares	
	2014	2013
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	<u>6,524,935,021</u>	<u>6,524,935,021</u>

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Computer equipment HK\$'000	Total HK\$'000
31 March 2014							
At 31 March 2013 and at 1 April 2013:							
Cost	—	46,476	824	8,526	3,112	7,273	66,211
Accumulated depreciation	<u>—</u>	<u>(45,014)</u>	<u>(616)</u>	<u>(8,355)</u>	<u>(1,503)</u>	<u>(5,905)</u>	<u>(61,393)</u>
Net carrying amount	<u>—</u>	<u>1,462</u>	<u>208</u>	<u>171</u>	<u>1,609</u>	<u>1,368</u>	<u>4,818</u>
At 1 April 2013, net of accumulated depreciation	—	1,462	208	171	1,609	1,368	4,818
Additions	2,643	289	1,126	982	609	2,878	8,527
Transfer from investment properties (<i>note 15</i>)	62,000	—	—	—	—	—	62,000
Depreciation provided during the year	<u>(683)</u>	<u>(1,123)</u>	<u>(632)</u>	<u>(200)</u>	<u>(657)</u>	<u>(1,382)</u>	<u>(4,677)</u>
At 31 March 2014, net of accumulated depreciation	<u>63,960</u>	<u>628</u>	<u>702</u>	<u>953</u>	<u>1,561</u>	<u>2,864</u>	<u>70,668</u>
At 31 March 2014:							
Cost	64,643	46,187	1,535	7,648	3,378	10,100	133,491
Accumulated depreciation	<u>(683)</u>	<u>(45,559)</u>	<u>(833)</u>	<u>(6,695)</u>	<u>(1,817)</u>	<u>(7,236)</u>	<u>(62,823)</u>
Net carrying amount	<u>63,960</u>	<u>628</u>	<u>702</u>	<u>953</u>	<u>1,561</u>	<u>2,864</u>	<u>70,668</u>

Group

	Leasehold improvements <i>HK\$'000</i> (Restated)	Plant and machinery <i>HK\$'000</i> (Restated)	Furniture, fixtures and office equipment <i>HK\$'000</i> (Restated)	Motor vehicles <i>HK\$'000</i> (Restated)	Computer equipment <i>HK\$'000</i>	Total <i>HK\$'000</i> (Restated)
31 March 2013						
At 31 March 2012 and at 1 April 2012:						
Cost	59,971	1,300	8,347	3,057	6,400	79,075
Accumulated depreciation	<u>(55,724)</u>	<u>(1,114)</u>	<u>(8,280)</u>	<u>(1,236)</u>	<u>(5,140)</u>	<u>(71,494)</u>
Net carrying amount	<u>4,247</u>	<u>186</u>	<u>67</u>	<u>1,821</u>	<u>1,260</u>	<u>7,581</u>
At 1 April 2012, net of accumulated depreciation	4,247	186	67	1,821	1,260	7,581
Additions	733	425	242	325	873	2,598
Disposals and write-off	(109)	—	(4)	—	—	(113)
Depreciation provided during the year	<u>(3,409)</u>	<u>(403)</u>	<u>(134)</u>	<u>(537)</u>	<u>(765)</u>	<u>(5,248)</u>
At 31 March 2013, net of accumulated depreciation	<u>1,462</u>	<u>208</u>	<u>171</u>	<u>1,609</u>	<u>1,368</u>	<u>4,818</u>
At 31 March 2013:						
Cost	46,476	824	8,526	3,112	7,273	66,211
Accumulated depreciation	<u>(45,014)</u>	<u>(616)</u>	<u>(8,355)</u>	<u>(1,503)</u>	<u>(5,905)</u>	<u>(61,393)</u>
Net carrying amount	<u>1,462</u>	<u>208</u>	<u>171</u>	<u>1,609</u>	<u>1,368</u>	<u>4,818</u>

The Group's leasehold land included in land and buildings is situated in Hong Kong and is held under a medium term lease.

At 31 March 2014, the Group's land and buildings with a net carrying amount of approximately HK\$63,960,000 (2013: Nil) were pledged to secure general banking facilities granted to the Group (note 29).

15. INVESTMENT PROPERTIES

	Group	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i> (Restated)
Carrying amount at 1 April	679,900	719,790
Additions	538,510	981
Disposals	(4,400)	(151,180)
Transfer to property, plant and equipment (<i>note 14</i>)	(62,000)	—
Accrued rent-free rental income	(360)	438
Net gain/(loss) from fair value adjustments	<u>(11,580)</u>	<u>109,871</u>
Carrying amount at 31 March	<u>1,140,070</u>	<u>679,900</u>

The Group's investment properties are situated in Hong Kong and are held under the following lease terms:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)
Long term leases	335,830	332,060
Medium term leases	<u>804,240</u>	<u>347,840</u>
	<u><u>1,140,070</u></u>	<u><u>679,900</u></u>

The Group's investment properties consists of nine commercial, one industrial and sixty-two residential properties in Hong Kong. The directors of the Company have determined that the investment properties consists of three classes of asset, i.e., commercial, industrial and residential, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 March 2014 by Senior Valuer of Vigers Appraisal and Consulting Limited and Asset Appraisal Limited, independent professionally qualified valuers, at HK\$1,140,070,000. Each year, the Group's financial controller and assistant financial controller decide to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's financial controller and assistant financial controller have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 37 to the financial statements.

At 31 March 2014, the Group's investment properties with an aggregate carrying value of HK\$1,096,170,000 (2013: HK\$637,790,000) and certain rental income generated therefrom were pledged to secure the Group's general banking facilities.

Further particulars of the Group's investment properties are included on page 143.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 March 2014 using significant unobservable inputs (Level 3) <i>HK\$'000</i>
Recurring fair value measurement for:	
Commercial properties	883,100
Industrial properties	15,500
Residential properties	<u>241,470</u>
	<u><u>1,140,070</u></u>

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties <i>HK\$'000</i>	Industrial properties <i>HK\$'000</i>	Residential properties <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2013	370,600	15,500	293,800	679,900
Additions	538,161	—	349	538,510
Disposals	—	—	(4,400)	(4,400)
Transfer to property, plant and equipment	—	—	(62,000)	(62,000)
Accrued rent-free rental income	(360)	—	—	(360)
Net gain/(loss)from fair value adjustments	<u>(25,301)</u>	<u>—</u>	<u>13,721</u>	<u>(11,580)</u>
At 31 March 2014	<u>883,100</u>	<u>15,500</u>	<u>241,470</u>	<u>1,140,070</u>

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation technique	Significant unobservable inputs	Range (weighted average)
Commercial properties	Direct comparison method	Price per square feet	HK\$2,000 to HK\$124,740
Industrial properties	Direct comparison method	Price per square feet	HK\$4,704 to HK\$5,603
Residential properties	Investment method and direct comparison method	Estimated rental value per square feet and per month	HK\$14 to HK\$69
		Capitalisation rate	2.5% to 8%
		Price per square feet	HK\$3,761 to HK\$11,510

As at 31 March 2014, the valuations of investment properties were based on either the investment method which capitalises the rent receivable from the existing tenancies and the potential reversionary market rent of the properties or direct comparison method by reference to comparable market transactions.

Significant increases/(decreases) in estimated rental value per square feet in isolation would result in a significantly higher/(lower) fair value of the investment properties. Significant increases/(decreases) in the capitalisation rate in isolation would result in a significantly lower/(higher) fair value of the investment properties. Significant increases/(decreases) in price per square feet in isolation would result in significantly higher/(lower) fair value of the investment properties.

Generally, a change in the assumption made for the estimated rental value per square feet and price per square feet are accompanied by a directionally opposite change in the capitalisation rate.

16. PROPERTIES UNDER DEVELOPMENT

	<i>Notes</i>	Group	
		2014	2013
		<i>HK\$'000</i>	<i>HK\$'000</i>
Carrying amount at 1 April		1,834,280	1,264,114
Additions (including development cost and capitalised interest)		248,833	129,362
Acquisition of a subsidiary	35	—	476,853
Transfer to properties held for sale	21	(742,762)	—
Write-down to net realisable value, net		<u>(73,068)</u>	<u>(36,049)</u>
Carrying amount at 31 March		<u><u>1,267,283</u></u>	<u><u>1,834,280</u></u>

Properties under development expected to be completed:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Beyond normal operating cycle of three years included under non-current assets	700,000	1,249,162
Within normal operating cycle of three years included under current assets	<u>567,283</u>	<u>585,118</u>
	<u><u>1,267,283</u></u>	<u><u>1,834,280</u></u>

Properties under development expected to be completed within normal operating cycle and recovered:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	348,926	585,118
After one year	<u>218,357</u>	<u>—</u>
	<u><u>567,283</u></u>	<u><u>585,118</u></u>

At 31 March 2014, the Group's properties under development with an aggregate carrying value of HK\$1,267,283,000 (2013: HK\$1,834,280,000) were pledged to secure the Group's general banking facilities (note 29).

The Group's properties under development are situated in Hong Kong and are held under the following leases:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Long term leases	348,926	891,427
Medium term leases	<u>918,357</u>	<u>942,853</u>
	<u><u>1,267,283</u></u>	<u><u>1,834,280</u></u>

17. INVESTMENTS IN SUBSIDIARIES

	Notes	Company	
		2014 HK\$'000	2013 HK\$'000
Unlisted shares, at cost		71,000	71,000
Due from subsidiaries	(i)	3,823,795	3,101,717
Loans to subsidiaries	(ii)	196,428	404,768
Due to subsidiaries	(i)	<u>(1,868,182)</u>	<u>(1,605,656)</u>
		2,223,041	1,971,829
Impairment	(iii)	<u>(203,753)</u>	<u>(94,956)</u>
		<u>2,019,288</u>	<u>1,876,873</u>

Notes:

- (i) The amounts are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair values.
- (ii) The amounts are unsecured, bear interest at 2% (2013: 2%) per annum, and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair values.
- (iii) The impairment relates primarily to amounts due from subsidiaries and loans to subsidiaries that had suffered losses for years or ceased operations.

Particulars of the principal subsidiaries are as follows:

Name	Place of incorporation and business	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Allied Victory Investment Limited	Hong Kong	Ordinary HK\$2	—	100	Property investment
Allied Wide Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Antic Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
China Tech Limited	Hong Kong	Ordinary HK\$1	—	100	Property development
Cititeam Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
City Global Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
City Target Limited	Hong Kong	Ordinary HK\$1	—	100	Property development
Double Bright Limited	Hong Kong	Ordinary HK\$1	—	100	Property development
Double Leads Investments Limited	British Virgin Islands	Ordinary US\$1	—	100	Money lending
Double Vantage Limited	Hong Kong	Ordinary HK\$1	—	100	Property development

Name	Place of incorporation and business	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
East Run Investments Limited	British Virgin Islands	Ordinary US\$1	—	100	Investment holding
Easy Kingdom Limited	Hong Kong	Ordinary HK\$2	—	100	Property investment
Easytex Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Emperor Smart Investments Limited	British Virgin Islands	Ordinary US\$1	—	100	Money lending
Everlong Limited	British Virgin Islands	Ordinary US\$1	—	100	Investment holding
Ever Task Limited	British Virgin Islands	Ordinary US\$1	—	100	Investment holding
Fulling Limited	Hong Kong	Ordinary HK\$100	—	100	Money lending and securities investment
Goldbo Investment Limited	Hong Kong	Ordinary HK\$2	—	100	Property investment
Good Excellent Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Goodtech Management Limited	Hong Kong	Ordinary HK\$2,800,100	—	100	Management of shopping centres
Hovan Investments Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Kingtex Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Lanbo Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Longable Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Mailful Investments Limited	British Virgin Islands	Ordinary US\$1	—	100	Investment holding
Majorluck Limited	Hong Kong	Ordinary HK\$10,000	—	100	Management and sub-licensing of Chinese wet markets
More Action Investments Limited	British Virgin Islands	Ordinary US\$1	—	100	Investment holding
New Earth Investments Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
New Golden Investments Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Newbo Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
New Sino Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment

Name	Place of incorporation and business	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Regal Smart Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Investment holding
Richly Gold Limited	Hong Kong	Ordinary HK\$2	—	100	Property investment
Rich System Investments Limited	Hong Kong	Ordinary HK\$1	—	100	Property development
Rich Time Strategy Limited	British Virgin Islands	Ordinary US\$1	—	100	Investment holding
Samrich Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Shiny World Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Sunbo Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Topbo Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
Vincent Investments Limited	Hong Kong	Ordinary HK\$2	—	100	Property development
Wang On Commercial Management Limited	British Virgin Islands	Ordinary US\$2	—	100	Investment holding
Wang On Management Limited	Hong Kong	Ordinary HK\$2	—	100	Management and sub-letting of properties
Wang On Enterprises (BVI) Limited	British Virgin Islands	Ordinary US\$1	100	—	Investment holding
Wang On Majorluck Limited	Hong Kong	Ordinary HK\$1,000	—	100	Management and sub-licensing of Chinese wet markets
Wang To Investments Limited	Hong Kong	Ordinary HK\$2	—	100	Property investment
Winhero Investment Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment
World Way Investments Limited	Hong Kong	Ordinary HK\$1	—	100	Property investment

Note:

For the year ended 31 March 2013, the Group acquired Vincent Investments Limited from an independent third party. Further details of this acquisition are included in note 35 to the financial statements.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

18. INVESTMENT IN A JOINT VENTURE

	Group	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i> (Restated)
Share of net assets	89,965	92,062
Goodwill on acquisition	<u>1,376</u>	<u>1,376</u>
	<u><u>91,341</u></u>	<u><u>93,438</u></u>

Particulars of the Group's joint venture are as follows:

Name	Paid-up and registered capital	Place of registration and business	Percentage of			Principal activities
			Ownership interest	Voting power	Profit sharing	
Shenzhen Jimao	RMB31,225,000	PRC/Mainland China	50	50	50	Management and sub-licensing of Chinese wet markets

The above joint venture is unlisted and is indirectly held by the Company.

Shenzhen Jimao, which is considered a material joint venture of the Group, is engaged in management and sub-licensing of Chinese wet markets in Mainland China and is accounted for using the equity method.

The following table illustrates the summarised financial information of Shenzhen Jimao and reconciled to the carrying amount in the financial statements:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Prepayments, deposits and other receivables	1,842	2,392
Cash and cash equivalents	<u>32,439</u>	<u>36,232</u>
Current assets	<u>34,281</u>	<u>38,624</u>
Property, plant and equipment	1,255	1,504
Investment properties	<u>158,466</u>	<u>154,234</u>
Non-current assets	<u>159,721</u>	<u>155,738</u>
Other payables and accruals	6,010	2,606
Deposits received and receipts in advance	6,206	5,512
Tax payable	<u>923</u>	<u>2,250</u>
Current liabilities	<u>13,139</u>	<u>10,368</u>
Deferred tax liabilities and non-current liabilities	<u>934</u>	<u>(130)</u>
Net assets	<u><u>179,929</u></u>	<u><u>184,124</u></u>

	2014 HK\$'000	2013 HK\$'000
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	50%	50%
Group's share of net assets of the joint venture, excluding goodwill	89,965	92,062
Goodwill on acquisition	1,376	1,376
Carrying amount of the investment	<u>91,341</u>	<u>93,438</u>
Revenue	36,219	34,786
Interest income	808	654
Depreciation and amortisation	(166)	(252)
Tax	(2,687)	(1,064)
Profit for the year	16,113	9,850
Other comprehensive income/(loss)	(916)	2,218
Total comprehensive income for the year	15,197	12,068
Dividend received	<u>9,696</u>	<u>3,053</u>

19. INVESTMENT IN AN ASSOCIATE

	Group	
	2014 HK\$'000	2013 HK\$'000
Share of net assets	<u>521,592</u>	<u>480,327</u>
Market value of listed shares	<u>151,641</u>	<u>153,099</u>

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of incorporation and business	Percentage of ownership interest attributable to the Group		Principal activities
			2014	2013	
Wai Yuen Tong Medicine Holdings Limited ("WYTH")*	Ordinary shares of HK\$0.01 each	Bermuda/Hong Kong	24.87	24.87	Production and sale of traditional Chinese and Western pharmaceutical products, health food products and property investment

* Listed on the Main Board of The Stock Exchange of Hong Kong Limited

The Group acquired on-market an aggregate of 220,000,000 shares of WYTH during the year ended 31 March 2013 through a series of transactions between 21 January 2013 and 1 February 2013 at an aggregate purchase price of approximately HK\$44 million. A gain on bargain purchase amounting to approximately HK\$146.7 million, which represented the excess of the Group's additional interests in the fair value of the net identifiable assets of WYTH over the aggregate purchase price, was recognised for the year ended 31 March 2013 and included in "Share of profit and loss of an associate" on the face of the consolidated statement of profit or loss and other comprehensive income.

In addition, WYTH issued an aggregate of 895,000,000 ordinary shares to certain placees during the year ended 31 March 2013. Consequently, the Group's equity interests in WYTH were diluted and an aggregate loss of about HK\$104.9 million on deemed partial disposals of WYTH was recognised during the year ended 31 March 2013 and included in "Other expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

The Group's shareholding in WYTH comprises equity shares held through a wholly-owned subsidiary of the Company.

The financial year of the Group's associate is coterminous with that of the Group.

The Group's associate has been accounted for using the equity method in these financial statements.

The following table illustrates the summarised financial information of WYTH and has been adjusted to reflect the fair value of identifiable assets and liabilities of WYTH at the completion dates of acquisitions by the Group, and reconciled to the carrying amount in the consolidated financial statements:

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current assets	645,660	948,921
Non-current assets	1,952,644	1,353,772
Current liabilities	308,735	324,453
Non-current liabilities	<u>192,295</u>	<u>46,888</u>
Net assets	<u><u>2,097,274</u></u>	<u><u>1,931,352</u></u>
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	24.87%	24.87%
Carrying amount of the investment	<u>521,592</u>	<u>480,327</u>
Revenue	865,258	808,517
Profit for the year	173,051	153,323
Other comprehensive income	1,668	4,612
Total comprehensive income for the year	174,719	157,935
Dividend received	<u>2,188</u>	<u>—</u>

20. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Listed equity investments in Hong Kong, at fair value	<u>106,909</u>	<u>321,300</u>
Listed debt securities, at fair value:		
Hong Kong	5,981	6,182
Elsewhere	<u>6,814</u>	<u>7,047</u>
	<u>12,795</u>	<u>13,229</u>
	<u><u>119,704</u></u>	<u><u>334,529</u></u>

During the year, the Group acquired on-market an aggregate of approximately 382,184,000 ordinary shares of PNG Resources Holdings Limited ("PNG Resources"), representing approximately 4.97% equity interest in PNG Resources, at an aggregate consideration of approximately HK\$76,484,000. At the end of the reporting period, the Group's equity interest in PNG Resources was 17.03%.

During the year, the net loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK\$291,308,000 (2013: net gain of HK\$205,890,000), of which HK\$84,833,000 (2013: Nil) was reclassified from other comprehensive income to profit or loss for the year.

There was a significant decline in the market value of PNG Resources during the year. The directors consider that such a decline indicates that the investment in PNG Resources has been impaired and an impairment loss of HK\$84,833,000 (2013: Nil), which included a reclassification from other comprehensive income of HK\$84,833,000 (2013: Nil), has been recognised in profit or loss for the year.

The above investments consist of investments in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

21. PROPERTIES HELD FOR SALE

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Carrying amount at 1 April	167,346	364,514
Transfer from properties under development (<i>note 16</i>)	742,762	—
Properties sold during the year	<u>(568,999)</u>	<u>(197,168)</u>
Carrying amount at 31 March	<u><u>341,109</u></u>	<u><u>167,346</u></u>

At 31 March 2014, the Group's properties held for sale with an aggregate carrying value of HK\$313,983,000 (2013: HK\$166,226,000) were pledged to secure the Group's general banking facilities (note 29).

The Group's properties held for sale are situated in Hong Kong and are held under the following leases:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Long term leases	315,146	—
Medium term leases	<u>25,963</u>	<u>167,346</u>
	<u><u>341,109</u></u>	<u><u>167,346</u></u>

Further particulars of the Group's properties held for sale are included on page 143.

22. TRADE RECEIVABLES

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 90 days	1,943	4,438
91 days to 180 days	63	120
Over 180 days	<u>83</u>	<u>248</u>
	2,089	4,806
Less: Impairment	<u>(131)</u>	<u>(154)</u>
	<u><u>1,958</u></u>	<u><u>4,652</u></u>

The Group generally grants a 15 to 30 days credit period to customers for its sub-leasing business. The Group generally does not grant any credit to customers of other businesses.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values.

The movements in provision for impairment of trade receivables are as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April	154	161
Impairment losses recognised (<i>note 6</i>)	17	—
Amount written off as uncollectible	(40)	—
Impairment losses reversed (<i>note 6</i>)	—	(7)
	<u>131</u>	<u>154</u>
At 31 March	<u>131</u>	<u>154</u>

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK\$131,000 (2013: HK\$154,000) with a carrying amount before provision of HK\$146,000 (2013: HK\$247,000).

The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Neither past due nor impaired	1,943	3,714
Less than 90 days past due	—	614
91 to 180 days past due	—	231
	<u>1,943</u>	<u>4,559</u>

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

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

23. LOANS AND INTEREST RECEIVABLES

	Notes	Group	
		2014 HK\$'000	2013 HK\$'000
Loans and interest receivables from PNG Resources	(i)/(v)	130,077	209,852
Loans and interest receivables from China Agri-Products	(ii)/(v)	925,534	704,754
Loans and interest receivables, secured	(iii)	905	905
Loans and interest receivables, unsecured	(iii)	<u>6,140</u>	<u>6,526</u>
		1,062,656	922,037
Less: Impairment	(iv)	<u>(5,844)</u>	<u>(5,844)</u>
		1,056,812	916,193
Less: Loans and interest receivables classified as non-current assets		<u>(210,797)</u>	<u>(881,054)</u>
		<u>846,015</u>	<u>35,139</u>

Notes:

- (i) PNG Resources is an associate of WYTH.

The loans are unsecured, except for a loan with principal amount of HK\$135 million which is secured by share charges in respect of the equity interests of three subsidiaries of PNG Resources. The loans bear interest at 8% (2013: 8%) per annum, and are repayable within one year.

- (ii) The loans bear interest at rates ranging from 10% to 12% (2013: 10%) per annum and are repayable within one to three years. The loans are secured by (i) share charges in respect of the equity interests of three subsidiaries of China Agri-Products Exchange Limited ("China Agri-Products" and an associate of PNG Resources); (ii) floating charges of assets of the aforesaid three subsidiaries; and (iii) a loan assignment by way of charge executed by China Agri-Products on loans owned by the aforesaid three subsidiaries to it.
- (iii) These loans receivable are stated at amortised cost at effective interest rates ranging from 4% to 12% and the credit terms of which range from 1 year to 22 years. As these loans receivable relate to a number of different borrowers, the directors are of the opinion that there is no concentration of credit risk over these loans receivables. The carrying amounts of these loans receivables approximate to their fair values.
- (iv) Included in the above provision for impairment of loans and interest receivables are provision for individually impaired receivables of HK\$5,844,000 (2013: HK\$5,844,000) with an aggregate carrying amount of HK\$5,844,000 (2013: HK\$5,844,000).
- (v) The aggregate fair value of the loans and interest receivables was HK\$1,050,619,000 as at 31 March 2014 (2013: HK\$876,875,000). The fair values have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

Other than the aforementioned impaired loans and interest receivables, none of the above assets is either past due or impaired. The financial assets included in the above balances relate to the receivables for which there was no recent history of default.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	Group		Company	
		2014 HK\$'000	2013 HK\$'000 (Restated)	2014 HK\$'000	2013 HK\$'000
Prepayments		18,718	12,931	884	887
Deposits	(i)	49,668	123,802	82	82
Other receivables		<u>283,013</u>	<u>268,324</u>	<u>1,048</u>	<u>311</u>
		351,399	405,057	2,014	1,280
Less: Impairment	(ii)	<u>(265)</u>	<u>(265)</u>	<u>—</u>	<u>—</u>
		351,134	404,792	2,014	1,280
Less: Deposits classified as non-current assets	(iii)	<u>(3,996)</u>	<u>(117,916)</u>	<u>—</u>	<u>—</u>
		<u><u>347,138</u></u>	<u><u>286,876</u></u>	<u><u>2,014</u></u>	<u><u>1,280</u></u>

Notes:

- (i) The deposits as at 31 March 2014 included earnest money of HK\$25,000,000 paid to certain independent third parties in respect of a potential acquisition of commercial and residential properties. The aforementioned earnest money had been wholly refunded to the Group at the date of approval of these financial statements.
- (ii) Included in the above provision for impairment of other receivables is a provision for individually impaired receivables of HK\$265,000 (2013: HK\$265,000 (as restated)) with an aggregate carrying amount of HK\$665,000 (2013: HK\$665,000 (as restated)).
- (iii) During the year ended 31 March 2013, a deposit of HK\$101,600,000 was paid to independent third parties for the acquisition of a shopping mall in Hong Kong for rental-earning purposes, at an aggregate consideration of HK\$508,000,000. The acquisition was completed during the year ended 31 March 2014 and the shopping mall was classified as an investment property as at 31 March 2014.

Other than the aforementioned impaired other receivables, none of the above assets is either past due or impaired. The financial assets included in the above balances relate to the receivables for which there was no recent history of default. The carrying amounts of prepayments, deposits and other receivables approximate to their fair values.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Unlisted equity investments, at fair value:	15,080	8,904	—	—
Listed equity investments, at market value:				
Hong Kong	<u>90,194</u>	<u>47,085</u>	<u>14,639</u>	<u>10,322</u>
	<u><u>105,274</u></u>	<u><u>55,989</u></u>	<u><u>14,639</u></u>	<u><u>10,322</u></u>

The above financial instruments at 31 March 2014 and 2013 were classified as held for trading and were, upon initial recognition designated by the Group as financial assets at fair value through profit or loss.

The market values of the Group's and the Company's listed equity investments at the date of approval of these financial statements were HK\$90,719,000 and HK\$15,765,000, respectively.

26. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 HK\$'000	2013 HK\$'000 (Restated)	2014 HK\$'000	2013 HK\$'000
Cash and bank balances	367,653	341,465	168,990	108,913
Time deposits	352,938	393,070	325,021	381,604
Less: Time deposits with original maturity over three months	<u>(10,000)</u>	<u>—</u>	<u>(10,000)</u>	<u>—</u>
Cash and cash equivalents	<u>710,591</u>	<u>734,535</u>	<u>484,011</u>	<u>490,517</u>

As at the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$171,774,000 (2013: HK\$57,878,000 (as restated)). The RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

27. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2014 HK\$'000	2013 HK\$'000
Within 90 days	<u>56,792</u>	<u>38,473</u>

The trade payables are non-interest-bearing and have an average term of 30 days. The carrying amounts of the trade payables approximate to their fair values.

28. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2014 HK\$'000	2013 HK\$'000 (Restated)	2014 HK\$'000	2013 HK\$'000
Deferred income	—	6,112	—	—
Other payables	20,931	17,181	106	735
Accruals	<u>40,212</u>	<u>28,954</u>	<u>24,707</u>	<u>17,175</u>
	61,143	52,247	24,813	17,910
Less: Other payables classified as non-current liabilities	<u>(984)</u>	<u>(4,264)</u>	<u>—</u>	<u>—</u>
	<u>60,159</u>	<u>47,983</u>	<u>24,813</u>	<u>17,910</u>

Other payables are non-interest-bearing and there are generally no credit terms. The carrying amounts of the above other payables approximate to their fair values.

29. INTEREST-BEARING BANK LOANS

Group

	Contractual interest rate (%)	2014		Contractual interest rate (%)	2013	
		Maturity	HK\$'000		Maturity	HK\$'000
Current:						
Bank loans — secured	HIBOR+ (1.0–3.05)/ Prime rate – 2.75	2015 or on demand	388,068	HIBOR+ (0.85–3.05)/ Prime rate – 2.75	2014 or on demand	84,871
Bank loans — unsecured	HIBOR+1.5	On demand	8,000	HIBOR+1.5	On demand	8,000
Long term bank loans repayable on demand — secured	HIBOR+ (1.0–2.3)/ Prime rate – 2.75	On demand	49,247	HIBOR+ (0.85–1.8)/ Prime rate – 2.75	On demand	181,251
Long term bank loans repayable on demand — unsecured	HIBOR+1.5	On demand	2,000	HIBOR+1.5	On demand	10,000
			447,315			284,122
Non-current:						
Bank loans — secured	HIBOR+ (1.2–3.05)	2015–2025	819,540	HIBOR+ (1.25–3.05)	2014–2025	1,345,697
			1,266,855			1,629,819

Company

Current:						
Bank loans — secured	HIBOR+ (1.1–1.45)	2015 or on demand	12,053	HIBOR+ (1.35–1.45)	2014 or on demand	16,053
Long term bank loans repayable on demand — secured			—			—
			12,053			16,053
Non-current:						
Bank loans — secured	HIBOR+1.45	2015–2022	15,400	HIBOR+1.45	2014–2022	17,454
			27,453			33,507

	Group		Company	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Analysed into:				
Bank loans repayable:				
Within one year or on demand (<i>Note</i>)	447,315	284,122	12,053	16,053
In the second year	146,703	1,111,737	15,400	17,454
In the third to fifth years, inclusive	397,379	114,455	—	—
Beyond five years	<u>275,458</u>	<u>119,505</u>	<u>—</u>	<u>—</u>
	<u>1,266,855</u>	<u>1,629,819</u>	<u>27,453</u>	<u>33,507</u>

Note: As further explained in note 42 to the financial statements, the Group's term loans with an aggregate amount of HK\$394,352,000 (2013: HK\$249,779,000) containing an on-demand clause have been classified as current liabilities. For the purpose of the above analysis, the loans are included within current interest-bearing bank loans and analysed into bank loans repayable within one year or on demand.

At the end of the reporting period, the maturity profile of interest-bearing loans based on the scheduled repayment dates set out in the loan agreements is as follows:

	Group		Company	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank loans repayable:				
Within one year or on demand	396,068	92,871	12,053	16,053
In the second year	157,473	1,012,960	2,053	2,054
In the third to fifth years, inclusive	415,563	243,885	6,160	6,160
Beyond five years	<u>297,751</u>	<u>280,103</u>	<u>7,187</u>	<u>9,240</u>
	<u>1,266,855</u>	<u>1,629,819</u>	<u>27,453</u>	<u>33,507</u>

Notes:

- (a) Certain bank loans of the Group and the Company are secured by the Group's land and buildings (note 14), investment properties and certain rental income generated therefrom (note 15), properties under development (note 16), properties held for sale (note 21) and share charges in respect of the entire equity interests of four wholly-owned subsidiaries of the Company, which are engaged in property development. In addition, sales proceeds from the pre-sale of properties under development with an aggregate carrying amount of HK\$239,940,000 (2013: HK\$229,726,000) are pledged for certain bank loans of the Group.

The Company has guaranteed certain of the Group's bank loans up to HK\$2,474,686,000 (2013: HK\$2,383,130,000) as at the end of the reporting period.

- (b) All bank loans of the Group and the Company bear interest at floating interest rates.
- (c) The carrying amounts of the bank loans of the Group and of the Company approximate to their fair values.

30. PROVISIONS FOR ONEROUS CONTRACTS

	Group	
	2014 HK\$'000	2013 HK\$'000
Carrying amount at 1 April	3,249	3,457
Provided for the year	2,380	—
Amount utilised during the year	<u>(1,580)</u>	<u>(208)</u>
Carrying amount at 31 March	4,049	3,249
Less: Portion classified as current liabilities	<u>(2,398)</u>	<u>(880)</u>
Long term portion	<u><u>1,651</u></u>	<u><u>2,369</u></u>

31. DEFERRED TAX

The components of deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

Group

	Depreciation allowance in excess of related depreciation HK\$'000	Revaluation gain of investment properties HK\$'000 (Restated)	Withholding tax HK\$'000	Total HK\$'000 (Restated)
At 1 April 2012	6,885	3,132	283	10,300
Acquisition of a subsidiary (<i>note 35</i>)	478	—	—	478
Deferred tax charged/(credited) to profit or loss during the year	<u>(1,646)</u>	<u>2,496</u>	<u>—</u>	<u>850</u>
At 31 March and 1 April 2013	5,717	5,628	283	11,628
Deferred tax credited to profit or loss during the year	<u>(603)</u>	<u>(5,192)</u>	<u>—</u>	<u>(5,795)</u>
At 31 March 2014	<u><u>5,114</u></u>	<u><u>436</u></u>	<u><u>283</u></u>	<u><u>5,833</u></u>

Deferred tax assets*Group*

	Losses available for offsetting against future taxable profits HK\$'000	Depreciation in excess of related allowance HK\$'000	Provision for onerous contracts HK\$'000	Total HK\$'000
At 1 April 2012	1,637	—	570	2,207
Deferred tax credited/(charged) to profit or loss during the year	<u>(197)</u>	<u>281</u>	<u>(34)</u>	<u>50</u>
At 31 March and 1 April 2013	1,440	281	536	2,257
Deferred tax credited/(charged) to profit or loss during the year	<u>(34)</u>	<u>(281)</u>	<u>12</u>	<u>(303)</u>
At 31 March 2014	<u><u>1,406</u></u>	<u><u>—</u></u>	<u><u>548</u></u>	<u><u>1,954</u></u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2014 HK\$'000	2013 HK\$'000 (Restated)
Net deferred tax assets recognised in the consolidated statement of financial position	548	817
Net deferred tax liabilities recognised in the consolidated statement of financial position	<u>(4,427)</u>	<u>(10,188)</u>
	<u><u>(3,879)</u></u>	<u><u>(9,371)</u></u>

The Group has tax losses arising in Hong Kong of approximately HK\$180,766,000 (2013: HK\$172,633,000), subject to the agreement of the Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable to withholding taxes on dividends distributed by its joint venture established in the PRC in respect of earnings generated from 1 January 2008.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

32. SHARE CAPITAL**Shares**

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Authorised:		
40,000,000,000 ordinary shares of HK\$0.01 each	<u>400,000</u>	<u>400,000</u>
Issued and fully paid:		
6,524,935,021 ordinary shares of HK\$0.01 each	<u>65,249</u>	<u>65,249</u>

There was no movement in the Company's share capital during the year.

33. SHARE OPTION SCHEME

On 2 May 2012, the share option scheme adopted by the Company on 3 May 2002 (the "2002 Scheme") expired and a new share option scheme (the "2012 Scheme") was adopted by the shareholders of the Company on 21 August 2012. As a result, the Company can no longer grant any further options under the 2002 Scheme. However, all options granted prior to the expiry of the 2002 Scheme will remain in full force and effect. During the year ended 31 March 2014, no share option was granted, exercised, lapsed or cancelled under the 2012 Scheme.

Under the 2012 Scheme, share options may be granted to any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to any member of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The 2012 Scheme became effective on 21 August 2012 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.

Purpose

The purpose of the 2012 Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Maximum number of shares available for subscription

Pursuant to the 2012 Scheme, the maximum number of share options that may be granted under the 2012 Scheme and any other share option schemes of the Company is an amount, upon their exercise, not in aggregate exceeding 30% of the issued share capital of the Company from time to time, excluding any shares issued on the exercise of share options. The total number of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme and any other schemes shall not in aggregate exceed 10% of the number of shares in issue, as at the date of approval of the 2012 Scheme limit or as refreshed from time to time.

Maximum entitlement of each participant

The maximum number of shares issuable under share options to each eligible participant (except for a substantial shareholder or an independent non-executive director or any of their respective associate) under the 2012 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of such limit must be separately approved by shareholders with such eligible participant and his associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the option). Where any grant of share options to a

substantial shareholder or an independent non-executive director (or any of their respective associates) will result in the total number of shares issued and to be issued upon exercise of share options already granted and to be granted to such person under the 2012 Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant representing in aggregate over 0.1% of the shares in issue, and having an aggregate value, based on the closing price of the Company's shares at each date of grant, in excess of HK\$5 million, such further grant of share options is required to be approved by shareholders in a general meeting in accordance with the Listing Rules. Any change in the terms of a share option granted to a substantial shareholder or an independent non-executive director (or any of their respective associate) is also required to be approved by shareholders.

Basis of determining the exercise price

The option price per share payable on the exercise of an option is determined by the directors, provided that it shall be at least the higher of:

- (i) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") at the date of offer of grant (which is deemed to be the date of grant if the offer for the grant of a share option is accepted by the eligible person), which must be a business day; and
- (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of grant, provided that the option price per share shall in no event be less than the nominal amount of one share.

An offer for the grant of share options must be accepted within 30 days from the date on which such offer was made. The amount payable by the grantee of a share option to the Company on acceptance of the offer of the grant is HK\$1.00 for each lot of share options granted.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the 2002 Scheme during the year:

	2014		2013	
	Weighted average exercise price <i>HK\$ per share</i>	Number of options <i>'000</i>	Weighted average exercise price <i>HK\$ per share</i>	Number of options <i>'000</i>
At 1 April	1.3448	23,912	1.3932	32,944
Forfeited during the year	0.23	(1,302)	1.4779	(8,609)
Expired during the year	—	—	2.4082	(423)
At 31 March	1.3476	<u>22,610</u>	1.3448	<u>23,912</u>

There was no share option exercised during the years ended 31 March 2014 and 2013. The exercise period of the share options granted is determined by the board of directors, and commences after a vesting period up to three years.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2014

Number of options	Exercise price*	Exercise period
'000	<i>HK\$ per share</i>	
14,562	2.0549	1/3/2007 to 28/2/2017
797	0.3893	8/1/2010 to 7/1/2019
<u>7,251</u>	0.2234	12/5/2011 to 11/5/2020
<u><u>22,610</u></u>		

2013

Number of options	Exercise price*	Exercise period
'000	<i>HK\$ per share</i>	
14,562	2.0549	1/3/2007 to 28/2/2017
867	0.3893	8/1/2010 to 7/1/2019
<u>8,483</u>	0.2234	12/5/2011 to 11/5/2020
<u><u>23,912</u></u>		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The Group recognised a share option expense of HK\$17,000 (2013: HK\$116,000) during the year ended 31 March 2014.

At the end of the reporting period, the Company had 22,610,000 (2013: 23,912,000) share options outstanding under the 2002 Scheme. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 22,610,000 (2013: 23,912,000) additional ordinary shares of the Company and additional share capital of HK\$226,000 (2013: HK\$239,000) and share premium of HK\$31,628,000 (2013: HK\$31,917,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 22,610,000 share options outstanding under the 2002 Scheme, which represented approximately 0.3% of the Company's shares in issue as at that date.

34. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 47 and 48 of the financial statements.

(b) Company

	<i>Notes</i>	Share premium account <i>HK\$'000</i>	Contributed surplus (Note) <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2012		1,462,363	321,388	8,535	461,426	2,253,712
Total comprehensive income for the year					50,910	50,910
Transfer of share option reserve upon the forfeiture or expiry of share options		—	—	(2,554)	2,554	—
Final 2012 dividend		—	—	—	(32,625)	(32,625)
Interim 2013 dividend	<i>12</i>	—	—	—	(9,787)	(9,787)
Equity-settled share option arrangements	<i>33</i>	—	—	116	—	116
At 31 March and 1 April 2013		1,462,363	321,388	6,097	472,478	2,262,326
Total comprehensive income for the year		—	—	—	192,506	192,506
Transfer of share option reserve upon the forfeiture of share options		—	—	(181)	181	—
Final 2013 dividend	<i>12</i>	—	—	—	(32,625)	(32,625)
Interim 2014 dividend	<i>12</i>	—	—	—	(9,787)	(9,787)
Equity-settled share option arrangements	<i>33</i>	—	—	17	—	17
At 31 March 2014		<u>1,462,363</u>	<u>321,388</u>	<u>5,933</u>	<u>622,753</u>	<u>2,412,437</u>

Note:

The contributed surplus of the Company originally derived from the difference between the nominal value of the share capital and share premium of the subsidiaries acquired pursuant to the Group's reorganisation on 6 February 1995 and the par value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders under certain circumstances.

35. ACQUISITION OF A SUBSIDIARY THAT IS NOT A BUSINESS

Year ended 31 March 2013

On 8 February 2013, the Group entered into a sale and purchase agreement with Woomera International Limited, an independent third party, to acquire the entire equity interests in Vincent Investments Limited ("Vincent Investments") and the shareholder's loan owed by Vincent Investments to its then shareholder, at a cash consideration of HK\$475,771,000. Vincent Investments is principally engaged in property development in Hong Kong and up to the date of acquisition, Vincent Investments has not carried out any significant business transaction except for holding certain properties in Hong Kong.

The above acquisition has been accounted for by the Group as an acquisition of assets as the entity acquired by the Group does not constitute a business.

The net assets acquired by the Group in the above transaction are as follows:

	<i>HK\$'000</i>
Net assets acquired:	
Properties held for development	476,853
Bank balances	158
Deposits received	(613)
Accruals	(149)
Deferred tax liabilities	(478)
	<u>475,771</u>
Satisfied by:	
Cash	<u>475,771</u>

An analysis of the cash flows in respect of the acquisition of Vincent Investments is as follows:

	<i>HK\$'000</i>
Cash consideration	(475,771)
Bank balances acquired	<u>158</u>
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	(475,613)
Transaction costs of the acquisition included in cash flows from operating activities	<u>(1,013)</u>
	<u>(476,626)</u>

36. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

(a)

	Company	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Guarantees given to financial institutions in connection with facilities granted to subsidiaries	<u>2,474,686</u>	<u>2,424,573</u>

(b) The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount payable of HK\$1,354,000 (2013: HK\$1,415,000) as at 31 March 2014, as further explained under the heading "Other employee benefits" in note 2.4 to the financial statements. The contingent liability has arisen because, at the end of the reporting period, a number of current employees had achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

37. OPERATING LEASE ARRANGEMENTS**(a) As lessor**

The Group leases its investment properties (note 15) and sub-leases Chinese wet markets under operating lease arrangements, with leases negotiated for terms ranging from two months to six years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	160,798	217,733
In the second to fifth years, inclusive	<u>46,366</u>	<u>200,800</u>
	<u>207,164</u>	<u>418,533</u>

(b) As lessee

The Group leases certain Chinese wet markets and certain of its office properties under operating lease arrangements. Leases are negotiated for terms ranging from two to six years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	83,783	108,285
In the second to fifth years, inclusive	<u>20,498</u>	<u>104,135</u>
	<u>104,281</u>	<u>212,420</u>

38. COMMITMENTS

In addition to the operating lease commitments detailed in note 37(b) above, the Group had the following capital commitments at the end of the reporting period:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contracted, but not provided for:		
Properties under development	211,309	291,932
Investment properties	<u>9,824</u>	<u>406,400</u>
	<u>221,133</u>	<u>698,332</u>

At the end of the reporting period, the Company did not have any significant commitments.

39. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

(a) Transactions with related parties

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Rental income received from a director*	<i>(i)</i>	1,073	996
Rental expenses paid to a company in which a director of the Company is a controlling shareholder*	<i>(ii)</i>	286	—
Transactions with WYTH:			
— Management fee received by the Group	<i>(ii)</i>	960	960
— Rental income received by the Group	<i>(ii)</i>	1,507	1,470
— Rental expenses paid by the Group	<i>(ii)</i>	1,992	1,950
— Purchases of products by the Group	<i>(iii)</i>	<u>431</u>	<u>889</u>

* The related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. Notes:

- (i) A property of the Group was leased to a director at a monthly rental of HK\$100,000 (2013: HK\$83,000). The rental was determined with reference to the prevailing market rates.
- (ii) The transactions were based on terms mutually agreed between the Group and the related party.
- (iii) The purchases from WYTH were made according to the published prices and conditions offered by WYTH to customers.

(b) Other transaction with a related party

During the year ended 31 March 2013, the Group acquired 1,150,000,000 ordinary shares of PNG Resources from WYTH at the price of HK\$0.096 per share, being approximately 14.95% equity interest in PNG Resources, at a consideration of HK\$110,400,000.

(c) Compensation of key management personnel of the Group

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Short term employment benefits	8,258	5,785
Post-employment benefits	80	74
Equity-settled share option expense	<u>—</u>	<u>31</u>
Total compensation paid to key management personnel	<u>8,338</u>	<u>5,890</u>

The above compensation of key management personnel excludes the directors' remuneration, details of which are set out in note 8 to the financial statements.

40. FINANCIAL INSTRUMENTS BY CATEGORY

Except for available-for-sale investments and financial assets at fair value through profit or loss, which are measured at fair value, other financial assets and liabilities of the Company and the Group as at 31 March 2014 and 2013 are loans and receivables, and financial liabilities at amortised cost, respectively.

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, time deposits, pledged deposits, trade payables, financial assets included in prepayments, deposits and other receivables, current portion of loans and interest receivables, financial liabilities included in other payables and accruals and current portion of interest-bearing bank loans to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance team headed by the director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the director and the audit committee. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the director. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of loans and interest receivables, deposits and interest-bearing bank loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's own non-performance risk for interest-bearing bank loans as at 31 March 2014 was assessed to be insignificant. The fair values of loans and interest receivables and interest-bearing bank loans are measured using significant unobservable inputs (level 3).

The fair values of listed equity investments and listed debt investments are based on quoted market prices. The fair values of unlisted financial assets at fair value through profit or loss have been estimated using the net asset value per share of the investments. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

Group

As at 31 March 2014

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Available-for-sale investments:				
Equity investments	106,909	—	—	106,909
Debt investments	—	12,795	—	12,795
Equity investments at fair value through profit or loss	90,194	15,080	—	105,274
	<u>197,103</u>	<u>27,875</u>	<u>—</u>	<u>224,978</u>

As at 31 March 2013

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Available-for-sale investments:				
Equity investments	321,300	—	—	321,300
Debt investments	—	13,229	—	13,229
Equity investments at fair value through profit or loss	<u>47,085</u>	<u>8,904</u>	<u>—</u>	<u>55,989</u>
	<u>368,385</u>	<u>22,133</u>	<u>—</u>	<u>390,518</u>

Company

As at 31 March 2014

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Equity investments at fair value through profit or loss	<u>14,639</u>	<u>—</u>	<u>—</u>	<u>14,639</u>

As at 31 March 2013

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Equity investments at fair value through profit or loss	<u>10,322</u>	<u>—</u>	<u>—</u>	<u>10,322</u>

The Group and Company did not have any financial liabilities measured at fair value as at 31 March 2014 and 2013.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2013: Nil).

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include equity investments, debt securities, available-for-sale investments, trade and other receivables, loans and interest receivables, deposits, trade and other payables, accruals, deposits received, cash and bank balances and bank borrowings.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to changes in market interest rates relates primarily to the Group's bank loans with floating interest rates. The Group has not used any interest rate swaps to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax. There is no material impact on other components of the Group's equity.

	Group	
	Increase/ (decrease) basis points	Increase/ (decrease) in profit before tax <i>HK\$'000</i>
2014		
HK\$	100	(12,669)
HK\$	(100)	12,669
2013		
HK\$	100	(16,298)
HK\$	<u>(100)</u>	<u>16,298</u>

Foreign currency risk

The Group has minimal transactional currency exposure arising from sales or purchases by operating units in currencies other than the units' functional currencies, and hence it does not have any foreign currency hedging policies.

Part of the Group's turnover and operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries and joint venture to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

Under the PRC existing foreign exchange regulations, payments of current account items, including dividends, trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration for Foreign Exchange Bureau by complying with certain procedural requirements. However, approval from appropriate PRC governmental authorities is required where RMB is to be converted into a foreign currency and remitted out of Mainland China to pay capital account items, such as the repayment of bank loans denominated in foreign currencies.

Currently, the Group's PRC subsidiaries and joint venture may purchase foreign exchange for settlement of current account transactions, including payment of dividends to the Company, without prior approval of the State Administration for Foreign Exchange Bureau. The Group's PRC subsidiaries and joint venture may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require approval from the State Administration for Foreign Exchange Bureau, this could affect the Group's subsidiaries and joint venture's ability to obtain required foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Group.

There are limited hedging instruments available in the PRC to reduce the Group's exposure to exchange rate fluctuations between RMB and other currencies. To date, the Group has not entered into any hedging transactions in an effort to reduce the Group's exposure to foreign currency exchange risks. While the Group may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and the Group may not be able to hedge the Group's exposure successfully, or at all.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Euro, Pound Sterling ("GBP") and RMB exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Group	
	Increase/ (decrease) exchange rate %	Increase/ (decrease) in profit before tax HK\$'000
2014		
If Euro strengthens against HK\$	6.341	7
If Euro weakens against HK\$	(6.341)	(7)
If HK\$ strengthens against RMB	2.678	5,367
If HK\$ weakens against RMB	<u>(2.678)</u>	<u>(5,367)</u>
2013		
If Euro strengthens against HK\$	10.428	10
If Euro weakens against HK\$	(10.428)	(10)
If GBP strengthens against HK\$	7.052	755
If GBP weakens against HK\$	(7.052)	(755)
If HK\$ strengthens against RMB	2.504	1,256
If HK\$ weakens against RMB	<u>(2.504)</u>	<u>(1,256)</u>

Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, loans and interest receivables and debt securities. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis. The maximum exposure of these financial assets is equal to the carrying amounts of these instruments.

In respect of trade and other receivables, credit evaluations are performed on all customers requiring credit over a certain amount. Trade receivables are mainly rental related and are normally due within 15 to 30 days and the Group obtains rental deposits from its tenants.

In respect of loans and interest receivables, individual credit evaluations are performed on all borrowers requiring credit over a certain amount. These evaluations focus on the borrowers' past history of making payments when due and current ability to pay, and take into account information specific to the borrowers. Certain of these loans and interests receivable are secured by share charges in respect of the equity interest of certain subsidiaries and unlisted equity investments of the respective borrowers.

The credit risk of debt securities mainly arises from the risk that the issuer might default on a payment or go into liquidation. Debt securities by different types of issuers are generally subject to different degrees of credit risk. The management regularly reviews the credit exposure and does not expect any investment counterparty to fail to meet its obligations.

The credit risk of the Group's other financial assets, which comprises cash and cash equivalents and certain listed equity securities, with the maximum exposure equal to the carrying amounts of these instruments.

The Company is also exposed to credit risk through the granting of financial guarantees to certain subsidiaries, further details of which are disclosed in note 36 to the financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from available-for-sale investments (note 20), trade and other receivables (notes 22 and 24), loans and interest receivables (note 23) and financial assets at fair value through profit or loss (note 25) are disclosed in the corresponding notes to the financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual and undiscounted payments, was as follows:

Group

	2014					Total HK\$'000
	On demand HK\$'000	Within 1 year HK\$'000	1 to 2 years HK\$'000	3 to 5 years HK\$'000	Over 5 years HK\$'000	
Interest-bearing bank loans (Note)	394,352	71,655	164,842	411,282	280,829	1,322,960
Trade payables (note 27)	—	56,792	—	—	—	56,792
Other payables and accruals (note 28)	—	60,159	984	—	—	61,143
	<u>394,352</u>	<u>188,606</u>	<u>165,826</u>	<u>411,282</u>	<u>280,829</u>	<u>1,440,895</u>
	2013					Total HK\$'000 (Restated)
	On demand HK\$'000	Within 1 year HK\$'000 (Restated)	1 to 2 years HK\$'000	3 to 5 years HK\$'000	Over 5 years HK\$'000	
Interest-bearing bank loans (Note)	249,779	57,043	1,142,682	128,734	134,697	1,712,935
Trade payables (note 27)	—	38,473	—	—	—	38,473
Other payables and accruals (note 28)	—	41,871	4,264	—	—	46,135
	<u>249,779</u>	<u>137,387</u>	<u>1,146,946</u>	<u>128,734</u>	<u>134,697</u>	<u>1,797,543</u>

Company

	2014					Total HK\$'000
	On demand HK\$'000	Within 1 year HK\$'000	1 to 2 years HK\$'000	3 to 5 years HK\$'000	Over 5 years HK\$'000	
Interest-bearing bank loans (Note)	10,000	2,312	2,282	6,358	7,293	28,245
Other payables and accruals (note 28)	—	24,813	—	—	—	24,813
Due to subsidiaries (note 17)	—	—	—	—	1,868,182	1,868,182
	<u>10,000</u>	<u>27,125</u>	<u>2,282</u>	<u>6,358</u>	<u>1,875,475</u>	<u>1,921,240</u>
Financial guarantees issued: Guarantees given to bank in connection with facilities granted to subsidiaries (note 36(a))	—	2,474,686	—	—	—	2,474,686
	<u>—</u>	<u>2,474,686</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,474,686</u>
	2013					Total HK\$'000
	On demand HK\$'000	Within 1 year HK\$'000	1 to 2 years HK\$'000	3 to 5 years HK\$'000	Over 5 years HK\$'000	
Interest-bearing bank loans (Note)	14,000	2,411	17,773	—	—	34,184
Other payables and accruals (note 28)	—	17,910	—	—	—	17,910
Due to subsidiaries (note 17)	—	—	—	—	1,605,656	1,605,656
	<u>14,000</u>	<u>20,321</u>	<u>17,773</u>	<u>—</u>	<u>1,605,656</u>	<u>1,657,750</u>
Financial guarantees issued: Guarantees given to bank in connection with facilities granted to subsidiaries (note 36(a))	—	2,424,573	—	—	—	2,424,573
	<u>—</u>	<u>2,424,573</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,424,573</u>

Note:

Included in interest-bearing bank loans of the Group are term loans with an aggregate principal amounting to HK\$394,352,000 (2013: HK\$249,779,000) of which the respective loan agreements contain a repayment on-demand clause giving the bank the unconditional right to call in the loans at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as “on demand”.

Notwithstanding the above clause, the directors do not believe that these loans will be called in their entirety within 12 months, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the respective loan agreements. This evaluation was made considering: the financial position of the Group at the date of approval of the financial statements; the Group's compliance with the loan covenants; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time. In accordance with the terms of the loans, the contractual undiscounted payments are as follows:

Group

	Within 1 year HK\$'000	1 to 2 years HK\$'000	3 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
31 March 2014	350,951	10,170	18,545	22,291	401,957
31 March 2013	59,450	30,036	63,516	101,034	254,036

Company

	Within 1 year HK\$'000	1 to 2 years HK\$'000	3 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
31 March 2014	10,183	—	—	—	10,183
31 March 2013	14,222	—	—	—	14,222

Price risk

Price risk is the risk that the fair values of financial investments decrease as a result of changes in the levels of equity indices and the value of individual debt securities. The Group was exposed to price risk arising from individual financial investments classified as available-for-sale investments (note 20) and financial assets at fair value through profit or loss (note 25) as at 31 March 2014.

The Group's debt securities are traded in the over-the-counter market and are valued at fair value at each year end date with reference to the trading prices quoted in the market. The Group's listed equity investments are listed on the Hong Kong Stock Exchange and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 March 2014	High/low 2014	31 March 2013	High/low 2013
Hong Kong — Hang Seng Index	22,151	23,881/20,803	22,300	23,730/18,630

The Group manages its exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these financial investments.

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the financial investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

	Carrying amount of financial investments <i>HK\$'000</i>	Increase/ (decrease) in price <i>%</i>	Increase/ (decrease) in profit before tax <i>HK\$'000</i>
2014			
Equity securities listed in Hong Kong:			
Held-for-trading	90,194	14.80	13,349
Held-for-trading	90,194	(14.80)	(13,349)
Equity securities listed in Hong Kong:			
Available-for-sale	106,909	14.80	15,823
Available-for-sale	106,909	(14.80)	(15,823)
Equity securities unlisted in Hong Kong:			
Held-for-trading	15,080	14.80	2,232
Held-for-trading	15,080	(14.80)	(2,232)
2013			
Equity securities listed in Hong Kong:			
Held-for-trading	47,085	27.38	12,892
Held-for-trading	47,085	(27.38)	(12,892)
Equity securities listed in Hong Kong:			
Available-for-sale	321,300	27.38	87,972
Available-for-sale	321,300	(27.38)	(87,972)
Equity securities unlisted in Hong Kong:			
Held-for-trading	8,904	27.38	2,438
Held-for-trading	8,904	(27.38)	(2,438)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2014.

The Group monitors capital using a net gearing ratio, which is net debt divided by equity attributable to owners of the parent. Net debt is calculated as a total of interest-bearing bank loans, less cash and cash equivalents. The gearing ratios as at the end of the reporting periods were as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i> (Restated)
Interest-bearing bank loans (<i>note 29</i>)	1,266,855	1,629,819
Less: Cash and cash equivalents (<i>note 26</i>)	<u>(710,591)</u>	<u>(734,535)</u>
Net debt	<u>556,264</u>	<u>895,284</u>
Equity attributable to owners of the parent	<u>3,912,054</u>	<u>3,567,531</u>
Gearing ratio	<u>14.22%</u>	<u>25.10%</u>

43. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the adoption of revised HKFRS 11 during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made, certain comparative amounts have been restated to conform with the current year's presentation and accounting treatment, and a third statement of financial position as at 1 April 2012 has been presented.

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 14 May 2014.

III. INDEBTEDNESS STATEMENT

As at the close of business of 31 May 2014, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this Composite Document, the Group had outstanding bank loans of approximately HK\$1,203.9 million, of which bank loans with an aggregate amount of approximately HK\$1,182.8 million were secured by the Group's land and buildings, investment properties and certain rental income generated therefrom, properties under development and properties held for sale. The carrying values of the Group's land and buildings, investment properties, properties under development and properties held for sale as at 31 May 2014, which were pledged to secure the Group's bank loans, amounted to approximately HK\$63.7 million, HK\$1,036.2 million, HK\$1,287.8 million and HK\$24.8 million, respectively.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 31 May 2014, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or any finance lease commitments or material contingent liabilities.

IV. MATERIAL CHANGE

The Directors confirm that there was no material change in the financial or trading position or outlook of the Group subsequent to 31 March 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up) up to and including the Latest Practicable Date.

The following is the text of a letter, summary of valuation and valuation certificate, prepared for the purpose of incorporation in this Composite Document received from Asset Appraisal Limited, an independent property valuer, in connection with its valuation as at 31 May 2014 of the property interests held by the Group.



Asset Appraisal Limited
中誠達資產評值顧問有限公司

Rm 901, 9/F., On Hong Commercial Building
145 Hennessy Road, Wanchai, Hong Kong
香港灣仔軒尼詩道145號
安康商業大廈9字樓901室
Tel : (852) 2529 9448 Fax : (852) 3521 9591

7 July 2014

The Board of Directors
Wang On Group Limited
5/F Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Dear Sirs,

Re: Valuation of property interests situated in Hong Kong

In accordance with the instructions of **Wang On Group Limited** (the “**Company**”) to value the property interests (the “**Properties**”) held by the Company and its subsidiaries (altogether referred to as the “**Group**”) situated in Hong Kong, we confirm that we have carried out inspections of the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at **31 May 2014** (the “date of valuation”).

BASIS OF VALUATION

Our valuation of the Properties represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

TITLESHIP

We have caused searches to be made at the appropriate Land Registry for the Properties. However, we have not verified ownerships of the Properties or the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION METHODOLOGY

The Properties are valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Properties on the market without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Properties.

For Properties which are held by the owners by means of long term land use rights granted by the PRC Government, we have assumed that the owners have free and uninterrupted rights to use the Properties for the whole of the respective unexpired terms of the land use rights.

Unless stated as otherwise, we have assumed that the owners of the Properties have the right to sell, mortgage, charge or otherwise dispose of the Properties to any person without payment of any additional premium or substantial fee to government authorities.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Properties valued nor for any expenses or taxation. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the Properties but have assumed that the floor areas shown on the legal documents handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

All Properties were inspected by Yang Jun Hao (B.Sc.), Sandra Lau (HKIS) and Tse Wai Leung (HKIS), each being an employee of Asset Appraisal Limited, in between January 2014 and May 2014. We have inspected the exterior and, where possible, the interior of the Properties. However, no structural survey has been made for them. In the course of our

inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the properties, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

As advised by the Group, properties of Group I, which are held for investment, will be subject to profit tax of 16.5% of net profit upon disposal, save for deduction of any profit which is capital in nature. The Group has no intention to dispose of these properties at present. Therefore the likelihood of such tax liability is remote. The properties of Group II and Group III, which are held for sales, will be subject to tax liability comprising stamp duty and profit tax of 16.5% of net profit upon disposal. There is a likelihood that such tax liability will crystallize between 2014 and 2017. The property of Group IV, which are held for owner occupation, will be subject to profit tax of 16.5% of net profit upon disposal, save for deduction of any profit which is capital in nature. The Group has no intention to dispose of these properties at present. Therefore the likelihood of such tax liability is remote.

Our summary of valuation and valuation certificate are attached herewith.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited

Sandra Lau
MHKIS AAPI RPS(GP)
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

Property	Value of property interest attributable to the Group as at 31 May 2014
Group I — Properties held by the Group for Investment	
1. Shop 6 on Ground Floor, Grandeur Garden, Nos. 14–18 Chik Fai Street, Nos. 55–65 Tai Wai Road, Shatin, New Territories.	HK\$30,000,000
2. Shop B on Ground Floor, Nos. 106–108 Shau Kei Wan Road, Hong Kong.	HK\$28,900,000
3. Shop Nos. 4 and 5 on Ground Floor, Mongkok Building, Nos. 93, 95 & 99 Mong Kok Road, Nos. 135A & 135B Sai Yee Street, Kowloon.	HK\$114,000,000
4. 8th Floor, Kingsun Computer Industrial Building, No. 40 Shek Pai Wan Road, Hong Kong.	HK\$15,500,000
5. Ground Floor with the Cockloft, No. 60A Yen Chow Street, Kowloon.	HK\$25,600,000
6. Shop 3 on Level 1, Jade Plaza, No. 3 On Chee Road, Tai Po, New Territories.	HK\$18,900,000
7. Ground Floor including Cockloft, Foon Shing Building, No. 732 Nathan Road, Kowloon.	HK\$83,900,000
8. Shops A, B and C on Ground Floor of No. 111 Ma Tau Wai Road, Kowloon.	HK\$21,800,000

Property	Value of property interest attributable to the Group as at 31 May 2014
9. Commercial Unit and Car Parking Space on 1st and 2nd Basement of Riviera Plaza, Riviera Gardens, Nos. 1-9, 2-12 Yi Lok Street, Nos. 1-7, 2-12 Yi Hong Street, Tsuen Wan, New Territories.	HK\$500,000,000
Goup II — Properties held by the Group for Sale	
10. G/F, 8/F, 15/F-19/F and 21/F “726 Nathan Road” Nos. 724 and 726 Nathan Road, Mongkok, Kowloon.	HK\$718,300,000
11. Shop B on G/F incl. the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories.	HK\$39,600,000
12. Parcel of land of The Dawning Place, 92A-92G Yeung Uk Tsuen, Shap Pat Heung, Yuen Long, New Territories.	HK\$1,540,000

Property	Value of property interest attributable to the Group as at 31 May 2014
Group III — Properties held by the Group For Development	
13. Nos. 140, 142, 144 and 146 Camp Street, Kowloon.	HK\$372,500,000
14. Nos. 1, 3, 5, 7, 9, 11 and 13 Kwai Heung Street, Hong Kong.	HK\$632,500,000
15. Nos. 13 and 15 Sze Shan Street, Yau Tong, Kowloon.	HK\$1,200,000,000
16. Nos. 575 and 575A Nathan Road, Kowloon.	HK\$400,000,000
<hr/>	
Group IV — Property held for owner occupation	
17. House 2 and Car Parking Spaces 3 and 4, Winners Lodge, Nos. 9, 11, 13, 15 Ma Yeung Path, Shatin, New Territories.	HK\$60,000,000
<hr/>	
Grand Total:	<u>HK\$4,263,040,000</u>

Group I — Properties held by the Group for Investment

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
1. Shop 6 on Ground Floor, Grandeur Garden, Nos. 14–18 Chik Fai Street, Nos. 55–65 Tai Wai Road, Shatin, New Territories. 15/12000th share of and in Sha Tin Town Lot No. 199.	The property comprises a shop unit on Ground Floor of a 2-storey commercial podium of Grandeur Garden completed in about 1985. The gross floor area of the property is approximately 674 square feet and the saleable floor area of is approximately 512 square feet. The property is held under New Grant No. 11871 for a term of 99 years commencing on 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.	The property is tenanted for a term of 3 years expiring on 1 October 2014 at a monthly rent of HK\$130,000 exclusive of rates and management fees.	HK\$30,000,000

Notes:

1. The registered owner of the property is Longable Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to a mortgage and rental assignment in favour of Hang Seng Bank Limited to secure all moneys vide memorial nos. 13100201480059 and 13100201480061 both dated 25 September 2013.
3. The property falls within an area zoned “Residential (A)” under Shatin Outline Zoning Plan No. S/ST/29.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
2. Shop B on Ground Floor, Nos. 106–108 Shau Kei Wan Road, Hong Kong 20/107th shares of and in the Remaining Portion of Shaukiwan Inland Lot No. 472.	The property comprises a shop unit on ground floor of a 6-storey tenement building completed in about 1976. The saleable area of the property is approximately 791 square feet plus a yard of approximately 36 square feet. The property is held under Government Lease for a term of 75 years renewable for 75 years commencing on 31 January 1921.	The property is tenanted for a term expiring on 6 August 2016 at a monthly rent of HK\$122,000 exclusive of rates and management fees.	HK\$28,900,000

Notes:

1. The registered owner of the property is Shiny World Investment Limited, a wholly-owned subsidiary of the Company
2. The property is subject to Legal Charge/Mortgage to secure all sums of money in favour of China Everbright Bank Co., Ltd., Hong Kong Branch vide memorial no. 13090901510185 dated 20 August 2013.
3. The property is subject to assignment of rentals in favour of China Everbright Bank Co., Ltd., Hong Kong Branch vide memorial no. 13090901510195 dated 20 August 2013.
4. The property falls within an area zoned “Residential (A)2” under Shau Kei Wan Outline Zoning Plan No. S/H9/16.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
<p>3. Shop Nos. 4 and 5 on Ground Floor, Mongkok Building, Nos. 93, 95 & 99 Mong Kok Road, Nos. 135A & 135B Sai Yee Street, Kowloon</p> <p>6/111th shares of and in Remaining Portion of Section C of Sub-section 1 of Section A, the Remaining Portion of Sub-section 1 of Section A, the Remaining Portion of Section B, the Remaining Portion of Sub-sections 1, 2 and 3 of Section B of Kowloon Inland Lot No. 1580.</p>	<p>The property comprises two shop units on ground floor of a 22-storey composite building completed in about 1973.</p> <p>The saleable area of the property is approximately 2,478 square feet.</p> <p>The property is held under Conditions of Grant No. 1271 for a term of 75 years renewable for 75 years commencing on 6 April 1923.</p>	<p>The property is tenanted for a term of 3 years expiring on 14 March 2015 at a monthly rent of HK\$420,000 exclusive of rates and management fees.</p>	<p>HK\$114,000,000</p>

Notes:

1. The registered owner of the property is Easy Kingdom Limited, a wholly-owned subsidiary of the Company
2. The property is subject to a mortgage to secure all sums of money in favour of Hang Seng Bank Limited, vide memorial no. 13041202430369 dated 28 March 2013.
3. The property is subject to a rental assignment in favour of Hang Seng Bank Limited, vide memorial no. 13041202430372 dated 28 March 2013.
4. The property falls within an area zoned "Residential (A)" under Mong Kok Outline Zoning Plan No. S/K3/30.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
4. 8th Floor, Kingsun Computer Industrial Building, No. 40 Shek Pai Wan Road, Hong Kong 2/42nd shares of and in Aberdeen Inland Lot No. 395.	The property comprises an industrial space on the whole 8th floor of a 17-storey industrial building completed in about 1981. The gross floor area is approximately 3,958 square feet and the saleable area is approximately 2,956 square feet. The property is held under Conditions of Sale No. 11161 for a term of 75 years renewable for 75 years commencing on 17 January 1978.	The property is vacant.	HK\$15,500,000

Notes:

1. The registered owner of the property is City Global Limited, a wholly-owned subsidiary of the Company.
2. The property falls within an area zoned "Residential (E)" under Aberdeen & Ap Lei Chau Outline Zoning Plan No. S/H15/29.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
5. Ground Floor with the Cockloft, No. 60A Yen Chow Street, Kowloon 1/6th shares of and in Section C of New Kowloon Inland Lot No. 1056.	The property comprises a shop unit on ground floor of a 6-storey tenement building completed in about 1957. The saleable area of the property is approximately 596 square feet plus a cockloft of approximately 207 square feet and a yard of approximately 186 square feet. The property is held under Government Lease for a term of 75 years renewable for 24 years. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.	The property is tenanted for a term of 2 years expiring on 3 October 2015 at a total monthly rent of HK\$68,750 exclusive of rates and management fees.	HK\$25,600,000

Notes:

1. The registered owner of the property is Good Excellent Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to mortgage and rental assignment in favour of Hang Seng Bank Limited registered vide memorial nos. 13100201480035 and 13100201480044 both dated 25 September 2013.
3. The property falls within an area zoned "Residential (A)6" under Cheung Sha Wan Outline Zoning Plan No. S/K5/35.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
6. Shop 3 on Level 1, Jade Plaza, No. 3 On Chee Road, Tai Po, New Territories 118/5500 of 5500/16800th shares of and in Tai Po Town Lot No. 7.	The property comprises a shop unit on Level 1 of a 2-storey commercial podium completed in about 1986. The gross floor area of the property is approximately 921 square feet and the saleable area is approximately 712 square feet. The property is held under New Grant No. TP11899 for a term of 99 years commencing on 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.	The property is tenanted for a term of 2 years expiring on 19 August 2014 at a total monthly rent of HK\$80,000 exclusive management fees but inclusive of rates	HK\$18,900,000

Notes:

1. The registered owner of the property is Wang To Investments Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to legal charge/mortgage in favour of Citic Bank International Limited for the consideration of all moneys vide memorial no. 10062202200190 dated 18 June 2010.
3. The property is subject to assignment in rentals in favour of Citic Bank International Limited vide memorial no. 10062202200202 dated 18 June 2010.
4. The property falls within an area zoned "Residential (A)4" under Tai Po Outline Zoning Plan No. S/TP/25.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
7. Ground Floor including Cockloft, Foon Shing Building, No. 732 Nathan Road, Kowloon. 8/30th shares of and in the Remaining Portion of Kowloon Inland Lot No. 2284.	The property comprises a shop unit on Ground Floor of a 12-storey composite building completed in about 1976. The saleable area of the property is approximately 1,399 square feet plus a yard of approximately 31 square feet and a cockloft of approximately 1,096 square feet. The property is held under Government Lease for a term of 75 years renewable for further 75 years commencing on 20 August 1928.	The property is tenanted for a term of 3 years expiring on 31 August 2014 at a total monthly rent of HK\$130,000 exclusive of rates and management fees.	HK\$83,900,000

Notes:

1. The registered owner of the property is Antic Investment Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited for the consideration of all moneys vide memorial no. 10102601730025 dated 18 October 2010.
3. The property is subject to assignment in rentals in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial no. 10102601730034 dated 18 October 2010.
4. The property falls within an area zoned "Commercial" under Mong Kok Outline Zoning Plan No. S/K3/30.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
8. Shops A, B and C on Ground Floor of No. 111 Ma Tau Wai Road, Kowloon.	The property comprises three shop units on Ground Floor of a 8-storey tenement building completed in about 1957.	The property is tenanted for a term of 3 years expiring on 15 October 2014 at a monthly rent of HK\$50,000 exclusive of rates and management fees.	HK\$21,800,000
8/20 of 1/8st shares of and in the Remaining Portion of Section A of Sub-section 3 of Section B of Kowloon Marine Lot No. 52.	The total saleable area of the property is approximately 332 square feet. The property is held under Government Lease for a term of 75 years renewable for further 75 years commencing on 25 September 1899.		

Notes:

1. The registered owner of the property is New Earth Investments Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to Superseding Order No. CBZ/S1/027965/03/K by the Building Authority under S.24(1) of the Building Ordinance vide memorial no. 08120400560110 dated 29 October 2008 and Order No. D00354/K/11 by the Building Authority under section 26 of the Buildings Ordinance vide memorial no. 11122300750191 dated 23 November 2011. (Remarks: For exterior and common areas of the building). As advised by the company the cost to remove the order is approximately \$30,000.
3. The property is subject to mortgage in favour of DBS Bank (Hong Kong) Limited for the consideration of all moneys vide memorial no. 11062801950087 dated 13 June 2011.
4. The property is subject to assignment in rentals in favour of DBS Bank (Hong Kong) Limited vide memorial no. 11062801950097 dated 13 June 2011.
5. The property falls within an area zoned "Residential (A)" under Hung Hom Outline Zoning Plan No. S/K9/24.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 May 2014
9. Commercial Unit and Car Parking Space on 1st and 2nd Basement of Riviera Plaza, Riviera Gardens, Nos. 1-9, 2-12 Yi Lok Street, Nos. 1-7, 2-12 Yi Hong Street, Tsuen Wan, New Territories. <i>(Note 1)</i> 19,520/430,000th equal and undivided shares of and in the Remaining Portion of Tsuen Wan Town Lot No. 303	<p>The Property is a 9-storey shopping arcade plus two basement levels known as "Riviera Plaza" and it was completed in 1990.</p> <p>The total gross floor area of the property is approximately 242,689 square feet (22,546.57 square metres).</p> <p>The Property is held under New Grant No. TW6577 for a term of 99 years commencing from 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.</p>	<p>The Property is vacant.</p>	<p>HK\$500,000,000</p>

Notes:

1. The Property is all those 19,520 equal undivided 430,000th parts or shares of and in all that piece or parcel ground registered in the Land Registry as the Remaining Portion of Tsuen Wan Town Lot No. 303 and of and in the messuages erections and buildings thereon now known as "Riviera Gardens" (the "Development") together with the sole and exclusive rights and privilege to hold use occupy and enjoy of first all that Commercial Unit of the separate commercial building now known as "Riviera Plaza" of the Development and secondly all that Car Parking Space no. 1 on 2nd basement of Riviera Plaza of the Development and thirdly all those Car Parking Spaces (excluding car parking space no. 1 on 2nd basement) of Riviera Plaza of the development.
2. The current registered owner of the property is World Way Investments Limited, a wholly-owned subsidiary of the Company.
3. The Property is subject to Mortgage and assignment of rental in favour of The Hongkong and Shanghai Banking Corporation Limited vide memorial nos. 13072402130120 and 13072402130136 both dated 2 July 2013.
4. The property falls within an area zoned as "Commercial (1)" under draft Tsuen Wan Outline Zoning Plan no. S/TW/31.

Group II — Properties held by the Group for Sale

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
10. G/F, 8/F, 15/F-19/F and 21/F “726 Nathan Road” Nos. 724 and 726 Nathan Road, Mongkok, Kowloon. The Remaining Portion and The Remaining Portion of Section A of Kowloon Inland Lot No. 2132.	The property comprises 8 commercial unit of a 13-storey office building completed in 2014. The total saleable area of the property is 1,851 sq.ft. The property is held under Government Lease for a term of 75 years commencing on 20 August 1928 and renewable for further 75 years. The annual government rent payable for the subject lots is HK\$94,086.	The property is vacant.	HK\$718,300,000

Notes:

1. The registered owner of the property is City Target Limited,, a wholly-owned subsidiary of the Company.
2. The property is subject to a debenture incorporating a building mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide memorial no. 10122301290036 dated 30 November 2010.
3. Offensive Trade License of the property has been registered vide memorial no. 11111000970024 dated 17 October 2011.
4. Occupation Permit No. KN5/2014 dated 20 February 2014.
5. The property falls within an area zoned “Commercial” under Mongkok Outline Zoning Plan No. S/K3/30.
6. As at the valuation date, all the units of the property, except G/F, have been sold at total sale proceeds of HK\$388,300,000.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
11. Shop B on G/F incl. the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories. 2/21st shares of and in Tsuen Wan Town Lot No. 54.	The property comprises a shop unit on Ground Floor of a 6-storey tenement building completed in about 1967. The saleable area of the property is approximately 582 square feet plus a cockloft of approximately 354 square feet. The property is held under New Grant No. 4462 for a term of 99 years commencing on 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.	The property is tenanted for a term of 3 years expiring on 31 May 2014 at a monthly rent of HK\$85,000 exclusive of rates and management fees. The property was renewal for a term of 3 years commencing from 1 June 2014 at a monthly rent HK\$106,250 exclusive of rates and management fee but inclusive of government rent.	HK\$39,600,000

Notes:

1. The registered owner of the property is Sunbo Investment Limited, a wholly-owned subsidiary of the Company.
2. Deed of Mutual Covenant of the subject property is registered vide memorial no.TW81219 dated 31 October 1967.
3. The property is subject to Notice No. WCBZ/S202667/01/NT-F02 by the Building Authority under S.24C(1) of the Building Ordinance vide memorial no. 08100201020105 dated 27 May 2008 and Order No. UBF/F02-291/002/08 by the Building Authority under Section 24(1) of the Buildings Ordinance vide memorial no. 09111600850142 dated 29 September 2009.
4. As advised by the company, the approximate cost \$30,000.
5. The property is subject to mortgage and rental assignment in favour of Hang Seng Bank Limited for the consideration of all moneys vide memorial nos. 13100201480018 and 13100201480021 both dated 25 September 2013.
6. The property falls within an area zoned "Residential (A)13" under Tsuen Wan Outline Zoning Plan No. S/TW/31.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
<p>12. Parcel of land of The Dawning Place, 92A-92G Yeung Uk Tsuen, Shap Pat Heung, Yuen Long, New Territories.</p> <p>Sections C of Lot Nos. 16 and 17, Section D of Lot No. 17, Section F of Lot No. 15, Lot No. 19, the Remaining Portions of Lot Nos. 15, 16 and 17 in Demarcation District No. 60.</p>	<p>The Dawning Place is a village-typed house development comprising seven semi-detached/detached 3-storey village-typed houses with parcel of land currently used as 14 open car parking spaces. The property comprises 14 car parking spaces of the development completed in 2011.</p> <p>The property is held under Government Lease for a term of 75 years renewable for 24 years. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.</p>	<p>The property was vacant.</p>	<p>HK\$1,540,000</p>

Notes:

1. The registered owner of the property is Kartix Investment Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to a Deed of Mutual Grant of Right of Way and Easements with Plans vide memorial no.11071101030132 dated 8 June 2011.
3. The property falls within an area zoned "Village Type Development" under Tai Tong Zoning Plan No. S/YL-TT/16.

Group III — Properties held by the Group For Development

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
13. The Met. Delight Nos. 140, 142, 144 and 146 Camp Street, Kowloon.	The property comprises four contiguous parcels of land with a total site area of approximately 4,624 square feet (429.58 square metres) or thereabouts.	The property is under construction.	HK\$372,500,000
Section B, C and D and The Remaining Portion of New Kowloon Inland Lot No. 2803.	A 25-storey residential building including a 2-storey commercial podium was erected on the property with total saleable area of 33,678 sq.ft. to be completed in 2015.		
	The property is held under Conditions of Sale No. 4120 for a term of expiring on 30 June 1997. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.		

Notes:

1. The registered owner of the property is Rich System Investments Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to building mortgage in favour of The Bank of East Asia Limited vide memorial no. 12061302330028 and 14020701330029 dated 29 May 2012 and 29 January 2014.
3. The property falls within an area zoned "Residential (Group A) 7" under Cheung Sha Wan Outline Zoning Plan No. S/K5/35 dated 10 January 2014.
4. As at the valuation date, all the units of the property with 84 residential units and 8 commercial units have been sold at total sale proceeds of HK\$472,500,000.
5. According to the information provided by the Company, as at the date of valuation, the total construction cost is \$140,000,000 and the construction costs already expended on the property is \$40,000,000. The property is expected to be completed in 2015.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
14. The Met. Sublime Nos. 1, 3, 5, 7, 9, 11 and 13 Kwai Heung Street, Hong Kong.	The property comprises seven contiguous parcels of land with a total site area of approximately 4,784.81 square feet (444.52 square metres) or thereabouts.	The property is under construction.	HK\$632,500,000
The Remaining Portion of Sub-section 2, 3, 4 of Section A, The Remaining Portion of Section A, The Remaining Portion of Sub-section 1 of Section A of Sub-section 1 of Section A, The Remaining Portion of Section A and B of Sub-section 1 of Section A of Inland Lot No. 1262.	A 29-storey residential building including a 2-storey commercial podium of 97 residential units and 2 commercial units was erected on the property with total saleable area of 30,390 sq.ft. to be completed in 2015. The property is held under Government Lease for a term of 999 years commencing on 4 August 1855.		

Notes:

1. The registered owner of the property is Double Vantage Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to a debenture incorporating a building mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide memorial no. 11081101210011 dated 26 July 2011.
3. Offensive Trade License of the property has been registered vide memorial no. 12082100940017 dated 6 August 2012.
4. The property falls within an area zoned "Residential (Group A) 7" under Sai Ying Pun and Sheung Wan Outline Zoning Plan No. S/H3/29.
5. As at the valuation date, all the units of the property with 90 residential units and 2 commercial units have been sold at a total sale proceeds of HK\$650,310,000. 7 units (Unit D on 12/F, Unit A and D on 28/F, Unit A, B and C on 31/F and Unit A on 32/F) have not been sold with total saleable area of approximately 2,449 sq.ft.
6. According to the information provided by the Company, as at the date of valuation, the completed value is \$712,700,000, the total construction cost is \$140,000,000 and the construction costs already expended on the property is \$60,000,000.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
15. Nos. 13 and 15 Sze Shan Street, Yau Tong, Kowloon.	The property comprises two contiguous parcels of land with a total site area of approximately 41,080 square feet (3,816.43 square metres) or thereabouts.	The property is vacant.	HK\$1,200,000,000 (refer to Note 6)
Yau Tong Inland Lot Nos. 23 and 24.	A 5-storey building namely, Hung Shing Building is erected on no. 13 Sze Shan Street completed in about 1978.		
	The property is held under Conditions of Sales Nos. 10800 and 10806 for the term expiring on 30 June 1997. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.		

Notes:

1. The registered owner of the property is Double Bright Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to a mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide memorial no. 09110401180071 dated 8 October 2009 (Re: No. 13 Sze Shan Street) and vide memorial no. 10042101890089 dated 29 March 2010 (Re: No. 15 Sze Shan Street).
3. The property is subject to an assignment of rental in favour of The Hong Kong and Shanghai Banking Corporation Limited vide memorial no. 09110401180082 dated 8 October 2009 (Re: No. 13 Sze Shan Street) and vide memorial no. 10042101890098 dated 29 March 2010 (Re: No. 15 Sze Shan Street).
4. The property falls within an area zoned "Residential (Group E)" under Cha Kwo Ling Yau tong & Lei Yue Mun OZP (S/K15/21).
5. The development condition based on the latest approved scheme as follows:
 - i. Total Gross Floor Area 272,196 square feet or thereabouts.
 - ii. Plot Ratio 6.626
 Bonus Plot Ratio 0.626 (By Road Widening)
 Domestic 5.0
 Non-Domestic 1.0
 - iii. Maximum Height Not exceeding a height of 140 metres above the Hong Kong Principal Datum as stipulated on the Cha Kwo Ling, Yau Tong, Lei Yue Mun Outline Zoning Plan No. S/K15/19.
 - iv. Site Class C
6. The market value of the property has been arrived on the basis that the lease modification process including payment of land premium has been completed.
7. As at the valuation date, the lease modification process is under process and the land premium has not yet been settled and the amount is still under negotiation.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
16. Nos. 575 and 575A Nathan Road, Kowloon. Kowloon Inland Lot Nos. 9425 and 9443.	<p>The property comprises two contiguous parcels of land with a total site area of approximately 2,130 square feet (197.88 square metres) or thereabouts. The existing building is under demolition.</p> <p>An 8-storey building is erected thereon nos. 575 and 575A Nathan Road respectively completed in about 1965.</p> <p>The property is held under Conditions of Regrant Nos. 9020 and 9024 for a term of 150 years commencing on 25 December 1887.</p>	The property is vacant.	HK\$400,000,000

Notes:

1. The registered owner of the property is Vincent Investment Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to a mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide memorial no. 13041902790078 dated 22 March 2013 (Deeds Pending Registration).
3. The property is subject to the Conditions of Regrant Nos. 9020 and 9024 which stipulated, inter alia, that:

“The lot shall not be used for industrial purposes and no factory building shall be erected thereon.”
4. The property falls within an area zoned “Commercial” under Yau Ma Tei Outline Zoning Plan No. S/K2/22.
5. The development condition based on the scheme as follows:
 - i. Total Gross Floor Area 2,120 square feet or thereabouts.
 - ii. Plot Ratio 12
 - iii. Maximum Height Not exceeding a height of 100 metres above the Hong Kong Principal Datum as stipulated on the Yau Ma Tei Outline Zoning Plan No. S/K2/22.
6. As at the valuation date, approval on the building plan from the Government has not been obtained.

Goup IV — Property held for owner occupation

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2014
17. House 2 and Car Parking Spaces 3 and 4, Winners Lodge, Nos. 9, 11, 13, 15 Ma Yeung Path, Shatin, New Territories. 27/112th shares of and in Sha Tin Town Lot Nos. 102 and 103.	<p>The subject property is a 2-storey detached house of reinforced concrete construction completed in about 1983.</p> <p>The house has a gross floor area of approximately 3,663 square feet.</p> <p>The subject property is held under New Grant Nos. 11474 and 11475 respectively for a term of 99 years commencing from 1 July 1898. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.</p>	<p>The property is tenanted for a term of 3 years commencing from 15 November 2013 and expiring on 14 November 2016 at a monthly rent of HK\$100,000 exclusive of rates, management fees.</p>	HK\$60,000,000

Notes:

1. The registered owner of the property is Richly Gold Limited, a wholly-owned subsidiary of the Company.
2. The property is subject to mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited for the consideration of all moneys vide memorial no. 07101000710128 dated 24 September 2007.
3. The property is subject to assignment of rental in favour of The Hong Kong and Shanghai Banking Corporation Limited vide memorial no. 07101000710131 dated 24 September 2007.
4. The property falls within an area zoned "Residential (B)" under Shatin Outline Zoning Plan No. S/ST/29.

*The following is the text of a letter and valuation certificates prepared for the purpose of incorporation in this Composite Document received from **Vigers Appraisal And Consulting Limited**, an independent valuer, in connection with their valuations of the properties as at 31 May 2014.*

Vigers Appraisal and Consulting Limited
International Asset Appraisal Consultants

10th Floor, The Grande Building
398 Kwun Tong Road
Kowloon
Hong Kong

7 July 2014

The Directors
Wang On Group Limited
5/F, Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Dear Sirs,

RE: VALUATION OF VARIOUS PROPERTIES IN HONG KONG

In accordance with your instructions for us to value the properties interests owned by Wang On Group Limited and/or its subsidiaries (together referred to as “the Group”), we confirm that we have inspected the properties, made relevant enquiries and obtained such information as we consider necessary for the purpose of providing you with our opinion of values of the properties as at 31 May 2014 (“the date of valuation”).

Our valuations are our opinion of market value of the properties which is defined as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Our valuation has been made on the assumption that the owner sold the properties on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which might serve to affect the values of the properties.



In valuing the properties held for investment by the Group, we have adopted the investment approach as well as the comparison approach which capitalizes the rent receivable from the existing tenancies and the potential reversionary market rent of the property interests taking into account the market rental comparables in the open market and with reference to comparable transactions in the market.

We have conducted land searches at the Land Registry but we have not scrutinised the original documents to ascertain ownership nor to verify any lease amendments which might not appear on the copies handed to us. In any events, we reserve the right to revise our valuations should there disclose any information which is in contravention to the information provided to us.

We have relied on considerable extent on the information provided by the Group and have accepted advice given to us on such matters as tenure, areas, occupation, tenancies, statutory notice, easements and all other relevant matters. All documents have been used as reference purposes only. All dimensions, measurements and areas are approximate.

The properties were inspected by Mr. Oscar To Kam Wing, Senior Valuer of Vigers Appraisal and Consulting Limited (BSc (Hons.), MSc in Construction Real Estate) in between February 2014 and May 2014. We have inspected the properties to the extent for the purpose of these valuations but we have not carried out any structural survey nor have we inspected woodwork or other parts of the structures which were covered, unexposed or inaccessible to us. We are therefore unable to report whether the properties were free from any structural or non-structural defect.

We have not arranged for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or pulverized fly ash or any other deleterious material has been used in the construction of these properties and we are therefore unable to report that the properties are free from risk in this respect. For the purpose of these valuations, we have assumed that such investigation would not disclose the presence of any such material in any adverse conditions.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties for any expenses or taxation which might be incurred in effecting a sale. Unless otherwise stated, we have assumed that the properties are free from any encumbrances, restrictions and outgoings of an onerous nature which could serve to affect the values of the properties. According to the “The HKIS Valuation Standards on Properties”, it states that “when assessing the Market Value of a Property, any encumbrances such as mortgage, debenture, charged against it should be disregarded”.

As advised by the Group, properties which are held for investment would be subject to profit tax of 16.5% of net profit upon disposal, save for deduction of any profit which is capital in nature. The Group has no intention to dispose of these properties at present. Therefore the likelihood of such tax liability is remote.

Our valuations have been prepared in accordance with “The HKIS Valuation Standards (2012 Edition)” published by The Hong Kong Institute of Surveyors, the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

We enclose herewith the summary of values and valuation certificates.

Yours faithfully,
For and on behalf of
VIGERS APPRAISAL AND CONSULTING LIMITED
Gilbert K. M. Yuen
MRICS MHKIS RPS(GP)
Executive Director

Note: Mr. Gilbert K. M. Yuen is a Registered Professional Surveyor in General Practice Division with over 20 years’ valuation experience on properties in Hong Kong.

SUMMARY OF VALUATION

Properties	Market Value as at 31 May 2014
1. 7th Floor, No. 33 Wong Chuk Street, Kowloon	HK\$2,450,000
2. 7th Floor (Flat C on 7th Floor), Dun Tak Mansion, No. 127 Portland Street, Kowloon	HK\$5,250,000
3. 9th Floor, No. 10 Shek Kip Mei Street, Kowloon	HK\$3,400,000
4. Eighth Floor, No. 253 Tai Nan Street, Kowloon	HK\$2,230,000
5. 7th Floor, Kwok Chai Building, No. 137 Sai Yee Street, Kowloon	HK\$5,750,000
6. 8th Floor, Kwok Chai Building, No. 137 Sai Yee Street, Kowloon	HK\$5,800,000
7. Flat A6 on 3rd Floor of Block A, Lockhart House, No. 441 Lockhart Road and No. 440 Jaffe Road, Hong Kong	HK\$5,800,000
8. Flat F on 4th Floor, Wing Ming Building, Nos. 34/42 Yen Chow Street, Kowloon	HK\$2,650,000
9. 2nd Floor, No. 675 Shanghai Street, Kowloon	HK\$3,200,000
10. Front Portion of 4th Floor, No. 60 Castle Peak Road, Kowloon	HK\$3,300,000
11. 5th Floor, No. 524 Jaffe Road, Hong Kong	HK\$6,000,000
12. Flat B on 5th Floor, Po Tai Building, No. 180 Nam Cheong Street, Kowloon	HK\$2,950,000
13. 5th Floor of Block F, No. 89 Chung On Street, Tsuen Wan, New Territories	HK\$3,000,000
14. Flat A on 8th Floor, Nos. 479 & 481 Hennessy Road and No. 29 Percival Street, Hong Kong	HK\$7,000,000
15. Flat A on 11th Floor, May Ming Mansion, No. 312 Nathan Road, Kowloon	HK\$6,100,000
16. Flat B on 6th Floor, Nos. 117–123 Hennessy Road, Hong Kong	HK\$7,900,000
17. 1st Floor, No. 23C Fuk Wing Street, Kowloon	HK\$2,530,000

Properties	Market Value as at 31 May 2014
18. Flat D on Sixth Floor, Po Cheong Building, Nos. 148–154 Nam Cheong Street, Kowloon	HK\$2,820,000
19. Flat A on 6th Floor, Wellcome Mansion, Nos. 233, 233A, 235, 237 & 239 Cheung Sha Wan Road and No. 38K Kweilin Street, Kowloon	HK\$3,120,000
20. Flat C on 2nd Floor, Tsang Cheung House, Nos. 444, 444A, 446 & 446A Nathan Road, Kowloon	HK\$5,300,000
21. Flat F on 10th Floor, Thai Kong Building, No. 482 Hennessy Road, Hong Kong	HK\$5,000,000
22. 7th Floor, No. 3 Un Chau Street, Kowloon	HK\$3,580,000
23. Flat C on 8th Floor, Pak Lok Building, Nos. 322–326A Nathan Road, Kowloon	HK\$5,340,000
24. Flat C on 6th Floor, Rex House, Nos. 648, 650 & 652 Nathan Road, Kowloon	HK\$4,350,000
25. Unit A on 6th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon	HK\$2,750,000
26. 5th Floor, No. 132A Electric Road, Hong Kong	HK\$5,700,000
27. Flat 413 on 4th Floor, Sincere House, No. 83 Argyle Street, Kowloon	HK\$5,200,000
28. Unit A on 4th Floor & Flat Roof thereof, Parkes Building, Nos. 17–23 Parkes Street, Kowloon	HK\$3,200,000
29. Apartment No. P-7 on 7th Floor, Wing Lung Building, Nos. 220–240 & 240A Castle Peak Road and Nos. 20 & 22 Wing Lung Street, Kowloon	HK\$2,460,000
30. Unit B on 4th Floor & Flat Roof thereof, Parkes Building, Nos. 17–23 Parkes Street, Kowloon	HK\$2,700,000
31. Flat G on 7th Floor, Lung Wa Building, No. 22 Fuk Wa Street, Kowloon	HK\$3,300,000

Properties	Market Value as at 31 May 2014
32. Flat No. 5 on 1st Floor, Tai Yue Mansion, No. 133 Sai Yee Street, Kowloon	HK\$4,700,000
33. Flat 1 on 1st Floor together with Portion of the Flat Roof (also known as Flat A on 1st Floor), No. 174 Jockey Club Road, North, New Territories	HK\$2,600,000
34. Unit B on 6th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon	HK\$2,670,000
35. 2nd Floor, Golden Jubilee House, No. 399 Lockhart Road, Hong Kong	HK\$5,480,000
36. 11th Floor, No. 501 Nathan Road, Kowloon	HK\$4,350,000
37. 3rd Floor, No. 192 Tai Nan Street, Kowloon	HK\$3,100,000
38. Flat A on 6th Floor, No. 240 Lockhart Road, Hong Kong	HK\$5,300,000
39. Unit A on 8th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon	HK\$2,810,000
40. 1st Floor Rear Portion, No. 1 San Lok Street, Shek Wu Hui, Sheung Shui, New Territories	HK\$3,000,000
41. 6th Floor and its Interior Wall, No. 463 Hennessy Road, Hong Kong	HK\$4,850,000
42. 7th Floor, No. 109 Cheung Sha Wan Road, Kowloon	HK\$3,150,000
43. Unit B on 8th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon	HK\$2,730,000
44. 6th Floor, No. 250 Cheung Sha Wan Road, Kowloon	HK\$2,860,000
45. Flat F on Sixth Floor, Po Cheong Building, Nos. 148–154 Nam Cheong Street, Kowloon	HK\$2,380,000
46. 3rd Floor, Vico Mansion, No. 3 Nanking Street, Kowloon	HK\$3,300,000
47. Unit A on 10th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon	HK\$2,860,000

Properties	Market Value as at 31 May 2014
48. Flat A on 6th Floor, Pao Hing House, Nos. 240–244 Lai Chi Kok Road, Kowloon	HK\$3,780,000
49. 13th Floor, No. 113 Cheung Sha Wan Road, Kowloon	HK\$3,020,000
50. 5th Floor, No. 501 Nathan Road, Kowloon	HK\$4,200,000
51. 7th Floor, Man On Building, No. 83 Tai Po Road, Kowloon	HK\$2,900,000
52. Flat C on 12th Floor, Lee Wai Building, Nos. 654–658 Nathan Road, Kowloon	HK\$3,800,000
53. Flat B on 10th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon	HK\$2,780,000
54. Flat F on 11th Floor, No. 78 Un Chau Street, Kowloon	HK\$4,000,000
55. 6th Floor, No. 692 Shanghai Street, Hing Fat Building, Kowloon	HK\$3,750,000
56. 3rd Floor, No. 109 Cheung Sha Wan Road, Kowloon	HK\$3,080,000
57. Flat D on 8th Floor, Fuk Sing House, Nos. 63, 65, 65A, 67, 69 & 69A Fuk Wing Street, Kowloon	HK\$3,360,000
58. 8th Floor, No. 113 Cheung Sha Wan Road, Kowloon	HK\$2,920,000
59. Flat E, 8th Floor, Diamond Building, No. 199 Nam Cheong Street, Kowloon	HK\$3,300,000
60. 6th Floor, No. 252 Cheung Sha Wan Road, Kowloon	HK\$2,860,000
61. Flat D, 2nd Floor, Shu Tak Building, Nos. 74–76 Tai Wai Road, Tai Wai, Shatin, New Territories	HK\$2,900,000
62. Flats A and B on 6th Floor, Lee Wai Building, Nos. 654–658 Nathan Road, Kowloon	HK\$8,550,000
TOTAL:	<u>HK\$241,470,000</u>

VALUATION CERTIFICATES

Properties held for investment by the Group

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
1. 7th Floor, No. 33 Wong Chuk Street, Kowloon	The property comprises a residential unit in an 8-storey composite building, which was completed in 1959.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted.	HK\$2,450,000
The property comprises 1/8th share of and in the Remaining Portion of New Kowloon Inland Lot No. 2309.	The property has a saleable area of approximately 631 sq.ft. (58.62 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As at 31 May 2014 the total monthly rent receivable was HK\$12,650. The last expiry date is 18 March 2015.	

Notes:

- The registered owner is Allied Victory Investment Limited, a wholly-owned subsidiary of the Group.
- The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
- The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
<p>2. 7th Floor (Flat C on 7th Floor), Dun Tak Mansion, No. 127 Portland Street, Kowloon</p> <p>The property comprises 1/40th share of and in Kowloon Inland Lot Nos. 8121 and 8160.</p>	<p>The property comprises a residential unit in a 10-storey composite building, which was completed in 1963.</p> <p>The property has a saleable area of approximately 921 sq.ft. (85.56 sq.m.).</p> <p>The property is held under Conditions of Re-Grant Nos. 6852 and 6970 for a term of 150 years commencing from 25 December 1887.</p> <p>The government rent in total is HK\$214 per annum for the whole of Kowloon Inland Lot Nos. 8121 and 8160.</p>	<p>As provided by the Group, the subject property has been divided into 6 sub-units and all of them have been tenanted.</p> <p>As at 31 May 2014 the total monthly rent receivable was HK\$25,900. The last expiry date is 1 April 2015.</p>	HK\$5,250,000

Notes:

1. The registered owner is Allied Victory Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to an Order No. DR00189/K/07 by the Building Authority under S.28(3) of the Buildings Ordinance (Re: For common drains only) vide Memorial No. 07101501330023 dated 14 September 2007.
3. According to the Group, the estimated costs liable to the property to comply with the above Building Order is in the sum of HK\$7,500. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
3. 9th Floor, No. 10 Shek Kip Mei Street, Kowloon	The property comprises a residential unit in a 13-storey composite building, which was completed in 1963.	As provided by the Group, the subject property has been	HK\$3,400,000
The property comprises 4/156th shares of and in the Remaining Portion of New Kowloon Inland Lot No. 1152 and the Remaining Portion of New Kowloon Inland Lot No. 1283.	The property has a saleable area of approximately 602 sq.ft. (55.93 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$14,300. The last expiry date is 16 January 2015.	

Notes:

1. The registered owner is Allied Victory Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
4. Eighth Floor, No. 253 Tai Nan Street, Kowloon	The property comprises a residential unit in a 9-storey composite building, which was completed in 1960.	As provided by the Group, the subject property has been divided into 4 sub-units and 3 units of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$8,300. The last expiry date is 21 February 2015.	HK\$2,230,000
The property comprises 1/9th share of and in the Remaining Portion of New Kowloon Inland Lot No. 19.	<p>The property has a saleable area of approximately 593 sq.ft. (55.09 sq.m.).</p> <p>The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.</p> <p>The annual government rent is equivalent to 3% of the rateable value for the time being of the property.</p>		

Notes:

1. The registered owner is Allied Victory Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Notification Letter of Completion of Works relating to Order Nos. D00307/K/09 and DR00616/K/10/TD by the Building Authority vide Memorial No. 13041901240039 dated 20 March 2013.
4. According to the Group, the costs liable to the property for the purpose of complying with the above Building Order is in the sum of HK\$26,938.70 and it has been paid by the Group. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoings of an onerous nature which could affect its value.
5. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
5. 7th Floor, Kwok Chai Building, No. 137 Sai Yee Street, Kowloon The property comprises 1/57th share of and in the Remaining Portion of Section A and the Remaining Portion of Kowloon Inland Lot No. 2147.	The property comprises a residential unit in a 17-storey composite building, which was completed in 1965. The property has a saleable area of approximately 983 sq.ft. (91.32 sq.m.). The property is held under Government Lease for a term of 75 years commencing from 22 October 1928 and renewed for a further term of 75 years. The government rent is HK\$1,318 per annum.	As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$26,800. The last expiry date is 14 March 2015.	HK\$5,750,000

Notes:

1. The registered owner is Allied Victory Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
6. 8th Floor, Kwok Chai Building, No. 137 Sai Yee Street, Kowloon The property comprises 1/57th share of and in the Remaining Portion of Section A and the Remaining Portion of Kowloon Inland Lot No. 2147.	The property comprises a residential unit in a 17-storey composite building, which was completed in 1965. The property has a saleable area of approximately 983 sq.ft. (91.32 sq.m.). The property is held under Government Lease for a term of 75 years commencing from 22 October 1928 and renewed for a further term of 75 years. The government rent is HK\$1,318 per annum.	As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$28,300. The last expiry date is 16 May 2015.	HK\$5,800,000

Notes:

1. The registered owner is Allied Victory Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
<p>7. Flat A6 on 3rd Floor of Block A, Lockhart House, No. 441 Lockhart Road and No. 440 Jaffe Road, Hong Kong</p> <p>The property comprises 14/4348th shares of and in the Remaining Portion of Section F, the Remaining Portion of Sub-section 1 of Section F, the Remaining Portion of Sub-section 1 of Section I and the Remaining Portion of Section I of Inland Lot No. 2833, Section E and the Remaining Portion of Inland Lot No. 2835 and the Remaining Portion of Inland Lot No. 6304.</p>	<p>The property comprises a residential unit in the Block A of Lockhart House, which is a development consists of two residential towers over a two-storey commercial podium. Block A rises 26-storeys and was completed in 1979.</p> <p>The property has gross floor and saleable areas of approximately 671 sq.ft. (62.34 sq.m.) and 552 sq.ft. (51.28 sq.m.) respectively.</p> <p>The property is held under Government Lease:</p> <p>Inland Lot No. 2833 — for a term of 99 years commencing from 15 April 1929 and renewable for a further term of 99 years.</p> <p>Inland Lot No. 2835 — for a term of 99 years commencing from 25 May 1929 and renewable for a further term of 99 years.</p> <p>Inland Lot No. 6304 — for a term of 75 years commencing from 18 October 1947 and renewable for a further term of 75 years.</p> <p>The government rent in total is HK\$1,744 per annum for the whole of Inland Lot Nos. 2833, 2835 and 6304.</p>	<p>As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$21,950. The last expiry date is 8 January 2015.</p>	<p>HK\$5,800,000</p>

Notes:

1. The registered owner is Allied Victory Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
8. Flat F on 4th Floor, Wing Ming Building, Nos. 34/42 Yen Chow Street, Kowloon The property comprises 7/900th shares of and in the Remaining Portion, the Remaining Portion of Section C and the Remaining Portion of Section B of New Kowloon Inland Lot No. 930.	The property comprises a residential unit in a 13-storey composite building, which was completed in 1971. The property has a saleable area of approximately 487 sq.ft. (45.24 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 3 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$13,600. The last expiry date is 5 March 2015.	HK\$2,650,000

Notes:

1. The registered owner is Allied Victory Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to an Order No. UBZ/U22-38/0005/08 by the Building Authority under Section 24(1) of the Buildings Ordinance (Re: Common part(s)) vide Memorial No. 11040700660314 dated 13 June 2009.
4. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.
5. The property is subject to an Order No. DR00048/K/14 by the Building Authority under Section 28(3) of the Buildings Ordinance (Re: Common parts only) vide Memorial No. 14022601010192 dated 27 January 2014.
6. According to the Group, the estimated costs liable to the property to comply with the above Building Orders are in the sum of HK\$6,000. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
9. 2nd Floor, No. 675 Shanghai Street, Kowloon The property comprises 1/10th share of and in Kowloon Inland Lot No. 10830.	The property comprises a residential unit in a 10-storey composite building, which was completed in 1966. The property has a saleable area of approximately 560 sq.ft. (52.03 sq.m.). The property is held under Government Lease for a term of 28 June 1985 to 30 June 2047. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 3 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$13,900. The last expiry date is 25 March 2015.	HK\$3,200,000

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
10. Front Portion of 4th Floor, No. 60 Castle Peak Road, Kowloon The property comprises 1/144th share of and in New Kowloon Inland Lot No. 2702.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1962. The property has a saleable area of approximately 606 sq.ft. (56.30 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$17,700. The last expiry date is 10 October 2014.	HK\$3,300,000

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
11. 5th Floor, No. 524 Jaffe Road, Hong Kong The property comprises 1/18th share of and in Sub-section 3 of Section F of Marine Lot No. 52 and the Extension thereto.	The property comprises a residential unit in a 9-storey composite building, which was completed in 1961. The property has a saleable area of approximately 725 sq.ft. (67.35 sq.m.). The property is held under Government Lease for a term of 999 years commencing from 25 June 1843. The government rent is HK\$12 per annum for the whole of the lot.	As provided by the Group, the subject property has been divided into 4 sub-units and 3 units of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$15,200. The last expiry date is 14 February 2015.	HK\$6,000,000

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
12. Flat B on 5th Floor, Po Tai Building, No. 180 Nam Cheong Street, Kowloon The property comprises 1/49th share of and in the Remaining Portion of Section A, the Remaining Portion of Section B and the Remaining Portion of Section C of New Kowloon Inland Lot No. 386.	The property comprises a residential unit in a 13-storey composite building, which was completed in 1966. The property has a saleable area of approximately 507 sq.ft. (47.10 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 3 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$13,700. The last expiry date is 12 May 2015.	HK\$2,950,000

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
13. 5th Floor of Block F, No. 89 Chung On Street, Tsuen Wan, New Territories The property comprises 1/66th share of and in the Remaining Portion of Lot No. 2013 in D.D. 449.	<p>The property comprises a residential unit in a 6-storey composite building, which was completed in 1958.</p> <p>The property has a saleable area of approximately 647 sq.ft. (60.11 sq.m.).</p> <p>The property is held under New Grant No. 3504 for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.</p> <p>The annual government rent is equivalent to 3% of the rateable value for the time being of the property.</p>	<p>As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$16,400. The last expiry date is 30 April 2015.</p>	HK\$3,000,000

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to an Order No. CRT/RT/001468/10/NT under Section 24(1) of the Buildings Ordinance by the Building Authority (Re: Common part(s) only) vide Memorial No. 10080901360098 dated 30 June 2010.
3. According to the Group, the estimated costs liable to the property to comply with the above Building Order is in the sum of HK\$9,000. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
14. Flat A on 8th Floor, Nos. 479 & 481 Hennessy Road and No. 29 Percival Street, Hong Kong The property comprises 2/85th shares of and in the Remaining Portion of Inland Lot No. 7160 and the Remaining Portion of Inland Lot No. 7161.	The property comprises a residential unit in a 16-storey composite building, which was completed in 1965. The property has a saleable area of approximately 820 sq.ft. (76.18 sq.m.). The property is held under Government Lease for a term of 99 years commencing from 15 April 1929 and renewable for a further term of 99 years. The government rent in total is HK\$22 per annum for the whole of Inland Lot Nos. 7160 and 7161.	As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK27,400. The last expiry date is 3 April 2015.	HK\$7,000,000

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
15. Flat A on 11th Floor, May Ming Mansion, No. 312 Nathan Road, Kowloon The property comprises 1/27th share of and in the Remaining Portion of Kowloon Inland Lot No. 3596.	The property comprises a residential unit in a 13-storey composite building, which was completed in 1965. The property has a saleable area of approximately 879 sq.ft. (81.66 sq.m.). The property is held under Government Lease for a term of 75 years commencing from 14 September 1914 and renewable for a further term of 75 years. The government rent is HK\$1,584 per annum.	As provided by the Group, the subject property has been divided into 6 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$27,700. The last expiry date is 9 March 2015.	HK\$6,100,000

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to an Order No. UBZ/U18-58/0017/09 under Section 24(1) of the Buildings Ordinance by the Building Authority (Re: Common part(s) only) vide Memorial No. 13022700490244 dated 14 January 2013.
4. The property is subject to an Order No. UBZ/U18-58/0024/09 under Section 24(1) of the Buildings Ordinance by the Building Authority vide Memorial No. 13061000360064 dated 22 May 2013.
5. According to the Group, the estimated costs liable to the property to comply with above Building Orders are in the sum of HK\$13,000. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoings of an onerous nature which could affect its value.
6. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
<p>16. Flat B on 6th Floor, Nos. 117–123 Hennessy Road, Hong Kong</p> <p>The property comprises 2/131st shares of and in the Remaining Portion of Inland Lot No. 3809, the Remaining Portion of Inland Lot No. 3810, the Remaining Portion of Inland Lot No. 3813 and the Remaining Portion of Inland Lot No. 3814.</p>	<p>The property comprises a residential unit in a 17-storey composite building, which was completed in 1970.</p> <p>The property has a saleable area of approximately 834 sq.ft. (77.48 sq.m.).</p> <p>The property is held under Government Lease for a term of 99 years commencing from 25 May 1929 and renewable for a further term of 99 years.</p> <p>The government rent in total is HK\$48 per annum for the whole of Inland Lot Nos. 3809, 3810, 3813 and 3814.</p>	<p>As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$28,750. The last expiry date is 11 May 2015.</p>	<p>HK\$7,900,000</p>

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
17. 1st Floor, No. 23C Fuk Wing Street, Kowloon	The property comprises a residential unit in an 8-storey composite building, which was completed in 1959.	As provided by the Group, the subject property has been	HK\$2,530,000
The property comprises 1/8th share of and in Section D of New Kowloon Inland Lot No. 2310.	The property has a saleable area of approximately 527 sq.ft. (48.96 sq.m.).	divided into 3 sub-units and all of them have been tenanted.	
	The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.	As at 31 May 2014 the total monthly rent receivable was HK\$13,100. The last expiry date is 9 May 2015.	
	The annual government rent is equivalent to 3% of the rateable value for the time being of the property.		

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
18. Flat D on Sixth Floor, Po Cheong Building, Nos. 148–154 Nam Cheong Street, Kowloon The property comprises 1/74th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1278, the Remaining Portion of New Kowloon Inland Lot No. 1392, the Remaining Portion of New Kowloon Inland Lot No. 1393 and the Remaining Portion of New Kowloon Inland Lot No. 1394.	The property comprises a residential unit in a 13-storey composite building, which was completed in 1969. The property has a saleable area of approximately 480 sq.ft. (44.59 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 3 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$13,750. The last expiry date is 26 May 2015.	HK\$2,820,000

Notes:

1. The registered owner is Goldbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to secure all moneys vide Memorial No. 09080600590399 dated 7 July 2009.
3. The property is subject to an Assignment Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590405 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
19. Flat A on 6th Floor, Wellcome Mansion, Nos. 233, 233A, 235, 237 & 239 Cheung Sha Wan Road and No. 38K Kweilin Street, Kowloon The property comprises 1/78th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1578, the Remaining Portion of New Kowloon Inland Lot No. 1577, the Remaining Portion of New Kowloon Inland Lot No. 1576 and the Remaining Portion of New Kowloon Inland Lot No. 1290.	The property comprises a residential unit in a 13-storey composite building, which was completed in 1964. The property has a saleable area of approximately 549 sq.ft. (51.00 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$17,300. The last expiry date is 31 January 2015.	HK\$3,120,000

Notes:

1. The registered owner is Topbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
20. Flat C on 2nd Floor, Tsang Cheung House, Nos. 444, 444A, 446 & 446A Nathan Road, Kowloon The property comprises 1/50th share of and in Section B and the Remaining Portion of Kowloon Inland Lot No. 1464.	The property comprises a residential unit in a 14-storey composite building, which was completed in 1963. The property has a saleable area of approximately 744 sq.ft. (69.12 sq.m.). The property is held under Government Lease for a term of 75 years commencing from 20 March 1922 and renewed for a further term of 75 years. The government rent is HK\$3,708 per annum.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$20,200. The last expiry date is 17 May 2015.	HK\$5,300,000

Notes:

1. The registered owner is Topbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
21. Flat F on 10th Floor, Thai Kong Building, No. 482 Hennessy Road, Hong Kong The property comprises 1/120th share of and in Inland Lot No. 3582.	The property comprises a residential unit in a 23-storey composite building, which was completed in 1966. The property has a saleable area of approximately 544 sq.ft. (50.54 sq.m.). The property is held under Government Lease for a term of 999 years commencing from 25 June 1862. The government rent is HK\$104 per annum for the whole of Inland Lot No. 3582.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$21,500. The last expiry date is 28 February 2015.	HK\$5,000,000

Notes:

1. The registered owner is Topbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
22. 7th Floor, No. 3 Un Chau Street, Kowloon	The property comprises a residential unit in a 9-storey composite building, which was completed in 1963.	As provided by the Group, the subject property has been divided into 4 sub-	HK\$3,580,000
The property comprises 2/27th shares of and in the Remaining Portion of New Kowloon Inland Lot No. 1927.	The property has a saleable area of approximately 651 sq.ft. (60.48 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.	units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$18,300. The last expiry date is 25 April 2015.	
	The annual government rent is equivalent to 3% of the rateable value for the time being of the property.		

Notes:

1. The registered owner is Topbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Notification Letter of Completion of Works relating to Order No. D00330/K/09 vide Memorial No. 11061301670249 dated 11 May 2011.
4. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.
5. According to the Group, the estimated costs liable to the property to comply with the above Building Order is in the sum of HK\$600. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
23. Flat C on 8th Floor, Pak Lok Building, Nos. 322–326A Nathan Road, Kowloon The property comprises 1/72nd share of and in Kowloon Inland Lot Nos. 8030 and 8119.	The property comprises a residential unit in an 18-storey composite building, which was completed in 1964. The property has a saleable area of approximately 763 sq.ft. (70.88 sq.m.). The property is held under Conditions of Regrant Nos. 6957 and 6951 for a term of 150 years commencing from 25 December 1888. The government rent is HK\$8 per annum.	As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$25,200. The last expiry date is 17 May 2015.	HK\$5,340,000

Notes:

1. The registered owner is Topbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
24. Flat C on 6th Floor, Rex House, Nos. 648, 650 & 652 Nathan Road, Kowloon The property comprises 1/55th share of and in the Remaining Portion of Section A, the Remaining Portion of Section B and the Remaining Portion of Sub-section 1 of Section C of Kowloon Inland Lot No. 1388.	The property comprises a residential unit in a 16-storey composite building, which was completed in 1963. The property has a saleable area of approximately 652 sq.ft. (60.57 sq.m.). The property is held under Government Lease for a term of 75 years commencing from 20 October 1919 and renewed for a further term of 75 years. The government rent is HK\$2,700 per annum.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$20,200. The last expiry date is 24 March 2015.	HK\$4,350,000

Notes:

1. The registered owner is Topbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank Corporation to secure part of all sums of money including general banking facilities vide Memorial No. 08052901680011 dated 2 May 2008.
3. The property is subject to a Mortgage Assignment in favour of China Construction Bank (Asia) Corporation Limited by China Construction Bank Corporation vide Memorial No. 14010602240011 dated 23 December 2013.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
25. Unit A on 6th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon The property comprises 1/52nd share of and in the Remaining Portion of Kowloon Inland Lot No. 8775, the Remaining Portion of Kowloon Inland Lot No. 8880, the Remaining Portion of Kowloon Inland Lot No. 8604 and the Remaining Portion of Kowloon Inland Lot No. 8710.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1975. The property has a saleable area of approximately 286 sq.ft. (26.57 sq.m.). The property is held under Conditions of Regrant Nos. 8064 and 8123 and Government Lease both for a term of 150 years commencing from 25 December 1887. The government rent is HK\$74 per annum.	As provided by the Group, the subject property has been divided into 2 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$10,800. The expiry date is on 2 May 2015.	HK\$2,750,000

Notes:

1. The registered owner is Topbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590377 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590382 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
26. 5th Floor, No. 132A Electric Road, Hong Kong The property comprises 1/97th share of and in the Remaining Portion of Inland Lot No. 1065.	The property comprises a residential unit in a 11-storey composite building, which was completed in 1964. The property has a saleable area of approximately 678 sq.ft. (62.99 sq.m.). The property is held under Government Lease for a term of 999 years commencing from 14 February 1887. The government rent is HK\$72 per annum for the whole of Inland Lot No. 1065.	As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$25,000. The last expiry date is 15 May 2015.	HK\$5,700,000

Notes:

1. The registered owner is Easytex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590099 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590106 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
27. Flat 413 on 4th Floor, Sincere House, No. 83 Argyle Street, Kowloon The property comprises 1/289th share of and in Kowloon Inland Lot No. 8241.	The property comprises a residential unit in a 17-storey composite building, which was completed in 1963. The property has a saleable area of approximately 734 sq.ft. (68.19 sq.m.). The property is held under Conditions of Exchange No. 7073 for a term of 75 years commencing from 6 April 1923 and renewable for a further term of 75 years. The government rent is HK\$3,082 per annum.	As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$22,150. The last expiry date is 24 May 2015.	HK\$5,200,000

Notes:

1. The registered owner is Easytex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590134 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590145 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
28. Unit A on 4th Floor & Flat Roof thereof, Parkes Building, Nos. 17–23 Parkes Street, Kowloon The property comprises 1/52nd share of and in the Remaining Portion of Kowloon Inland Lot No. 8775, the Remaining Portion of Kowloon Inland Lot No. 8880, the Remaining Portion of Kowloon Inland Lot No. 8604 and the Remaining Portion of Kowloon Inland Lot No. 8710.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1975. The property has a saleable area and flat roof area of approximately 286 sq.ft. (26.57 sq.m.) and 588 sq.ft. (54.63 sq.m.) respectively. The property is held under Conditions of Regrant Nos. 8064 and 8123 and Government Lease both for a term of 150 years commencing from 25 December 1887. The government rent is HK\$74 per annum.	As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$20,300. The last expiry date is 19 April 2015.	HK\$3,200,000

Notes:

1. The registered owner is Easytex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590152 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590161 dated 7 July 2009.
4. The property is subject to a Notice No. WCBZ/S203283/01/K-W03S by the Building Authority under S.24C(1) of the Buildings Ordinance vide Memorial No. 10031700600219 dated 25 November 2009.
5. According to the Group, the estimated costs liable to the property to comply with the above Building Order is in the sum of HK\$1,500. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
29. Apartment No. P-7 on 7th Floor, Wing Lung Building, Nos. 220-240 & 240A Castle Peak Road and Nos. 20 & 22 Wing Lung Street, Kowloon The property comprises 1/243rd share of and in New Kowloon Inland Lot Nos. 3538, 3539 and 3540.	<p>The property comprises a residential unit in a 12-storey composite building, which was completed in 1964.</p> <p>The property has a saleable area of approximately 385 sq.ft. (35.77 sq.m.).</p> <p>The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.</p> <p>The annual government rent is equivalent to 3% of the rateable value for the time being of the property.</p>	<p>As provided by the Group, the subject property has been divided into 3 sub-units and 2 units of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$8,300. The last expiry date is 28 March 2015.</p>	HK\$2,460,000

Notes:

1. The registered owner is Easytex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590119 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590125 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
30. Unit B on 4th Floor & Flat Roof thereof, Parkes Building, Nos. 17-23 Parkes Street, Kowloon The property comprises 1/52nd share of and in the Remaining Portion of Kowloon Inland Lot No. 8775, the Remaining Portion of Kowloon Inland Lot No. 8880, the Remaining Portion of Kowloon Inland Lot No. 8604 and the Remaining Portion of Kowloon Inland Lot No. 8710.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1975. The property has a saleable area and flat roof area of approximately 278 sq.ft. (25.83 sq.m.) and 110 sq.ft. (10.22 sq.m.) respectively. The property is held under Conditions of Regrant Nos. 8064 and 8123 and Government Lease both for a term of 150 years commencing from 25 December 1887. The government rent is HK\$74 per annum.	As provided by the Group, the subject property has been divided into 2 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$11,500. The expiry date is 24 March 2015.	HK\$2,700,000

Notes:

1. The registered owner is New Sino Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590294 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590308 dated 7 July 2009.
4. The property is subject to a Notice No. WCBZ/S203284/01/K-W03S by the Building Authority under S.24C(1) of the Buildings Ordinance vide Memorial No. 10031700600224 dated 25 November 2009.
5. According to the Group, the estimated costs liable to the property to comply with the above Building Order is in the sum of HK\$1,500. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
31. Flat G on 7th Floor, Lung Wa Building, No. 22 Fuk Wa Street, Kowloon The property comprises 1/144th share of and in the Remaining Portion of Section A, the Remaining Portion of Section B, the Remaining Portion of Section C, the Remaining Portion of Section E, the Remaining Portion of Section F and the Remaining Portion of New Kowloon Inland Lot No. 1637.	The property comprises a residential unit in a 13-storey composite building, which was completed in 1964. The property has a saleable area of approximately 593 sq.ft. (55.09 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$17,200. The last expiry date is 31 August 2014.	HK\$3,300,000

Notes:

1. The registered owner is New Sino Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950376 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950381 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
32. Flat No. 5 on 1st Floor, Tai Yue Mansion, No. 133 Sai Yee Street, Kowloon The property comprises 1/92nd share of and in the Remaining Portion of Section C, the Remaining Portion of Section D, the Remaining Portion of Section E and the Remaining Portion of Kowloon Inland Lot No. 1580.	The property comprises a residential unit in a 15-storey composite building, which was completed in 1964. The property has a saleable area of approximately 690 sq.ft. (64.10 sq.m.). The property is held under Conditions of Grant No. 1271 for a term of 75 years commencing from 6 April 1923 and renewed for a further term of 75 years. The government rent is HK\$3,072 per annum.	As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$23,700. The last expiry date is 16 May 2015.	HK\$4,700,000

Notes:

1. The registered owner is New Sino Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590314 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590325 dated 7 July 2009.
4. The property is subject to an Order No. UBZ/U19-33/0001/09 by the Building Authority under Section 24(1) of the Buildings Ordinance (Re: For common part(s) only) vide Memorial No. 11123000500062 dated 3 June 2011.
5. According to the Group, the estimated costs liable to the property to comply with the above Building Order is in the sum of HK\$1,000. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
33. Flat 1 on 1st Floor together with Portion of the Flat Roof (also known as Flat A on 1st Floor), No. 174 Jockey Club Road, North, New Territories	The property comprises a residential unit in a 3-storey composite building, which was completed in 1973.	As provided by the Group, the subject property has been divided into 3 sub-units and all of them have been tenanted.	HK\$2,600,000
The property comprises 1/70th share of and in Lot No. 3831 in D.D. 91.	The property has a saleable area and flat roof area of approximately 593 sq.ft. (55.09 sq.m.) and 73 sq.ft. (6.78 sq.m.) respectively.	As at 31 May 2014 the total monthly rent receivable was HK\$12,300. The last expiry date is 9 February 2015.	
	The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.		
	The annual government rent is equivalent to 3% of the rateable value for the time being of the property.		

Notes:

1. The registered owner is New Sino Investment Limited, a wholly-owned subsidiary of the Group.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
34. Unit B on 6th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon The property comprises 1/52nd share of and in the Remaining Portion of Kowloon Inland Lot No. 8775, the Remaining Portion of Kowloon Inland Lot No. 8880, the Remaining Portion of Kowloon Inland Lot No. 8604 and the Remaining Portion of Kowloon Inland Lot No. 8710.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1975. The property has a saleable area of approximately 278 sq.ft. (25.83 sq.m.). The property is held under Conditions of Regrant Nos. 8064 and 8123 and Government Lease both for a term of 150 years commencing from 25 December 1887. The government rent is HK\$74 per annum.	As provided by the Group, the subject property has been divided into 2 sub-units and 1 unit of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$5,100. The last expiry date is 24 January 2015.	HK\$2,670,000

Notes:

1. The registered owner is Lanbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590232 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590246 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
35. 2nd Floor, Golden Jubilee House, No. 399 Lockhart Road, Hong Kong The property comprises 1/117th share of and in Section B, Section C and Section D of Marine Lot No. 435.	<p>The property comprises a residential unit in a 14-storey composite building, which was completed in 1964.</p> <p>The property has a saleable area of approximately 653 sq.ft. (60.67 sq.m.).</p> <p>The property is held under Government Lease for a term of 99 years commencing from 1 July 1927 and renewable for a further term of 99 years.</p> <p>The government rent for each of the Section B, Section C and Section D of Marine Lot No. 435 is HK\$28 per annum.</p>	<p>As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted.</p> <p>As at 31 May 2014 the total monthly rent receivable was HK\$23,300. The last expiry date is 23 December 2014.</p>	HK\$5,480,000

Notes:

1. The registered owner is Lanbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590253 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590262 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
36. 11th Floor, No. 501 Nathan Road, Kowloon The property comprises 1/51st share of and in Kowloon Inland Lot Nos. 7749 and 7750.	The property comprises a residential unit in a 14-storey composite building, which was completed in 1964. The property has a saleable area of approximately 606 sq.ft. (56.30 sq.m.). The property is held under Conditions of Re-grant Nos. 6171 and 6173 for a term of 150 years commencing from 25 December 1894. The government rent is HK\$6 per annum.	As provided by the Group, the subject property has been divided into 4 sub-units and 3 units of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$15,100. The last expiry date is 18 October 2014.	HK\$4,350,000

Notes:

1. The registered owner is Lanbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590193 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590204 dated 7 July 2009.
4. The property is subject to an Order No. UBZ/U16-51/0001/10 by the Building Authority under S.24(1) of the Buildings Ordinance (Re: A metal gate at the staircase leading to Nathan Road on G/F) vide Memorial No. 11070702480026 dated 31 May 2011.
5. According to the Group, the estimated costs liable to the property to comply with the above Building Order is in the sum of HK\$500. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
37. 3rd Floor, No. 192 Tai Nan Street, Kowloon	The property comprises a residential unit in a 9-storey composite building, which was completed in 1968.	As provided by the Group, the subject property has been	HK\$3,100,000
The property comprises 1/10th share of and in the Remaining Portion of New Kowloon Inland Lot No. 597.	The property has a saleable area of approximately 678 sq.ft. (62.99 sq.m.).	divided into 4 sub-units and all of them have been tenanted.	
	The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.	As at 31 May 2014 the total monthly rent receivable was HK\$17,900. The last expiry date is 20 April 2015.	
	The annual government rent is equivalent to 3% of the rateable value for the time being of the property.		

Notes:

1. The registered owner is Lanbo Investment Limited, a wholly-owned subsidiary of the Group.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
38. Flat A on 6th Floor, No. 240 Lockhart Road, Hong Kong The property comprises 1/24th share of and in the Remaining Portion of Inland Lot No. 5224 and the Remaining Portion of Inland Lot No. 5225.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1967. The property has a saleable area of approximately 617 sq.ft. (57.32 sq.m.). The property is held under Government Lease for a term of 99 years commencing from 25 May 1929 and renewable for a further term of 99 years. The government rent in total is HK\$24 per annum for the whole of Inland Lot Nos. 5224 and 5225.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$20,100. The last expiry date is 2 January 2016.	HK\$5,300,000

Notes:

1. The registered owner is Lanbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590210 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590225 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
39. Unit A on 8th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon The property comprises 1/52nd share of and in the Remaining Portion of Kowloon Inland Lot No. 8775, the Remaining Portion of Kowloon Inland Lot No. 8880, the Remaining Portion of Kowloon Inland Lot No. 8604 and the Remaining Portion of Kowloon Inland Lot No. 8710.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1975. The property has a saleable area of approximately 286 sq.ft. (26.57 sq.m.). The property is held under Conditions of Regrant Nos. 8064 and 8123 and Government Lease both for a term of 150 years commencing from 25 December 1887. The government rent is HK\$74 per annum.	As provided by the Group, the subject property has been divided into 2 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$9,700. The last expiry date is 19 December 2014.	HK\$2,810,000

Notes:

1. The registered owner is Newbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590059 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590068 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
40. 1st Floor Rear Portion, No. 1 San Lok Street, Shek Wu Hui, Sheung Shui, New Territories	The property comprises a residential unit in a 3-storey composite building, which was completed in 1965.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted.	HK\$3,000,000
The property comprises 1/12th share of and in Lot No. 3813 in D.D. 91.	The property has a saleable area of approximately 700 sq.ft. (65.03 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.	As at 31 May 2014 the total monthly rent receivable was HK\$17,600. The last expiry date is 24 December 2014.	
	The annual government rent is equivalent to 3% of the rateable value for the time being of the property.		

Notes:

1. The registered owner is Newbo Investment Limited, a wholly-owned subsidiary of the Group.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
41. 6th Floor and its Interior Wall, No. 463 Hennessy Road, Hong Kong The property comprises 1/42nd share of and in the Remaining Portion of Inland Lot No. 7152.	The property comprises a residential unit in a 15-storey composite building, which was completed in 1966. The property has a saleable area of approximately 532 sq.ft. (49.42 sq.m.). The property is held under Government Lease for a term of 99 years commencing from 15 April 1929 and renewable for a further term of 99 years. The government rent is HK\$12 per annum of the whole of the lot.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$22,300. The last expiry date is 31 March 2015.	HK\$4,850,000

Notes:

1. The registered owner is Newbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590015 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590025 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
<p>42. 7th Floor, No. 109 Cheung Sha Wan Road, Kowloon</p> <p>The property comprises 1/77th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1348, the Remaining Portion of New Kowloon Inland Lot No. 1349, the Remaining Portion of New Kowloon Inland Lot No. 1350 and the Remaining Portion of New Kowloon Inland Lot No. 1351.</p>	<p>The property comprises a residential unit in a 15-storey composite building, which was completed in 1964.</p> <p>The property has a saleable area of approximately 572 sq.ft. (53.14 sq.m.).</p> <p>The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.</p> <p>The annual government rent is equivalent to 3% of the rateable value for the time being of the property.</p>	<p>As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$17,800. The last expiry date is 18 May 2015.</p>	<p>HK\$3,150,000</p>

Notes:

1. The registered owner is Newbo Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590073 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590083 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
43. Unit B on 8th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon The property comprises 1/52nd share of and in the Remaining Portion of Kowloon Inland Lot No. 8775, the Remaining Portion of Kowloon Inland Lot No. 8880, the Remaining Portion of Kowloon Inland Lot No. 8604 and the Remaining Portion of Kowloon Inland Lot No. 8710.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1975. The property has a saleable area of approximately 278 sq.ft. (25.83 sq.m.). The property is held under Conditions of Regrant Nos. 8064 and 8123 and Government Lease both for a term of 150 years commencing from 25 December 1887. The government rent is HK\$74 per annum.	As provided by the Group, the subject property has been divided into 2 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$9,500. The last expiry date is 30 April 2015.	HK\$2,730,000

Notes:

1. The registered owner is Winhero Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590357 dated 7 July 2009.
3. The property is an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590364 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
44. 6th Floor, No. 250 Cheung Sha Wan Road, Kowloon The property comprises 1/36th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1407 and the Remaining Portion of New Kowloon Inland Lot No. 1580.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1965. The property has a saleable area of approximately 520 sq.ft. (48.31 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$18,600. The last expiry date is 7 April 2015.	HK\$2,860,000

Notes:

1. The registered owner is Winhero Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950254 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950265 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
45. Flat F on Sixth Floor, Po Cheong Building, Nos. 148–154 Nam Cheong Street, Kowloon The property comprises 1/74th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1278, the Remaining Portion of New Kowloon Inland Lot No. 1392, the Remaining Portion of New Kowloon Inland Lot No. 1393 and the Remaining Portion of New Kowloon Inland Lot No. 1394.	The property comprises a residential unit in a 13-storey composite building, which was completed in 1969. The property has a saleable area of approximately 331 sq.ft. (30.75 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 3 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$12,600. The last expiry date is 4 March 2015.	HK\$2,380,000

Notes:

1. The registered owner is Winhero Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950311 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950327 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
46. 3rd Floor, Vico Mansion, No. 3 Nanking Street, Kowloon The property comprises 1/20th share of and in the Remaining Portion of Sub-section 3 of Section A and the Remaining Portion of Sub-section 4 of Section A of Kowloon Inland Lot No. 1301.	The property comprises a residential unit in a 10-storey composite building, which was completed in 1970. The property has a saleable area of approximately 555 sq.ft. (51.56 sq.m.). The property is held under Government Lease for a term of 75 years commencing from 10 July 1916 and renewed for a further term of 75 years. The government rent is HK\$1,674 per annum.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$17,150. The last expiry date is 10 April 2015.	HK\$3,300,000

Notes:

1. The registered owner is Winhero Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950273 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950283 dated 3 August 2011.
4. The property is subject to an Order No. INVO00059/K/11/S2 by the Building Authority under Section 26A(1) of the Buildings Ordinance (Re: For the cantilevered slab canopy (CSC) facing Nanking Street at 2/F) vide Memorial No. 12032201690010 dated 17 February 2012.
5. According to the Group, the estimated costs liable to the property to comply with the above Building Order is in the sum of HK\$25,000. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
47. Unit A on 10th Floor, Parkes Building, Nos. 17-23 Parkes Street, Kowloon The property comprises 1/52nd share of and in the Remaining Portion of Kowloon Inland Lot No. 8775, the Remaining Portion of Kowloon Inland Lot No. 8880, the Remaining Portion of Kowloon Inland Lot No. 8604 and the Remaining Portion of Kowloon Inland Lot No. 8710.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1975. The property has a saleable area of approximately 286 sq.ft. (26.57 sq.m.). The property is held under Conditions of Regrant Nos. 8064 and 8123 and Government Lease both for a term of 150 years commencing from 25 December 1887. The government rent is HK\$74 per annum.	As provided by the Group, the subject property has been divided into 2 sub-units and all of them has been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$10,200. The last expiry date is 30 September 2014.	HK\$2,860,000

Notes:

1. The registered owner is Kingtex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590415 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590427 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
48. Flat A on 6th Floor, Pao Hing House, Nos. 240–244 Lai Chi Kok Road, Kowloon The property comprises 1/46th share of and in the Remaining Portion of New Kowloon Inland Lot No. 462 and the Remaining Portion of New Kowloon Inland Lot No. 463.	The property comprises a residential unit in a 15-storey composite building, which was completed in 1965. The property has a saleable area of approximately 686 sq.ft. (63.73 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 5 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$21,600. The last expiry date is 11 March 2015.	HK\$3,780,000

Notes:

1. The registered owner is Kingtex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950055 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950061 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
<p>49. 13th Floor, No. 113 Cheung Sha Wan Road, Kowloon</p> <p>The property comprises 1/77th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1348, the Remaining Portion of New Kowloon Inland Lot No. 1349, the Remaining Portion of New Kowloon Inland Lot No. 1350 and the Remaining Portion of New Kowloon Inland Lot No. 1351.</p>	<p>The property comprises a residential unit in a 15-storey composite building, which was completed in 1964.</p> <p>The property has a saleable area of approximately 526 sq.ft. (48.87 sq.m.).</p> <p>The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.</p> <p>The annual government rent is equivalent to 3% of the rateable value for the time being of the property.</p>	<p>As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$18,200. The last expiry date 14 May 2015.</p>	<p>HK\$3,020,000</p>

Notes:

1. The registered owner is Kingtex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950079 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950081 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
50. 5th Floor, No. 501 Nathan Road, Kowloon The property comprises 1/51st share of and in Kowloon Inland Lot Nos. 7749 and 7750.	The property comprises a residential unit in a 14-storey composite building, which was completed in 1964. The property has a saleable area of approximately 619 sq.ft. (57.51 sq.m.). The property is held under Conditions of Re-grant Nos. 6171 and 6173 for a term of 150 years commencing from 25 December 1894. The government rent in total is HK\$178 per annum for the whole of the subject lots.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$19,400. The last expiry date is 7 December 2014.	HK\$4,200,000

Notes:

1. The registered owner is Kingtex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Order No. UBZ/U16-51/0001/10 by the Building Authority under S.24(1) of the Buildings Ordinance (Re: A metal gate at the staircase leading to Nathan Road on G/F) vide Memorial No. 11070702480026 dated 31 May 2011.
3. According to the Group, the estimated costs liable to the property to comply, with above Building Order is in the sum of HK\$500. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoing of an onerous nature which could affect its value.
4. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950037 dated 3 August 2011.
5. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950049 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
51. 7th Floor, Man On Building, No. 83 Tai Po Road, Kowloon	The property comprises a residential unit in an 11-storey composite building, which was completed in 1964.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$18,200. The last expiry date is 24 May 2015.	HK\$2,900,000
The property comprises 1/64th share of and in the Remaining Portion of Section A, the Remaining Portion of Section C, the Remaining Portion of New Kowloon Inland Lot No. 1479.	The property has a saleable area of approximately 533 sq.ft. (49.52 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.		

Notes:

1. The registered owner is Kingtex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950013 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950026 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
<p>52. Flat C on 12th Floor, Lee Wai Building, Nos. 654–658 Nathan Road, Kowloon.</p> <p>The property comprises 1/47th share of and in the Remaining Portion of Sub-section 1 of Section A, the Remaining Portion of Sub-section 2 of Section A, the Remaining Portion of Section A of Kowloon Inland Lot No. 1259.</p>	<p>The property comprises a residential unit in a 14-storey composite building, which was completed in 1962.</p> <p>The property has a saleable area of approximately 530 sq.ft. (49.24 sq.m.).</p> <p>The property is held under a Government Lease for a term of 75 years commencing from 18 February 1910 with a right of renewable for a further term of 75 years.</p> <p>The government rent is HK\$103,214 for the whole of the subject lots.</p>	<p>As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted.</p> <p>As at 31 May 2014 the total monthly rent receivable was HK\$20,200. The last expiry date is 6 May 2015.</p>	HK\$3,800,000

Notes:

1. The registered owner is Kingtex Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950096 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950108 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
53. Flat B on 10th Floor, Parkes Building, Nos. 17–23 Parkes Street, Kowloon The property comprises 1/52nd share of and in the Remaining Portion of Kowloon Inland Lot No. 8775, the Remaining Portion of Kowloon Inland Lot No. 8880, the Remaining Portion of Kowloon Inland Lot No. 8604 and the Remaining Portion of Kowloon Inland Lot No. 8710.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1975. The property has a saleable area of approximately 278 sq.ft. (25.83 sq.m.). The property is held under Conditions of Regrant Nos. 8064 and 8123 and Government Lease both for a term of 150 years commencing from 25 December 1887. The government rent is HK\$74 per annum.	As provided by the Group, the subject property has been divided into 2 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$9,700. The last expiry date is 13 October 2014.	HK\$2,780,000

Notes:

1. The registered owner is Allied Wide Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of China Construction Bank (Asia) Corporation Limited to the extent of all moneys vide Memorial No. 09080600590439 dated 7 July 2009.
3. The property is subject to an Assignment of Rentals in favour of China Construction Bank (Asia) Corporation Limited vide Memorial No. 09080600590440 dated 7 July 2009.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
54. Flat F on 11th Floor, No. 78 Un Chau Street, Kowloon. The property comprises 1/94th share of and in the Remaining Portion of New Kowloon Inland Lot No. 2206, the Remaining Portion of Section A and the Remaining Portion of New Kowloon Inland Lot No. 1745.	The property comprises a residential unit in a 12-storey composite building which was completed in 1966. The saleable area of the property is approximately 668 sq.ft. (62.06 sq.m.) The property is held under Government Lease a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 5 sub-units and 4 units of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$18,500. The last expiry date is 14 April 2015.	HK\$4,000,000

Notes:

1. The registered owner is Allied Wide Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950152 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950168 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
55. 6th Floor, No. 692 Shanghai Street, Hing Fat Building, Kowloon. The property comprises 1/66th shares of and in Kowloon Inland Lot No. 11037.	The property comprises a residential unit in a 13-storey composite building which was completed in 1964. The saleable area of the property is approximately 552 sq.ft. (51.28 sq.m.) The property is held under Government Lease for a term from 22 December 1992 to 30 June 2047. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$18,300. The last expiry date is 19 May 2015.	HK\$3,750,000

Notes:

1. The registered owner is Allied Wide Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950133 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950141 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
56. 3rd Floor, No. 109 Cheung Sha Wan Road, Kowloon The property comprises 1/77th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1348, the Remaining Portion of New Kowloon Inland Lot No. 1349, the Remaining Portion of New Kowloon Inland Lot No. 1350 and the Remaining Portion of New Kowloon Inland Lot No. 1351.	The property comprises a residential unit in a 15-storey composite building, which was completed in 1964. The property has a saleable area of approximately 572 sq.ft. (53.14 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$19,400. The last expiry date is 21 April 2015.	HK\$3,080,000

Notes:

1. The registered owner is Allied Wide Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950115 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950120 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
57. Flat D on 8th Floor, Fuk Sing House, Nos. 63, 65, 65A, 67, 69 & 69A Fuk Wing Street, Kowloon The property comprises 1/68th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1973, the Remaining Portion of New Kowloon Inland Lot No. 1668, the Remaining Portion of New Kowloon Inland Lot No. 1565 and the Remaining Portion of New Kowloon Inland Lot No. 1548.	The property comprises a residential unit in a 10-storey composite building, which was completed in 1967. The property has a saleable area of approximately 560 sq.ft. (52.03 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$18,900. The last expiry date is 22 December 2014.	HK\$3,360,000

Notes:

1. The registered owner is Samrich Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950234 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950248 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
58. 8th Floor, No. 113 Cheung Sha Wan Road, Kowloon The property comprises 1/77th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1348, the Remaining Portion of New Kowloon Inland Lot No. 1349, the Remaining Portion of New Kowloon Inland Lot No. 1350 and the Remaining Portion of New Kowloon Inland Lot No. 1351.	The property comprises a residential unit in a 15-storey composite building, which was completed in 1964. The property has a saleable area of approximately 526 sq.ft. (48.87 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$18,400. The last expiry date is 21 February 2015.	HK\$2,920,000

Notes:

1. The registered owner is Samrich Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950176 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950181 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
59. Flat E, 8th Floor, Diamond Building, No. 199 Nam Cheong Street, Kowloon The property comprises 2/110th shares of and in the Remaining Portion of Section B and the Remaining Portion of New Kowloon Inland Lot No. 1230.	The property comprises a residential unit in a 12-storey composite building, which was completed in 1967. The property has a saleable area of approximately 534 sq.ft. (49.61 sq.m.). The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance. The annual government rent is equivalent to 3% of the rateable value for the time being of the property.	As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$20,100. The last expiry date is 11 February 2015.	HK\$3,300,000

Notes:

1. The registered owner is Samrich Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to an Order No. DR00190/K/10 by the Building Authority under Section 28(3) of the Buildings Ordinance (Re: For common part(s) only) vide Memorial No. 10052000590067 dated 27 April 2010.
3. According to the Group, the estimated costs liable to the property to comply with the above Building Order is in the sum of HK\$3,000. Our valuation has not reflected this estimated sum. This is in line with the assumption that the property was free from any encumbrances, restrictions and outgoing of an onerous nature which could affect its value.
4. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950211 dated 3 August 2011.
5. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950226 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
60. 6th Floor, No. 252 Cheung Sha Wan Road, Kowloon The property comprises 1/36th share of and in the Remaining Portion of New Kowloon Inland Lot No. 1407 and the Remaining Portion of New Kowloon Inland Lot No. 1580.	<p>The property comprises a residential unit in a 12-storey composite building, which was completed in 1965.</p> <p>The property has a saleable area of approximately 520 sq.ft. (48.31 sq.m.).</p> <p>The property is held under Government Lease for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.</p> <p>The annual government rent is equivalent to 3% of the rateable value for the time being of the property.</p>	<p>As provided by the Group, the subject property has been divided into 4 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$19,400. The last expiry date is 1 May 2015.</p>	HK\$2,860,000

Notes:

1. The registered owner is Samrich Investment Limited, a wholly-owned subsidiary of the Group.
2. The property is subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited to the extent of all moneys vide Memorial No. 11083000950192 dated 3 August 2011.
3. The property is subject to an Assignment of Rentals in favour of DBS Bank (Hong Kong) Limited vide Memorial No. 11083000950204 dated 3 August 2011.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
61. Flat D, 2nd Floor, Shu Tak Building, Nos. 74–76 Tai Wai Road, Tai Wai, Shatin, New Territories The property comprises 1/38th share of and in D.D. 180 Lot No. 936.	<p>The property comprises a residential unit in a 6-storey composite building, which was completed in 1971.</p> <p>The property has a saleable area of approximately 387 sq.ft. (35.95 sq.m.).</p> <p>The property is held under New Grant No. 10243 for a term originally expired on 30 June 1997 and has been extended to 30 June 2047 by New Territories Leases (Extension) Ordinance.</p> <p>The annual government rent is equivalent to 3% of the rateable value for the time being of the property.</p>	<p>As provided by the Group, the subject property has been divided into 3 sub-units and all of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$13,100. The last expiry date is 18 February 2015.</p>	HK\$2,900,000

Notes:

1. The registered owner is Samrich Investment Limited, a wholly-owned subsidiary of the Group.

Property	Description & Tenure	Particular of Occupancy	Market Value in its existing state as at 31 May 2014
<p>62. Flats A and B on 6th Floor, Lee Wai Building, Nos. 654–658 Nathan Road, Kowloon</p> <p>The property comprises 2/47th shares of and in the Remaining Portion of Sub-section 1 of Section A, the Remaining Portion of Sub-section 2 of Section A, the Remaining Portion of Section A of Kowloon Inland Lot No. 1259.</p>	<p>The property comprises a residential unit in a 14-storey composite building, which was completed in 1962.</p> <p>The property has a saleable area of approximately 1,278 sq.ft. (118.73 sq.m.).</p> <p>The property is held under a Government Lease for a term of 75 years commencing from 18 February 1910 with a right of renewable for a further term of 75 years.</p> <p>The government rent is HK\$103,214 for the whole of the subject lots.</p>	<p>As provided by the Group, the subject property has been divided into 8 sub-units and 7 units of them have been tenanted. As at 31 May 2014 the total monthly rent receivable was HK\$40,300. The last expiry date is 16 May 2015.</p>	<p>HK\$8,550,000</p>

Notes:

1. The registered owner is Cititeam Investment Limited, a wholly-owned subsidiary of the Group.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Share Offer and the Option Offer, the Offeror and the Group.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, the Shareholders and Optionholders), and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Group, the Shareholders and Optionholders) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and its Concert Parties), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than the information relating to the Offeror and its Concert Parties) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. CORPORATE INFORMATION ON THE GROUP

The Company is incorporated in Bermuda with limited liability and has been listed on the Main Board of the Stock Exchange since 1995. The Group is principally engaged in property development and property investment in Hong Kong, management and sub-licensing of Chinese wet markets in Hong Kong and the PRC. It also has interests in the pharmaceutical business through its investments in Wai Yuen Tong.

The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

3. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

	<i>HK\$</i>
Authorised share capital:	
40,000,000,000 Shares	400,000,000.00
Issued and fully paid-up share capital:	
6,524,935,021 Shares	65,249,350.21

All the Shares in issue rank *pari passu* in all respects with each other, including the rights in respect of capital, dividends and voting.

As at the Latest Practicable Date, there are outstanding Options in respect of 22,392,845 Shares of which Mr. Chan Chun Hong, a Director, has in respect of 180,295 Shares. An aggregate of 22,392,845 new Shares may be issued if all the Options are exercised by the Optionholders in full.

Other than the Shares and Options in issue, there are no convertible securities, warrants, options, derivatives or other securities issued by the Company.

Since 31 March 2014, being the end of the last financial year of the Company, and until the Latest Practicable Date, no new Share was issued.

4. MARKET PRICES

The table below shows the closing price per Share on the Stock Exchange on (i) the latest trading day of each of the calendar months during the period commencing six months immediately preceding the Last Trading Day up to and including the Latest Practicable Date; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price (HK\$)
31 December 2013	0.134
30 January 2014	0.134
28 February 2014	0.149
31 March 2014	0.163
30 April 2014	0.183
30 May 2014	0.184
11 June 2014 (being the Last Trading Day)	0.184
30 June 2014	0.231
4 July 2014 (being the Latest Practicable Date)	0.230

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.237 and HK\$0.128 per Share on 20 June 2014 and 27 January 2014 and 5 February 2014, respectively.

5. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and chief executive in the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company, including their respective associates in the equity or equity securities of the Company or its associated corporations (within the meaning of

Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers had been notified to the Company and the Stock Exchange were as follows:

(i) *Interest in Shares*

Name of Director	Number of Shares held, capacity and nature of interest				Total	Approximate percentage of the Company's total issued share capital (Note g) %
	Personal interest	Family interest	Corporate interest	Other Interest (Tang's Family Trust)		
Tang Ching Ho	9,342,113	9,342,100 (Note a)	34,172,220 (Note b)	1,663,309,609 (Note c)	1,716,166,042	26.30
Yau Yuk Yin	9,342,100	43,514,333 (Note d)	—	1,663,309,609 (Note e)	1,716,166,042	26.30

(ii) *Long positions in underlying Shares of Options of the Company*

Name of Director	Date of grant	Exercise price per Share HK\$	Number of share options outstanding	Exercisable period (Note f)	Number of underlying Shares	Approximate percentage of the Company's total issued share capital (Note g) %
Chan Chun Hong, Thomas	8.1.2009	0.3893	180,295	8.1.2010 to 7.1.2019	180,295	0.003

Notes:

- (a) Mr. Tang was taken to be interested in these Shares in which his spouse, Ms. Yau, was interested.
- (b) Mr. Tang was taken to be interested in these Shares in which the Offeror (wholly and beneficially owned by him) was interested.
- (c) Mr. Tang was taken to be interested in these Shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.
- (d) Ms. Yau was taken to be interested in these Shares in which her spouse, Mr. Tang, was interested.
- (e) Ms. Yau was taken to be interested in these Shares by virtue of being a beneficiary of the Tang's Family Trust.

- (f) These Shares represented such Shares which may fall to be issued upon the exercise of the Options by Mr. Chan Chun Hong, Thomas during the period from 8 January 2010 to 7 January 2019, which number and exercise prices thereof are subject to adjustments, in accordance with the Share Option Scheme, and such Options vest as follows:

On 1st anniversary of the date of grant:	30% vest
On 2nd anniversary of the date of grant:	Further 30% vest
On 3rd anniversary of the date of grant:	Remaining 40% vest

As at the Latest Practicable Date, all such outstanding Options have fully vested.

- (g) The percentage represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date of 6,524,935,021 Shares.

Save as disclosed above in respect of the Shares owned or taken to be owned by Mr. Tang Ching Ho, Ms. Yau Yuk Yin and the Options owned by Mr. Chan Chun Hong, Thomas, as at the Latest Practicable Date, none of the Directors had any interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company. As Mr. Tang Ching Ho is the sole shareholder of the Offeror, he is considered to be a Concert Party of the Offeror and thus is not in a position to accept or reject the Share Offer. As Ms. Yau Yuk Yin is the spouse of Mr. Tang Ching Ho, she is also considered to be a Concert Party and thus is also not in position to accept or reject the Share Offer. Mr. Chan Chun Hong, Thomas intends to accept the Option Offer in respect of his own Options.

Save as disclosed above, as at the Latest Practicable Date, none of the Director and the chief executive of the Company, including their respective associates had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under the provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

(b) Disclosure of interests of the Offeror and other substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO and, so far as is known to the Directors, the persons or entities who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital were as follows:

(i) Interest in Shares

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of shareholding (Note 5) %
The Offeror and its Concert Parties			
— The Offeror (Note 1)	Interest in controlled corporation	34,172,220	0.52
— Mr. Tang Ching Ho (Note 2)	Beneficial owner and family interest	18,684,213	0.29
— Tang's Family Trust (Note 3)	Tang's Family Trust	1,663,309,609	25.49
— Wai Yuen Tong (Note 4)	Interest in controlled corporation	141,000,000	2.16
— Kingston Securities	Interest in controlled corporation	4	0.00000006
— Sub-total		1,857,166,046	28.46

Notes:

- (1) The Offeror's ultimate beneficial shareholder is Mr. Tang Ching Ho.
- (2) Mr. Tang and his spouse, namely Ms. Yau Yuk Yin, are personally interested in 9,342,113 Shares and 9,342,100 Shares, respectively.
- (3) Mr. Tang and Ms. Yau Yuk Yin, are taken to be interested in the 1,663,309,609 Shares held by the discretionary Tang's Family Trust by virtue of being the founder and a beneficiary of it, respectively. Such Shares were beneficially held by Accord Power Limited, which is wholly owned by Fiducia Suisse SA in its capacity as the trustee of the Tang's Family Trust. Mr. David Henry Christopher Hill owned 100% interest in the issued share capital of Fiducia Suisse SA and Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill. Therefore, Fiducia Suisse SA, Mr. David Henry Christopher Hill and Ms. Rebecca Ann Hill were taken to be interested in such Shares.

- (4) Such Shares were beneficially held by Suntech Investments Limited, an indirect wholly-owned subsidiary of Wai Yuen Tong.
- (5) The percentage represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date of 6,524,935,021 Shares.

(ii) *Interest in subsidiaries of the Company*

Name of subsidiary	Name of shareholder	Capacity	Approximate percentage of shareholding %
Sky Super Limited	Full Mighty Investments Limited (<i>Note 1</i>)	Beneficial owner	60
	Davison (HK) Investment Company Limited (<i>Note 2</i>)	Beneficial owner	40
Grandwall Investment Limited	Beyond Dragon Investments Limited (<i>Note 3</i>)	Beneficial owner	60
	Kam Wah Successful Limited (<i>Note 4</i>)	Beneficial owner	40
Pacific Ace Investments Limited	Advance Prime Investments Limited (<i>Note 5</i>)	Beneficial owner	51
	Unique Luck Investments Limited (<i>Note 6</i>)	Beneficial owner	49

Notes:

- (1) Full Mighty Investments Limited is an indirect wholly-owned subsidiary of the Company.
- (2) Davison (HK) Investment Company Limited is wholly owned by Mr. Chu Ting Pong.
- (3) Beyond Dragon Investments Limited is an indirect wholly-owned subsidiary of the Company.
- (4) Kam Wah Successful Limited is wholly owned by Mr. Yeung Fun Bun.
- (5) Advance Prime Investments Limited is an indirect wholly-owned subsidiary of the Company.
- (6) Unique Luck Investments Limited is owned as to 50% by Mr. Choi Ka Tsan, Karson and as to 50% by Ms. Choi Ka Yee, Crystal.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no person had an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or any options in respect of such share capital.

Save as disclosed above, as at the Latest Practicable Date, no other person had any interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

- (c) As at the Latest Practicable Date, none of the subsidiaries of the Company or any pension funds of the Group nor any adviser to the Company as specified in class (2) of the definition of “associate” under the Takeovers Code (but excluding exempted principal traders) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (d) As at the Latest Practicable Date, no persons who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is an associate of the Company by virtue of classes (1), (2), (3) or (4) of the definition of “associate” under the Takeovers Code owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (e) As at the Latest Practicable Date, no Shares or any convertible securities, warrants, options or derivatives in respect of any Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company.
- (f) As at the Latest Practicable Date, neither the Company nor any of the Directors has borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (g) As at the Latest Practicable Date, neither the Offeror nor any of its Concert Parties has borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (h) Save as disclosed above, as at the Latest Practicable Date, none of the directors of the Offeror or any of its Concert Parties owned, controlled or had direction over any Shares, options, warrants, derivatives or convertible securities in the Company.

6. DEALINGS IN SECURITIES

(a) During the Relevant Period:

- (i) None of the Directors had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.
- (ii) Neither the Company nor any of the Directors had dealt for value in the shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror; and
- (iii) No person who had any arrangements of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror or any of its Concert Parties had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

None of the Offeror, its directors, its Concert Parties had dealt for value in any Shares, warrants, options, derivatives and securities carrying conversion or subscription rights into Shares during the Relevant Period.

(b) During the period from the commencement of the Offer Period to the Latest Practicable Date:

- (i) None of the subsidiaries of the Company or any pension funds of the Group nor adviser to the Company as specified in class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders) had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;
- (ii) No persons who had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is an associate of the Company by virtue of classes (1), (2), (3) or (4) of the definition of “associate” under the Takeovers Code had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and
- (iii) No fund managers (other than exempt fund managers) connected with the Company who managed funds on a discretionary basis had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

7. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with the Company or any of its subsidiaries or associated companies in force which (i) (including both continuous and fixed term contracts) has been entered into or amended within six months before the Offer Period, (ii) is a continuous contract with a notice period of 12 months or more, or (iii) is a fixed term contract with more than 12 months to run irrespective of the notice period.

None of the Directors will be or has been given any benefits (save for any statutory compensation required under appropriate laws) as compensation for loss of office or otherwise in connection with the Offers.

8. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) during the period within the two years preceding the commencement of the Offer Period and up to the Latest Practicable Date:

- (a) an underwriting agreement dated 4 December 2013 entered into among Huge Thrive Investments Limited (“**Huge Thrive**”), a wholly-owned subsidiary of the Company, the Company, Ultimate Fame Holdings Limited (“**Ultimate Fame**”), Wai Yuen Tong, Kingston Securities and China Agri-Products Exchange Limited (“**CAP**”), pursuant to which (i) the Huge Thrive participated in underwriting 228,000,000 rights shares in CAP; (ii) Ultimate Fame participated in underwriting 228,000,000 right shares in CAP; and (iii) Kingston Securities participated in underwriting 326,726,985 right shares in CAP under the rights issue proposed by CAP in the proportion of 15 adjusted CAP rights shares for every one adjusted CAP share held on the record date at HK\$0.465 per rights share of CAP (the “**CAP Rights Issue**”), the details of which were set out in the joint announcement published by the Company, CAP, PNG Resources Holdings Limited (“**PNG**”) and Wai Yuen Tong dated 19 December 2013;
- (b) an irrevocable undertaking dated 4 December 2013 executed by Mailful Investments Limited (“**Mailful**”), a wholly-owned subsidiary of the Company, in favour of CAP, pursuant to which the Mailful undertook to subscribe for its provisional entitlement of 412,500 rights shares in CAP under the CAP Rights Issue, the details of which were set out in the joint announcement published by the Company, CAP, PNG Resources Holdings Limited and Wai Yuen Tong dated 19 December 2013;
- (c) a provisional sale and purchase agreement dated 30 November 2013 entered into between Hovan Investments Limited, a wholly-owned subsidiary of the Company, as the vendor, and Success Bid Limited, as the purchaser, in relation to the disposal of a property located at Front Portion, Ground Floor, Nathan Apartments, No. 510 Nathan Road, Kowloon, Hong Kong for a total consideration of HK\$60.0 million, the details of which were set at the Company’s announcement dated 2 December 2013;
- (d) a tenancy agreement dated 20 November 2013 entered into between Richly Gold Limited, a wholly-owned subsidiary of the Company, and Ms. Yau Yuk Yin in respect of the tenancy agreement of the premises for Winners Lodge, Nos. 9–15 Ma Yeung Path, Kau To Shan, Shatin, New Territories, Hong Kong at a monthly rental of HK\$100,000 for a term of three years commencing from 15 November 2013, the details of which were set at the Company’s announcement dated 20 November 2013;
- (e) a loan agreement dated 19 September 2013 entered into between Double Leads Investments Limited (“**Double Leads**”), a wholly-owned subsidiary of the Company, as the lender, and CAP, as the borrower, in relation to the advance of a secured revolving credit facility of not exceeding a sum of HK\$210.0 million to CAP at an

interest rate of 12.0% per annum for a term of three years commencing from the date of agreement, the details of which were set out in the announcement of the Company dated 19 September 2013;

- (f) a master sales agreement dated 14 January 2013 entered into between Wang On Management Limited (“WOM”), an indirect wholly-owned subsidiary of the Company, and Wai Yuen Tong Medicine Company Limited (“WYTM”), an indirect subsidiary of Wai Yuen Tong, for the purchase of WYTM’s pharmaceutical products by WOM (for itself and on behalf of other members of the Company) with annual caps of HK\$5.8 million, HK\$7.2 million and HK\$9.0 million, respectively, for the three years ending 31 March 2015;
- (g) a top-up placing and subscription agreement dated 30 November 2012 entered into between Rich Time Strategy Limited (“**Rich Time**”), an indirect wholly-owned subsidiary of the Company, as the vendor and the subscriber, Wai Yuen Tong as the issuer and Kingston Securities, as the placing agent, pursuant to which (i) Rich Time has agreed to place, through Kingston Securities, 250,000,000 existing shares of Wai Yuen Tong to not fewer than six placees who and whose ultimate beneficial owners will be third parties independent of Rich Time and Wai Yuen Tong and its connected persons at the placing price of HK\$0.125 per share of Wai Yuen Tong; and (ii) Rich Time has conditionally agreed to subscribe for 250,000,000 new shares of Wai Yuen Tong at the subscription price of HK\$0.125 per share of Wai Yuen Tong, the details of which were set out in the joint announcement published by the Company and Wai Yuen Tong on 30 November 2012;
- (h) a sale and purchase agreement dated 22 November 2012 entered into between Ever Task Limited, an indirect wholly-owned subsidiary of the Company, as the purchaser, and Gain Better Investments Limited, an indirect wholly-owned subsidiary of Wai Yuen Tong, as the vendor, in relation to an acquisition of 1,150,000,000 shares of PNG, being approximately 14.95% of the then entire issued share capital of PNG, at a consideration of HK\$110.4 million, the details of which were set out in the joint announcement published by the Company and Wai Yuen Tong on 22 November 2012;
- (i) an acceptance of offer dated 20 November 2012 executed by Tsuen Wan Properties Limited and Riviera Entertainment Limited, as the vendor, in favour of World Way Investments Limited, a wholly-owned subsidiaries of the Company, as the purchaser, confirming the Group succeed in the acquisition of a shopping mall at Riviera Garden, Tsuen Wan for a consideration of HK\$508.0 million, the details of which were set out in the announcement of the Company dated 20 November 2012 and the circular of the Company dated 24 December 2012;
- (j) a provisional sale and purchase agreement dated 20 July 2012 entered into between Win Regent Limited, a wholly-owned subsidiary of the Company, as the vendor, and Ku Sing Han, as the purchaser, in relation to the disposal of a property located at Shop 23, G/F., No. 16 Mei Tin Road and Nos. 15 & 35 Tsuen Nam Road, Grandway

Garden, Shatin, New Territories, Hong Kong for a total consideration of HK\$50.3 million, the details of which were set out in the announcement of the Company dated 23 July 2012;

- (k) the loan agreement dated 16 July 2012 (which was supplemented by a supplemental agreement dated 31 July 2012) entered into between True Noble Limited (“**True Noble**”), a wholly-owned subsidiary of the Company, as the lender, and CAP, as the borrower in relation to a loan facility (the “**Loan**”) of not exceeding a sum of HK\$670.0 million granted to CAP at an interest rate of 10.0% per annum, together with the security documents provided by CAP and its subsidiaries to True Noble, the details of which were set out in the announcements of the Company dated 16 July 2012 and 31 July 2012 and the circular of the Company dated 3 August 2012 and the assignment dated 15 April 2014 pursuant to which True Noble assigns the Loan and related security to Double Leads; and
- (l) a licence agreement dated 30 June 2012 entered into between Wai Yuen Tong, as the licensor, and WOM, as the licensee, in respect of the sub-lease of certain portions of the UG/F, G/F, 1st Floor and 5th Floor of Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong for a monthly rental of HK\$154,000 for a term of three years commencing from 1 July 2012.

9. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or arbitration of material importance known to the Directors to be pending or threatened by or against any member of the Group.

10. INTERESTS IN THE COMPANY AND THE OFFEROR AND OTHER ARRANGEMENTS IN CONNECTION WITH THE OFFERS

- (a) As at the Latest Practicable Date, there were no persons who owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares who had, prior to the posting of this Composite Document, irrevocably committed themselves to accept or reject the Offers.
- (b) As at the Latest Practicable Date, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any party acting in concert with it on one hand and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Offers.
- (c) As at the Latest Practicable Date, there was no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a condition to the Offers.

- (d) As stated in the “Letter from Kingston Securities”, the Offeror intends to finance the entire consideration payable by the Offeror under the Offers by the Facility, under the terms of which the Offer Shares successfully acquired through the Share Offer by the Offeror and the share of the Offeror held by Mr. Tang Ching Ho, the sole shareholder of the Offeror, shall be charged to Kingston Securities for the Facility. As at the Latest Practicable Date, save for the above, there was no agreement, arrangement or understanding that any securities of the Company, acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons.
- (e) As at the Latest Practicable Date, Kingston Securities, being the provider of the Facility and the agent making the Offers on behalf of the Offeror, holds four Shares.
- (f) As at the Latest Practicable Date, none of the Offeror, the sole member of the board of directors of the Offeror, or any of its Concert Parties had any arrangement with any other person of the kind (whether by way of option, indemnity, or otherwise) referred to in Note 8 to Rule 22 of the Takeovers Code.
- (g) As at the Latest Practicable Date, save as disclosed in this Appendix, neither the Company nor any of the Directors was interested in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.
- (h) As at the Latest Practicable Date, there were no material contracts entered into by the Offeror in which any of the Directors has a material personal interest.
- (i) As at the Latest Practicable Date, there is no agreement or arrangement between any of the Directors and any other person which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers.

11. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the names and qualifications of the professional advisers whose letter, opinions or advice are contained or referred to in this Composite Document:

Name	Qualification
Kingston CF	a corporation licensed by the SFC to carry out business in Type 6 (advising on corporate finance) regulated activity under the SFO and the financial adviser to the Offeror in respect of the Offers
Kingston Securities	a corporation licensed by the SFC to carry out business in Type 1 (dealing in securities) regulated activity under the SFO which is making the Offers on behalf of the Offeror

Name	Qualification
Nuada Limited	a corporation licensed under the SFO to carry out business in Type 6 (advising on corporate finance) regulated activity as defined under the SFO
Vigers Appraisal and Consulting Limited	professional property valuers
Asset Appraisal Limited	professional property valuers

Each of Kingston CF, Kingston Securities, the Independent Financial Adviser, Vigers Appraisal and Consulting Limited and Asset Appraisal Limited has given and has not withdrawn their respective written consent to the issue of this Composite Document with the inclusion of its letter (if any) and reference to its name, in the form and context in which they respectively appear.

12. GENERAL

- (a) The registered office of the Offeror is situated at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The correspondence address of the Offeror is at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The sole director of the Offeror is Mr. Tang Ching Ho.
- (c) The Offeror is wholly owned and controlled by Mr. Tang Ching Ho.
- (d) The principal members of the parties acting in concert with the Offeror are Mr. Tang Ching Ho, Ms. Yau Yuk Yin, Tang's Family Trust, Wai Yuen Tong and the Kingston Group.
- (e) The principal place of business of Kingston Securities is at Suite 2801, 28/F., One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
- (f) The principal place of business of Kingston CF is at Suite 2801, 28/F., One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.
- (g) The principal place of business of the Independent Financial Adviser is at Unit 1805-08, 18/F., OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong.
- (h) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours from 9:00 a.m. to 6:00 p.m. (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong; (ii) on the website of the SFC (www.sfc.hk); and (iii) on the website of the Company (www.wangon.com) from the date of this Composite Document onwards for so long as the Offers remain open for acceptance:

- (a) the memorandum and bye-laws of the Company;
- (b) the memorandum and articles of association of the Offeror;
- (c) the annual reports of the Company for the two financial years ended 31 March 2013 and 2014;
- (d) the letter from Kingston Securities, the text of which is set out in this Composite Document;
- (e) the letter from the Board, the text of which is set out in this Composite Document;
- (f) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (g) the letter from the Independent Financial Adviser, the text of which is set out in this Composite Document;
- (h) the property valuation reports, the text of which are set out in Appendix III to this Composite Document;
- (i) the written consents referred to in the paragraph headed “11. Qualifications and Consents of Experts” in Appendix IV to this Composite Document; and
- (j) the material contracts referred to in the paragraph headed “8. Material Contracts” in Appendix IV to this Composite Document.