WANG ON GROUP LIMITED
宏 安 集 團 有 限 公 司
(Incorporated in Bermuda with limited liability)
Stock Code: 1222

2015 ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

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

AUDIT COMMITTEE

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*, Chairman
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Kam Chau

REMUNERATION COMMITTEE

Mr. Wong Chun, Justein, *BBS, MBE, JP*, Chairman
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho, *JP*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

NOMINATION COMMITTEE

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*, Chairman
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho, *JP*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

INVESTMENT COMMITTEE

Mr. Tang Ching Ho, *JP*, Chairman
Mr. Chan Chun Hong, Thomas
Mr. Siu Kam Chau

EXECUTIVE COMMITTEE

Mr. Tang Ching Ho, *JP*, Chairman
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

AUDITORS

Ernst & Young

LEGAL ADVISERS

DLA Piper Hong Kong
Gallant Y. T. Ho & Co

PRINCIPAL BANKERS

The Bank of East Asia, Limited
China Construction Bank (Asia) Corporation Limited
China Everbright Bank Company Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

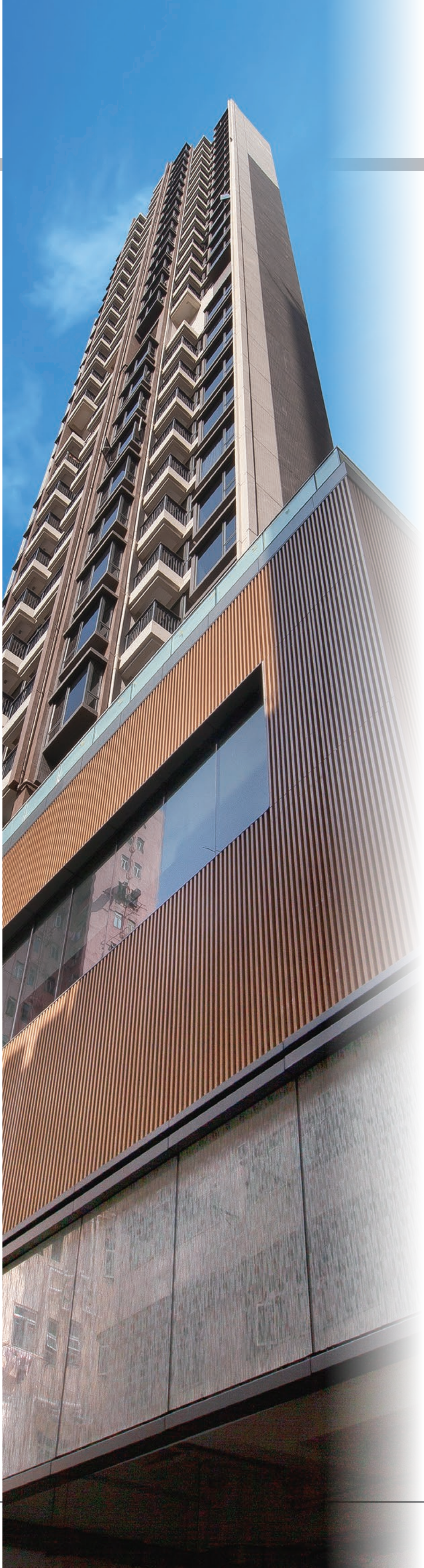
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda



BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

BOARD LOT

20,000 shares

INVESTOR RELATIONS

Email : pr@wangon.com

HOMEPAGE

www.wangon.com

STOCK CODE

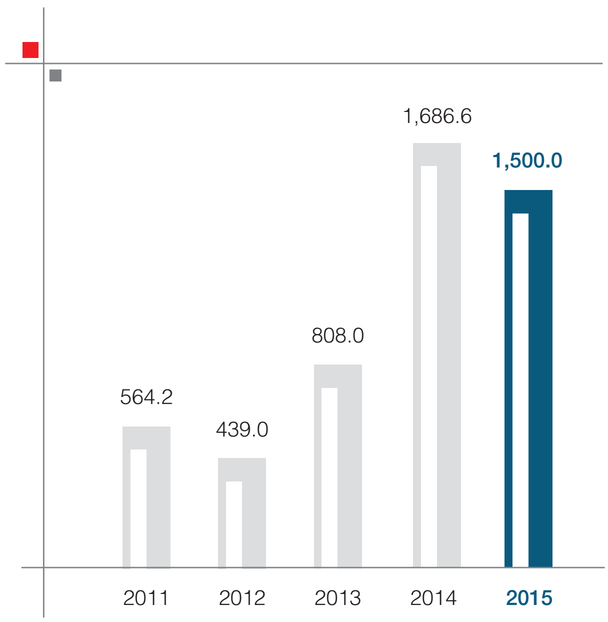
1222

FINANCIAL HIGHLIGHTS

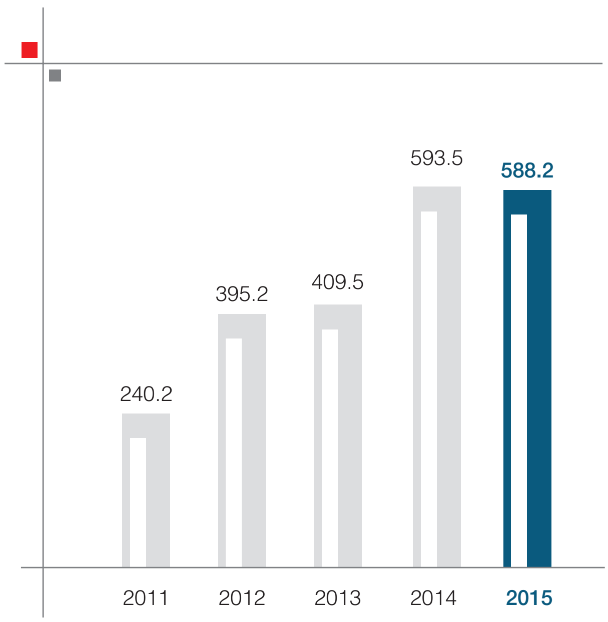
	YEAR ENDED 31 MARCH			
	2015	2014		Change
Turnover	**HK$1,500.0 million**	HK$1,686.6 million	↓	11.0%
Profit attributable to owners of the parent	**HK$588.2 million**	HK$593.5 million	↓	0.9%
Basic earnings per share	**HK9.01 cents**	HK9.10 cents	↓	1.0%
Total dividends per share	**HK4.00 cents**	HK0.75 cents	↑	433.3%

	AT 31 MARCH			
	2015	2014		Change
Total assets	**HK$7.34 billion**	HK$5.79 billion	↑	26.8%
Net assets	**HK$4.19 billion**	HK$3.91 billion	↑	7.2%
Net asset value per share	**HK$0.64**	HK$0.60	↑	6.7%
Gearing ratio	**37.7%**	14.2%	↑	23.5%

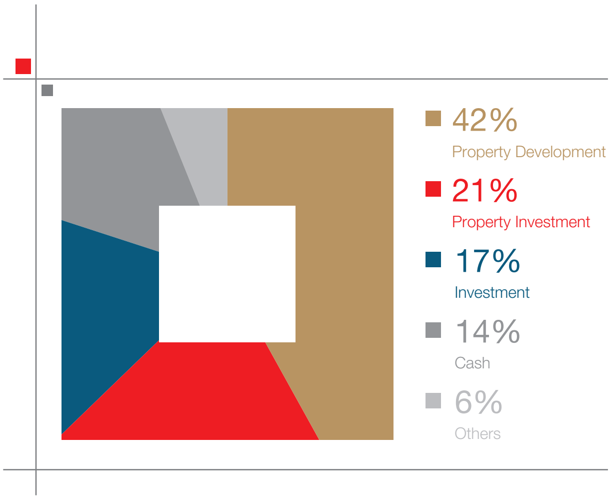
TURNOVER
HK$ million



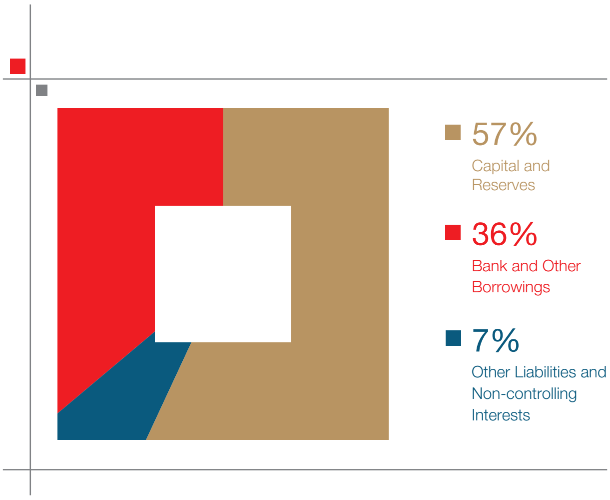
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT
HK$ million



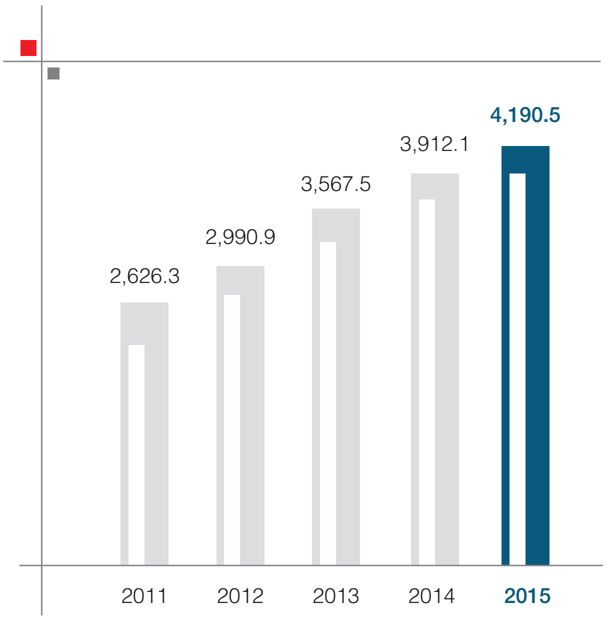
ASSETS EMPLOYED
As at 31 March 2015



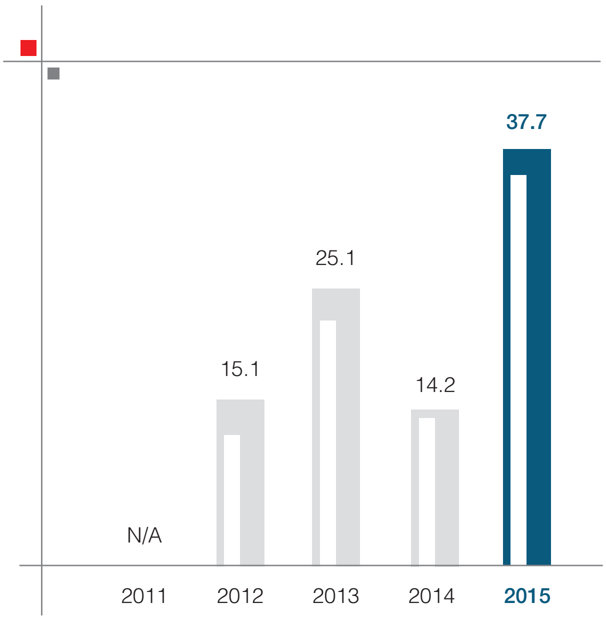
CAPITAL AND LIABILITIES
As at 31 March 2015

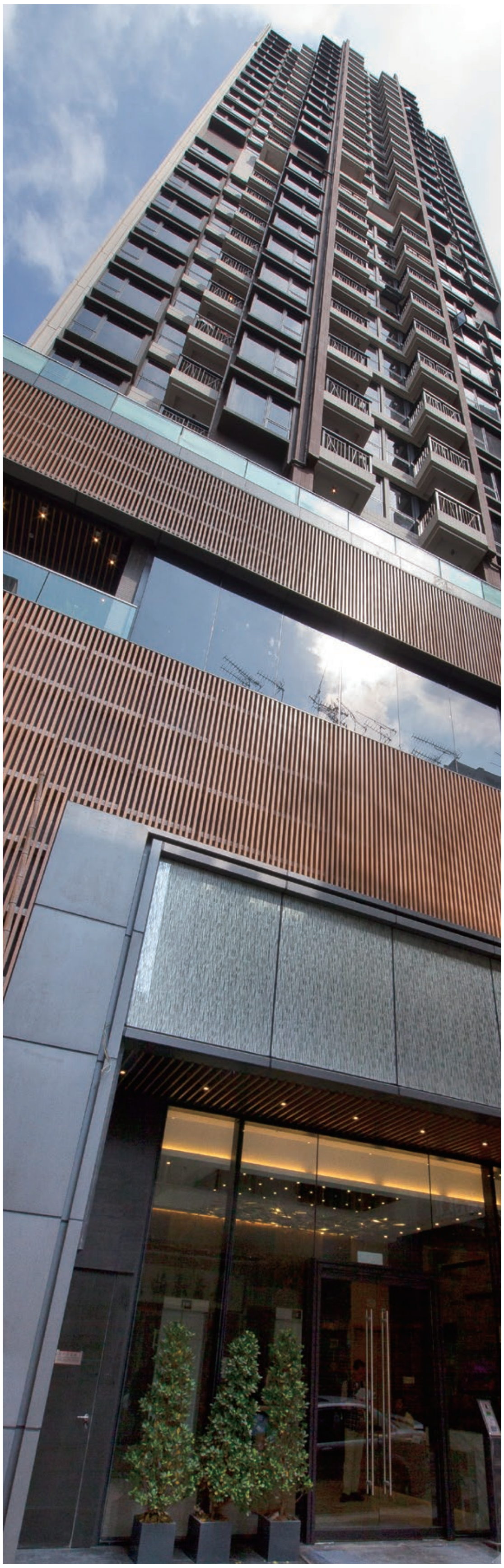


EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT
HK$ million



GEARING RATIO
Percentage





CHAIRMAN'S STATEMENT

On behalf of the board of directors (the ***"Board"*** or the ***"Directors"***) of Wang On Group Limited (the ***"Company"***), I am pleased to announce the annual results of the Company and its subsidiaries (collectively the ***"Group"***) for the year ended 31 March 2015 (the ***"year under review"***).

Dear Shareholders:

It has been a full 20 years since the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in 1995. Over the past two decades, I, as chairman of the Group, and my colleagues in the management team have steered the Group through notable growth and development. Today, the Group has made prominent progress in terms of asset size, business scope and overall quality of operation and management as compared to 20 years ago. In achieving this development, members of the Board and I have adhered to the belief that the Group must face the challenges in market and achieve breakthroughs with continuous enhancement of our competitiveness.

When I established the Group in 1987, it was principally engaged in construction related business. The Hong Kong Government actively promoted the development of public rental housing ("**PRH**") and Home Ownership Scheme ("**HOS**") flats during that time, creating business opportunities for the Group. By contracting renovation and repair works of the foresaid housing projects, we built up our track record and laid a foundation for our subsequent listing on the Stock Exchange.

Prior to the listing, the Group had a relatively small business scale with more or less a single business focus. Upon the floating of our shares, as we were required to fulfill relevant regulatory compliance, there was a positive effect in promoting standard of operation and corporate governance for our management team.

Soon after the listing of the Group, we began to explore other directions for business development of the Group with our management team. As an early participant in PRH and HOS construction projects, we were well aware of the unsatisfactory conditions of Chinese wet markets in most of the major public housing estates, causing inconvenience to customers and restricting their intention to spend. Therefore, we determined to lead the Group into the business of management and sub-licensing of Chinese wet markets. We transformed the Chinese wet markets in Hong Kong by introducing modernised management model and alteration of interior environment such as being the pioneer to install air conditioning system in Chinese wet markets. The business has proved to be a success and the Group has become one of the largest leasing and management corporations of Chinese wet markets in Hong Kong. Local media even coined a nickname "King of Wet Markets" on me.

In recent years, we replicated the successful management model in Hong Kong to the Mainland China. The Group currently manages a portfolio of 10 "Allmart" and 17 "Huimin" Chinese wet markets in Hong Kong and Shenzhen, the Mainland China respectively. The Chinese wet markets under our management are run in accordance with highly regulated operating standard while bringing consumers a more cosy and clean shopping environment. The business segment has been generating strong and stable cash flow to the Group.

In view of Hong Kong's high population density and scarce land resources, as well as the slowdown by the government in building new PRH and HOS housing estates in previous years, there exists a shortfall in supply in mid-to-low-end residential property market, thus creating an opportunity for the development in the real estate sector.

The Group began its active participation in the prosperous Hong Kong real estate sector about 10 years ago. We were well aware that it would be difficult to compete with large-scale property magnates in Hong Kong in terms of financial resources and scale. Our edge lies on our accurate positioning in both commercial and residential property segments, and on our unique design and meticulous planning in sales arrangement.

The Group had developed several luxurious and boutique residential development projects with distinct features in Hong Kong such as "Meister House", "Godi", "The Met.Focus","The Met. Sublime" and "The Met. Delight". With their unique brand images, all of these projects stood out from the monotonous style of leading property developers.

During the year under review, following the delivery of the remaining units of "726 Nathan Road" and the already sold units from "The Met. Sublime" at Sai Ying Pun, a revenue of approximately HK$1,163.8 million was recognised. The two projects above exemplified our strengths in respect of project selection and thematic positioning in accordance with project characteristics. At "726 Nathan Road", we redeveloped an aged building into a Ginza-style commercial building according to the project's location, while "The Met. Sublime" was developed with an aim to appeal to younger generations with trendy design and layout accommodating the small families.

In recent years, as the government has turned to offer certain lots of land through public tenders, small-to-medium-sized developers like us now have the opportunity to participate in land bidding. In a tender process, it is crucial for participating developers to come up with an accurate assessment of future development value of the subject land and a decisive quotation. The past year marked an important milestone for the property development arm of the Group. Following our breakthrough in taking part and winning a government public tender for a site located at Ma Kam Street, Ma On Shan, the Group replicated this success with the award of land parcels located at Hang Kwong Street, Ma On Shan and Tai Po Road, Tai Wai respectively, with an aggregate site area of 137,000 square feet. The newly acquired land parcels met our demand in land resource for the coming three to four years for property development purpose. The Group will continue to actively compete in land tenders in future so as to increase our land bank.

We consider that it is important to strive for both capital appreciation and stable cash flow to finance the working capital in real estate business. Thus, in addition to property development, we maintain certain quality properties for investment purpose. The investment property portfolio provides the Group with flexibility to reap greater benefits. We closely monitor the dynamics in property market and will timely adjust our investment property portfolio according to market conditions. During the year, the Group purchased a retail unit at a prime location at Causeway Bay, and full-scale renovation works at Riviera Plaza, Tsuen Wan will be rolled out soon. The above projects will complement our investment property portfolio while generating stable rental income in future. During the year under review, we have disposed of a retail property at Mong Kok at a consideration of HK$60 million during the year under review.

Apart from the core operations of property development and investment and management of Chinese wet markets, the Group also hold indirect interest in other listed companies through its shareholding in Wai Yuen Tong Medicine Holdings Limited ("**WYTH**"). These investments extended the business of the Group and rendered the Group's greater resilience in countering the risks from changing economic development cycle.

For the year ended 31 March 2015, the Group continued to achieve satisfactory performance, despite we were threatened by certain uncertain economic factors, which was mainly attributable to sale proceeds being recognised upon delivery of the sold properties during the year under review. The Group expanded its land bank and investment property portfolio for its property development business, laying a solid foundation for continuous growth for the property development and investment business of the Group.

GIVING BACK TO SOCIETY

While we endeavour to promote business development and strive for greater rewards for our shareholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. During the year under review, the Group made charity donations to organisations included Yan Oi Tong, Hong Kong Culture Association Charitable Foundation Limited, Hong Kong New Arrivals Services Foundation and Chi Lin Nunnery. In light of the ever greater disparity between rich and poor in Hong Kong society developed in recent years, people from the lower class face escalating pressure in making a living. Yearns of this group of people are not only on tangible resources and financial support, but also care and respect from the general public.

Education for children from underprivileged families is another issue of concern in Hong Kong society. We have provided education fund subsidies to students from low-income families and offered internship opportunities to them, with a view to creating better education and job prospects.

FUTURE OUTLOOK

Given a slowdown in economic growth in the Mainland China and uncertainties regarding the Euro Economic Area and the slower-than-expected recovery of the United States, a persisting trend of quantum easing policies is expected. This has curbed expectations on an imminent interest rate hike, and should work to the favour of the property market in Hong Kong.

Property market in Hong Kong is characterised by limited land supply and a disproportionate supply and demand characteristics. The wide range of regulatory measures implemented by the Monetary Authority had brought minimal adjustment to the property prices in Hong Kong in the past years. It is expected that property prices will remain relatively stable for a prolonged period of time.

The recent social unrest in Hong Kong and significant depreciation in currencies of neighbouring countries have hampered the number of Mainland China visitors. It is inevitable for the business of retailers targeting such visitors to take a hit. Consequently, rental rates of commercial properties in certain districts will be temporarily affected.

In light of rigid demand for small-to-medium-sized units in Hong Kong, we have been concentrating on affordable small-to-medium-sized properties in recent years and have developed bontique residential properties targeting first-time home buyers. Previous bontique residential projects under "The Met." series, including "The Met. Focus" in Hung Hom, "The Met. Sublime" in Sai Ying Pun and "The Met. Delight" in Cheung Sha Wan, were all extremely well-received. We anticipate further and greater demands for such small-to-medium-sized residential properties in the future. As the occupation permit for the Group's "The Met. Delight" in Cheung Sha Wan has been obtained in the current financial year, it is expected the project will be delivered and sales will be recognised in the next financial year. The "575-575A Nathan Road" project in Mong Kok is likely to be delivered and recognised sales in 2017. In respect of the three land parcels purchased during the year under review, development planning will commence in the current year, which is expected to be delivered in years 2017 to 2019. The Group will continue to actively compete in land tenders hosted by the government and capture other opportunities in property acquisitions so as to maintain sufficient land bank to support the sustainable development of our real estate business.

As the government will accelerate the construction of PRH and HOS projects, more Chinese wet markets under regulation of the Housing Department will be completed in future. We will leverage on our experience in managing Chinese wet markets in order to fortify and reinforce the business. In response to competition from supermarkets and chain stores, we have been working diligently towards enhancement of operation and management of our wet markets. For instance, improvement works in Choi Ming wet market, Tseung Kwan O, will be completed in June this year, which will present a 4th generation wet market model with an open design and the addition of electronic currency payment function that will offer more comfortable and convenient shopping experience for customers.

In such a dynamic market environment, the Group endeavours to keep itself abreast and innovative in various respects such as corporate strategies, business model and management structure. Adhering to our business development principles of sustainable development and courage to break new ground, the Group will continue to actively capture development opportunities in the market and enhance its operational and financial strengths, with a view to bringing more satisfactory returns to our shareholders.

APPRECIATION

I am most proud as being able to participate in the evolution of the Group alongside with our management team in the past 20 years, and would like to express my heartfelt gratitude to our colleagues, venture partners and shareholders, who have always been supportive and faithful to us in such a lasting and challenging adventure. I am confident that the unremitting efforts of our colleagues and unwavering support from you, our valuable stakeholders, shall continue to drive the Group forward and achieve optimal returns for all of us.

Tang Ching Ho
Chairman

Hong Kong, 25 June 2015

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the financial year ended 31 March 2015, the Group's turnover and profit attributable to owners of the parent amounted to approximately HK$1,500.0 million (2014: approximately HK$1,686.6 million, as restated) and approximately HK$588.2 million (2014: approximately HK$593.5 million) respectively.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK1.0 cents (2014: HK0.6 cents) per ordinary share for the year ended 31 March 2015 to shareholders on the register of members of the Company as of Friday, 28 August 2015. The final dividend will be paid on or around Thursday, 10 September 2015, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Thursday, 20 August 2015. Together with the interim dividend by way of (i) a cash dividend of HK1.0 cents (30 September 2013: HK0.15 cents); (ii) a distribution in specie of shares in a listed issuer, namely PNG Resources Holdings Limited ("**PNG**"), in the proportion of three (3) shares of HK$0.01 each of PNG ("**PNG Shares**") for every multiple of 125 shares in the Company held of approximately HK0.5 cents (2014: Nil) per ordinary share for the period ended 30 September 2014 as well as a special dividend of HK1.5 cents (2014: Nil), the total dividends for the year ended 31 March 2015 will be approximately HK4.0 cents (2014: HK0.75 cents) per ordinary share.

BONUS ISSUE OF SHARES

The Board proposes a bonus issue ("**Bonus Issue**") of shares on the basis of two (2) new ordinary shares of HK$0.01 each for every one (1) existing share held by the shareholders of the Company whose names appear on the register of members of the Company on Friday, 28 August 2015. The bonus shares will be credited by way of capitalisation of an amount equal to the total par value of the bonus shares in the retained earnings account of the Company.

The Bonus Issue is conditional upon:

(i) the passing of an ordinary resolution by the shareholders of the Company approving the Bonus Issue; and

(ii) the Stock Exchange granting the approval for the listing of, and permission to deal in, the bonus shares to be issued under the Bonus Issue.

A circular containing further details of the Bonus Issue will be despatched to the shareholders of the Company as soon as possible.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

(a) *for determining eligibility to attend and vote at the 2015 annual general meeting:*

Latest time to lodge transfer documents for registration:	4:30 p.m., Friday, 14 August 2015
Closure of register of members:	Monday, 17 August 2015 to Thursday, 20 August 2015 (both days inclusive)
Record Date:	Thursday, 20 August 2015

(b) *for determining entitlement to the proposed final dividend and the Bonus Issue:*

Latest time to lodge transfer documents for registration:	4:30 p.m., Wednesday, 26 August 2015
Closure of register of members:	Thursday, 27 August 2015 to Friday, 28 August 2015 (both days inclusive)
Record Date:	Friday, 28 August 2015

In order to be eligible to attend and vote at the 2015 annual general meeting and to qualify for the proposed final dividend and the Bonus Issue, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than the respective latest date and time set out above.

BUSINESS REVIEW

The Group's revenue for the year ended 31 March 2015 amounted to approximately HK$1,500.0 million (2014: approximately HK$1,686.6 million, as restated), which represented a slight decrease of approximately HK$186.6 million compared with last year. Profit attributable to owners of the parent for the year was approximately HK$588.2 million (2014: approximately HK$593.5 million). In this year, the Group continued to achieve favourable results and was contributed mainly by the completion of sale of certain remaining floor units of "726 Nathan Road" and the delivery of the residential project, "The Met. Sublime". The review of the individual business segments of the Group is set out below.

Property Development

Revenue recognised in this business segment during the year under review amounted to approximately HK$1,210.2 million (2014: approximately HK$899.0 million) which was contributed partly by the completion of sale of certain remaining floor units at "726 Nathan Road" and the delivery of the residential project "The Met. Sublime". The Group also completed sale of a final unit, a shop at "The Met. Focus" during the year.

The "726 Nathan Road" Ginza-type commercial complex was pre-sold in January 2013 at an aggregate consideration of approximately HK$1,122.1 million. Construction works was completed in February 2014 and 7 out of 18 sold floor units had been delivered to the purchasers in March 2014. A further 9 units were delivered during the year under review which had contributed a revenue of approximately HK$507.5 million to the Group for the year ended 31 March 2015. Besides, the ground floor shops had been leased out for rental income during the year.

Construction of the residential project "The Met. Sublime" at Kwai Heung Street, Sai Ying Pun had been completed and the sold units had been delivered to the purchasers starting from December 2014. The delivered units contributed a revenue of approximately HK$656.3 million to the Group for the year ended 31 March 2015. There were 5 units remained to be delivered and 1 units remained to be sold as at 31 March 2015.

The superstructure and major internal finishing works of another residential project "The Met. Delight" at Camp Street, Cheung Sha Wan had been completed in March 2015. Subsequent delivery of the sold units in batches had started from April 2015. Revenue and profit from this project will be recognised in the year ended 31 March 2016.

The site at 575-575A Nathan Road, Mong Kok had obtained approval of the general building plan and foundation works will soon commence. Situated in the prime area in Mong Kok, the site is designated to be developed into another Ginza-type commercial complex. Completion of this development is expected to be in 2017.

Development works of the site at 13 and 15 Sze Shan Street, Yau Tong was still being paused, as the negotiation with the Hong Kong Government in respect of the amount of land premium required for redevelopment of the site was pending.

In July 2014, through a successful tender, the Group acquired a land site situated at Ma Kam Street, Ma On Shan in Sha Tin (Sha Tin Town Lot no. 599) at a consideration of approximately HK$703.8 million. The acquisition was made under a business arrangement of which the Group owned 60% equity interest. The site is a limited residential land plot with an area of approximately 33,000 square feet and a maximum gross floor area of approximately 200,000 square feet. It has a development requirement of minimum 310 units to be built. Adjacent to the Ma On Shan Station of the Mass Transit Railway and the nearby Sunshine City Plaza, its convenient location is highly favourable for residential development. Foundation works at the site has already started. Expected completion of the project will be in 2018, the results and financial position will be consolidated into the financial statements of the Group.


Concierge

In September 2014, the Group acquired a nearby piece of land at Hang Kwong Street, Ma On Shan in Sha Tin (Sha Tin Town Lot no. 598) through another successful tender at a consideration of HK$428.0 million. The land was also acquired under a business arrangement of which the Group owned 60% equity interest. It is also a limited residential land plot with an area of approximately 33,000 square feet and a maximum gross floor area of approximately 115,000 square feet. It has a development requirement of minimum 180 units to be built. The site area, geographic location, surrounding environment and ancillary facilities are very similar to the site in Ma Kam Street, Ma On Shan and is therefore also highly favourable for residential development. Foundation works at the site has already started. Expected completion of the project will be in 2017, and the results and financial position will be consolidated into the financial statements of the Group.

In February 2015, the Group through a successful tender, acquired a further land site at Tai Po Road – Tai Wai section in Sha Tin (Sha Tin Town Lot No. 587) at a consideration of HK$773.0 million. The site has an area of approximately 71,000 square feet and a maximum gross floor area of approximately 148,000 square feet. Situated at an area of traditionally prime residential zone with Sha Tin Heights Road and Lower Shing Mun Road nearby, the tranquil surroundings and excellent geographic location make the land plot highly suitable for premium residential development. The site will be developed solely by the Group and targeted to complete in 2019.

As at 31 May 2015, the Group had a development land portfolio as follows:

Location	Approximate Site Area (sq. ft.)	Intended Usage	Anticipated Year of Completion
140-146 Camp Street, Cheung Sha Wan	4,600	Residential/Shops	2015
575-575A Nathan Road, Mong kok	2,100	Commercial	2017
Hang Kwong Street, Ma On Shan (Sha Tin Town Lot No. 598)	33,000	Residential	2017
Ma Kam Street, Ma On Shan (Sha Tin Town Lot No. 599)	33,000	Residential	2018
Tai Po Road – Tai Wai (Sha Tin Town Lot No. 587)	71,000	Residential	2019
13 and 15 Sze Shan Street, Yau Tong	41,000	Residential/Shopping Centre	2020

In view of the skyrocketing construction cost and consumer demand for quality housing and properties, the Group will maintain its close scrutiny on the costing and progress of existing development projects, and ensure their on-time completion in an efficient and quality manner. Besides, as an adequate and sustainable development land reserve is paramount to the long term property development business of the Group, the Group will proactively solicit suitable residential and commercial sites for redevelopment opportunities, through private purchases as well as public tenders of land by the Hong Kong Government.

Property Investment

During the year, the Group received gross rental income of approximately HK$33.6 million (2014: approximately HK$43.7 million), representing a decrease of approximately HK$10.1 million over last year. The decrease in gross rental income was primarily attributable to the disposal of the remaining 16 commercial units in Grandeur Terrace in last year and an investment property located at Mong Kok which the transaction was completed on 8 April 2014 during the year under review.

As at 31 March 2015, the portfolio of investment properties comprised of commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK$1,569.6 million (2014: approximately HK$1,140.1 million).

On 16 February 2015, a shop unit at Percival Street, Causeway Bay was acquired by the Group at a consideration of HK$210.0 million. Situated in an area of crowded traditional shopping district mostly visited by locals and tourists, the management of the Group is of the view that this shop should have a promising upside potential and expect it will provide a satisfactory long term return to the Group.

The shopping mall, Riviera Plaza, Tsuen Wan is currently in the process of finalising the general building plan and applying for alteration and enhancement approval. Renovation works will be carried out after then and expected completion will be in first quarter of 2017. It is intended to be refurbished into a modern and trendy neighbourhood mall providing exciting shopping experience and variety of shopping choices. After completion, it will be held by the Group as a strategic long term investment property and should strengthen the rental income stream and enhance rental yield of the Group.

To maintain a balanced portfolio of business investment, the Group has been actively exploring further potential properties to be invested, and will continue such act. At the same time, regular review of the investment property portfolio is performed to ensure overall rental return is in line with the latest market trend.

Management and Sub-licensing of Chinese Wet Markets

For the year ended 31 March 2015, revenue recorded for this segment amounted to approximately HK$173.6 million (2014: approximately HK$193.5 million), representing a decrease of approximately HK$19.9 million over the last year. The decrease was mainly attributable to the expiration of four licences with the landlord for the Chinese wet markets at Tin Shui Estate and Tin Shing Court in Tin Shui Wai, Belvedere Garden in Tsuen Wan and Tsui Lam Estate in Tseung Kwan O. Two new licences were solicited the Group during the year, namely the Chinese wet markets at Lei Tung Estate in Ap Lei Chau and Shui Chuen O Estate in Sha Tin.

During the year under review, the Group managed a portfolio of approximately 1,043 stalls in 14 “Allmart” brand of Chinese wet markets in Hong Kong with a total gross floor area of over 340,000 square feet. Besides, in Mainland China, 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 districts of Shenzhen, Guangdong Province. Chinese wet markets and supermarkets are different types of shopping venues and serve different needs and purposes. They also provides very different shopping experience. Facing rapid growth in number of supermarkets and grocery chain stores selling similar or comparable products to traditional Chinese wet markets, the Group has continued its enhancement works in its managed Chinese wet markets as well as upgrading the management and controls. The Group is of the view that continued improvement of the general environment and management of the wet markets will provide a more pleasant and convenient shopping experience and should attract more shoppers. Further, the Group will actively pursue business opportunities in this segment both in Hong Kong and Mainland China. The Group is of the view that management and operation of the Chinese wet markets will continue to contribute stable stream of income to the Group.

Provision of Finance

Provision of finance is not a new business engagement of the Group. In recent years, the Group had extended certain credit facilities to other corporations and individuals with a view to earn a higher yield on its financial resources. For the year ended 31 March 2015, revenue and operating profit from this segment amounted to approximately HK$82.3 million (2014: approximately HK$89.3 million, as restated) and approximately HK$152.0 million (2014: approximately HK$125.4 million, as restated) respectively.

Given the adequate liquidity and solid financial position, during the year the Group has decided to commit more resources to the provision of finance business and designated it an additional business line of the Group. The Group expects that the differential borrowing costs with neighboring areas and the tightening of mortgage lending policy in Hong Kong should create opportunities and room for business to the Group in this segment. Apart from better utilisation of financial recourses, developing this segment of business should also serve as a diversification as well as creating synergy with the Group's existing segments of property related businesses. The Group believes that this business segment will grow steadily and bring long-term benefits to the Group.

Investment in Pharmaceutical and Health Products Related Business

As at 31 March 2015, the Group held 20.5% equity interest in WYTH, a company listed on the Main Board of the Stock Exchange.

Following a series of on-market acquisition of 135.5 million shares of WYTH by the Group at an aggregate purchase price of approximately HK$35.4 million conducted between 19 June 2014 and 18 July 2014, and the subsequent placing of new shares by WYTH completed on 28 August 2014 and 4 December 2014, respectively, the Group's equity interest in WYTH had become 20.5%.

For the year ended 31 March 2015, WYTH achieved a turnover of approximately HK$831.1 million (2014: approximately HK$865.3 million) and profit attributable to equity holders of approximately HK$121.0 million (2014: approximately HK$163.4 million). The decline in its results was mainly contributed by the decrease in gross profit resulting from the decrease in its turnover and the loss on deemed partial disposal of equity interests in an associate, despite the gain from change in fair value of equity investments at fair value through profit or loss. The Group's share of profit of WYTH for the year ended 31 March 2015 amounted to approximately HK$135.7 million (2014: approximately HK$43.0 million), included a gain on bargain purchase of approximately HK$112.1 million (2014: Nil) arising from on market acquisition of shares of WYTH.

During the second half of the year under review, there was a slowdown of visitor numbers of, and spendings by, primarily Mainland China customers, owing to a number of political and economic factors. It would be reasonable to expect it will cause certain impact on the business of WYTH. Nevertheless, the awareness of health and the demand for quality traditional Chinese medicines from both local and Mainland China customers has not been diminishing, the Group is therefore optimistic about the business of WYTH and expect its investment in WYTH will provide a long term value to the shareholders.

Investment in and Loan Facilities Granted to PNG

PNG, a company listed on the Main Board of the Stock Exchange, is principally engaged in property development in Mainland China and the retailing of fresh pork meat and related produce in Hong Kong, in which the Group held 14.2% equity interest prior to the special interim dividend by way of distribution in specie of the PNG shares held by the Group. The PNG Shares were distributed in the proportion of three (3) PNG Shares for every 125 shares of the Company held (the "**Distribution**"). The total amount of the above Distribution was approximately HK$32.6 million. After the Distribution and a series of sales of PNG Shares on the open market, the Group no longer held any equity interest in PNG. Details of the Distribution was included in the circular of the Company issued on 10 December 2014.

Prior to the above-mentioned distribution of PNG Shares, there had been a significant decline in fair value of the PNG Shares. The Directors consider that the decline was significant and prolonged, impairment loss of approximately HK$74.2 million (2014: approximately HK$84.8 million) had been recognised in the profit and loss of the Group. On the other hand, PNG had fully repaid all the outstanding loans plus associated interest to the Group during the year. As at 31 March 2015, PNG had no indebtedness (2014: principle amount of approximately HK$107.6 million) to the Group.

Investment in Bonds of and Loan Facility Granted to China Agri-Products Exchange Limited ("CAP")

The Group's original 0.04% equity interest in CAP was diluted after a placement of new shares by CAP completed on 3 September 2014 and 6 November 2014. As at 31 March 2015, the Group held 0.03% equity interest in CAP.

On 4 October 2014, the Group entered into a subscription agreement with CAP, pursuant to which the Group will subscribe up to a maximum principal amount of HK$200.0 million two-year 8.5% coupon interest bonds and HK$330.0 million five-year 10.0% coupon interest bonds to be issued by CAP (collectively "**CAP Bonds**"), in consideration of receiving a subscription fee of 2.5% of the aggregate principal amount of the CAP Bonds actually subscribed by the Group and repaying the then outstanding loans indebted to the Group by CAP, details of which were set out in the Company's announcement and circular dated 4 October 2014 and 24 October 2014 respectively. Such transaction was approved by the shareholders of the Group at the special general meeting held on 10 November 2014. The fair value of CAP Bonds held by the Group amounted to approximately HK$465.7 million as at 31 March 2015.

As at 31 March 2015, CAP was indebted to the Group in the principal amount of HK$50.0 million (2014: 880.0 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2015, the Group's total assets less current liabilities were approximately HK$6,013.1 million (2014: approximately HK$4,738.8 million) and the current ratio increased from approximately 2.8 times as at 31 March 2014 to approximately 3.2 times as at 31 March 2015.

As at 31 March 2015, the Group had cash resources and short-term investments of approximately HK$1,256.9 million (2014: approximately HK$815.9 million). Aggregate borrowings as at 31 March 2015 amounted to approximately HK$2,628.6 million (2014: approximately HK$1,266.9 million). The gearing ratio was approximately 37.7% (2014: approximately 14.2%), calculated by reference to the Group's total bank and other borrowings net of cash and cash equivalents and the equity attributable to owners of the parent.

As at 31 March 2015, the Group's land and buildings, investment properties, properties under development and properties held for sale, with carrying value of approximately HK$62.0 million, approximately HK$1,516.7 million, HK$2,655.2 million and HK$359.1 million (2014: approximately HK$64.0 million, approximately HK$1,096.2 million, HK$1,267.3 million and HK$314.0 million) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 31 March 2015 amounted to approximately HK$49.7 million (2014: approximately HK$221.1 million). The Group had no significant contingent liabilities as at the end of the reporting period.

The Group strengthens and improves its risk control on a continual basis and adopted a prudent approach in financial management. Financial resources are under close monitor to ensure the Group's smooth operation, as well as flexibility to respond to market opportunities and uncertainties. The management of the Group is of the opinion that the Group's existing financial structure and resources are healthy and sufficient for the Group's needs in the foreseeable future.

Foreign Exchange

The management of the Group is of the opinion that the Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore does not engage in any hedging activities.

Employees and Remuneration Policies

As at 31 March 2015, the Group had 182 (2014: 203) employees, of whom approximately 98.4% (2014: 96.1%) were located in Hong Kong and the rest were located in Mainland China. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's performance as well as the individual's performance. Other benefits such as medical and retirement benefits and structured training programs are also provided.

PROSPECTS

Over the past few years, the Hong Kong Government had already instituted various property market cooling measures in an attempt to cool down the heated property market in Hong Kong. There had also been some market expectations that a significant correction was threatening. Nevertheless, property prices have been trending upwards during such time without significant adjustments, though in a less rapid pace. In February 2015, the Monetary Authority announced a further round of countercyclical measures in response to the fact that the property market had become buoyant again in the second half of 2014. This is largely reflected by the notable increase in prices and transaction volume in small to medium sized residential units, which came mainly from the strong pent up demand from end users of entry level housing units which were exempt from the various cooling measures. Besides, property developers had also been selling smaller and smaller sized new residential flats to get around the cooling measures which had also made this segment in the first-hand market a heated sector. Surprisingly, responses from first-time buyers had been enthusiastic and many newly launched small sized flats were sold out within a short period of time.

Given the above background, compound with the expected limited supply of land, the likelihood that monetary policy of major economies will continue to stay loose in the near future, as well as the locked up inelastic demand from home buyers, it should continue to build up support for the local property market. Further, government land sale during the year had hit new higher price levels, which should reflect property developers' view on the prospects of the market. The Group is therefore keeping its cautiously optimistic view about the property market in Hong Kong and will proactively look for development opportunities, replenish its land bank for sustainable development in the long run. While shortage of construction labour and rising materials cost are expected to prevail and exert pressure on operating profit of property developers, the Group will keep monitoring costs closely and ensure projects are completed in efficient manner and on time, while maintaining high quality standard.

Competition in the business of Chinese wet markets in Hong Kong has remained keen in recent years as there emerged a number of new alternatives or competitors, mainly in the form of chain stores selling groceries and snacks. Online grocery shopping with delivery has also become a new trend. These inevitably pose challenges to the businesses in Group's managed Chinese wet markets. As a major operator in Chinese wet markets, the Group understands that it is important to innovate in response to market changes and opportunities. The Group will therefore dedicate further effort to upgrading its managed Chinese wet markets, offering additional convenience and various benefits to make them one of the most desired choices for grocery shopping. The Group will also secure new markets from different sources in Hong Kong as well as in the Mainland China.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, *JP*, aged 53, is a co-founder of the Group, which was established in 1987, and the Chairman of the Company since November 1993. He is also an authorised representative, a member of the remuneration committee, the nomination committee, the investment committee and the executive committee of the Company. Mr. Tang is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of WYTH. Mr. Tang is the committee member of the 12th National Committee of the Chinese People's Political Consultative Conference ("**CPPCC**") and is also appointed as a standing committee member and convener of the tenth CPPCC Guangxi Zhuang Autonomous Region Committee and the president of Federation of Hong Kong Guangxi Community Organisations Limited and a standing committee member of the third CPPCC Guangxi Yulin City Committee. He is the husband of Ms. Yau Yuk Yin, the Deputy Chairman of the Company.

Ms. Yau Yuk Yin, aged 53, is a co-founder of the Group and the Deputy Chairman of the Company since November 1993. She is also a member of the remuneration committee, the nomination committee and the executive committee of the Company. Ms. Yau is responsible for the overall human resources and administration of the Group. She has over 22 years of experience in human resources and administration management. She is the wife of Mr. Tang Ching Ho, the Chairman of the Company.

Mr. Chan Chun Hong, Thomas, aged 51, joined the Group in March 1997 as an executive Director and was redesignated as the managing Director in September 2005. He is also an authorised representative and a member of the remuneration committee, the nomination committee, the investment committee and the executive committee of the Company. Mr. Chan is currently responsible for managing the overall operations of the Group. He is also the managing director of WYTH, the chairman and managing director of PNG, the chairman and chief executive officer of CAP, all of which are companies listed on the Main Board of the Stock Exchange. Mr. Chan resigned as an independent non-executive director of Shanghai Prime Machinery Company Limited, a company listed on the Main Board of the Stock Exchange, on 27 June, 2014. He graduated from The Hong Kong Polytechnic University (then known as the Hong Kong Polytechnic) with a Bachelor degree in Accountancy and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Independent Non-Executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*, aged 75, joined the Group in November 1993 as an independent non-executive Director. He is a member of the remuneration committee and the chairman of the nomination committee of the Company. Dr. Lee holds an honorary doctoral degree in engineering from The Hong Kong Polytechnic University and an honorary doctoral degree in laws from The Chinese University of Hong Kong. He is currently an independent non-executive director of AMS Public Transport Holdings Limited, ITE (Holdings) Limited and Playmates Holdings Limited, all of which are companies listed on the Stock Exchange. He resigned as an independent non-executive director of Sam Woo Holdings Limited (now known as Noble Century Investment Holdings Limited), VXL Capital Limited and Giordano International Limited on 29 April 2011, 28 September 2012 and 14 June 2013, respectively.

Mr. Wong Chun, Justein, *BBS, MBE, JP*, aged 61, joined the Group in November 1993 as an independent non-executive Director. He is a member of the audit committee and the nomination committee of the Company and the chairman of the remuneration committee of the Company. Mr. Wong holds a bachelor's degree in Commerce and Computing Science from Simon Fraser University, Canada. He is a Fellow of Institute of Canadian Bankers. He was a member of the Fight Crime Committee, the Independent Police Complaints Council, the Legal Aid Services Council, chairman of Quality Education Fund Assessment and Monitoring Committee. He is ex-official member of New Territories Heung Yee Kuk and is currently a member of Joint Committee of Student Finance, a member of Council on Professional Conduct in Education and a member of other government advisory bodies.

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*, aged 68, joined the Group in November 1993 as an independent non-executive Director. He is the chairman of the audit committee of the Company and a member of the nomination committee and the remuneration committee of the Company. Mr. Siu is also an executive member of a number of charitable organisations and sports associations and an independent non-executive director of Easy Repay Finance & Investment Limited (formerly known as "Unlimited Creativity Holdings Limited"), a listed company in Hong Kong.

Mr. Siu Kam Chau, aged 50, joined the Group in September 2004 as an independent non-executive Director. He is a member of the audit committee, the nomination committee, the remuneration committee and the investment committee of the Company. Mr. Siu holds a Bachelor degree in Accountancy from The City University of Hong Kong. Mr. Siu is a Certified Public Accountant (Practising) and a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Siu has over 25 years of working experience in auditing, accounting, company secretarial and corporate finance. He is currently an executive director of Jun Yang Solar Power Investments Limited and an independent non-executive director of Deson Development International Holdings Limited, both companies are listed on the Main Board of the Stock Exchange. He resigned as an independent non-executive director of China New Economy Fund Limited, a company listed on the Main Board of the Stock Exchange, and Oriental Unicom Agricultural Group Limited, a company listed on the GEM Board of the Stock Exchange, on 22 October 2014 and 27 October 2014, respectively.

SENIOR MANAGEMENT

Mr. Wong Yiu Hung, Gary is appointed as a director (sales and marketing) of property development division of the Group. He has over 33 years of experience in property development, leasing, sales and marketing. He has acted as the executive director of PNG, a company listed on the Main Board of the Stock Exchange, since February 2008. Prior to this appointment, Mr. Wong also held various senior positions in several local property development companies, including a renowned listed property developer in Hong Kong, and was also a general manager of the property development division of the Group.

Mr. Yeung Yiu Man is the director of the quantity surveying division of the Group. Mr. Yeung is responsible for managing various property and infra-structure developments of the Group and its subsidiaries, and has overall responsibility for all aspects of cost control, as well as quality control of construction works. Mr. Yeung holds a Master degree in Management from the Hong Kong Polytechnic University. He is a member of the Chartered Institute of Building and the Royal Institute of Chartered Surveyors. He possesses a wide spectrum of experience in property industry and has been active in property developments for more than 29 years. Prior to joining the Group in March 2011, Mr. Yeung had worked for a major Hong Kong listed property developer for 11 years with comprehensive experience in project management, tender procurement and cost control.

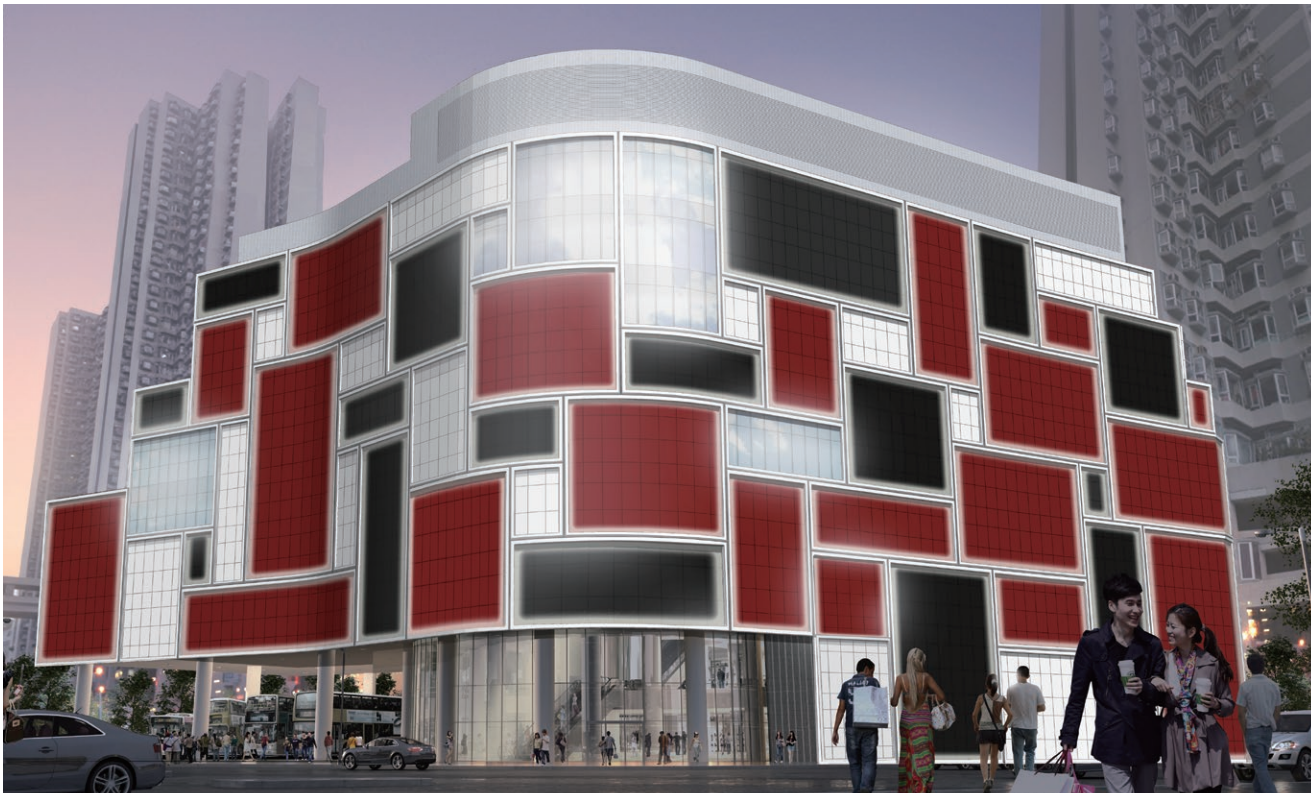
Ms. Josephine Ong, joined the Group in October 2013 as the group general counsel of the Company. Ms. Ong is a member of the Law Society both in Hong Kong and the United Kingdom. Ms. Ong has a Law degree from the Business Law School of the former City of London Polytechnic and is a qualified solicitor admitted to practice in Hong Kong for over 20 years. Ms. Ong also holds a Master of Science degree in Finance and a Master of Science degree in Marketing, both from the National University of Ireland. She previously worked in a multi-national corporation for over 12 years, overseeing the legal aspects of property projects worldwide.

Ms. Chow Ka Lok, Ruby joined the Group in February 2014 as the project director of Hong Kong property development division of the Group. Ms. Chow is responsible for overseeing and managing all development projects in Hong Kong. Ms. Chow holds a Bachelor Degree in Architecture at the University of California, Berkeley, College of Environmental Design and is a member of the American Institute of Architects (AIA HK). She has previously worked in two multi-national architecture firms and a major Hong Kong listed developer for over 17 years with extensive construction and project management experience.

Mr. Chan Sai Yan joined the Group in November 2012 as the financial controller of the Group. Mr. Chan holds a Bachelor degree in Accountancy from The Hong Kong Polytechnic University, a Master degree in Business Administration and a Master of Arts degree in Philosophy from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountant, and fellow member of both the Association of Chartered Certified Accountants and The Taxation Institute of Hong Kong, and a Certified Tax Advisor (Hong Kong). He has over 18 years of experience in professional accounting and financial management. Prior to joining the Group, he has worked in several Hong Kong listed groups and served senior executive roles in finance and company secretarial functions.

Ms. Ching Tak Won, Teresa joined the Group in September 2008 and is the assistant general manager (sales and marketing) of the Group's property development division. She holds a Bachelor degree in Business Administration from Hong Kong University of Science and Technology. She has more than 11 years of experience in sales and marketing of property industry.

CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence. The Board believes that good corporate governance practices are fundamental and essential to the success of the Company and the enhancement of shareholders and other stakeholders' value.

The Company continued to take steps to apply the principles and comply with the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Board has reviewed periodically the compliance of the CG Code and is in the view that throughout the year ended 31 March 2015, the Company has complied with the code provisions of the CG Code.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time, (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year under review.

The Company also adopted a code of conduct regarding securities transactions on no less exacting terms than the Model Code by the relevant employees of the Company or any of its subsidiaries who are considered likely to be in possession of unpublished inside information in relation to the Company or its securities pursuant to code provision A.6.4 of the CG Code. To the best knowledge and belief of the Directors, all relevant employees have complied with the required standard of such code.

BUSINESS MODEL AND STRATEGY

The Group is principally engaged in the businesses of property development, property investment, management and sub-licensing of Chinese wet markets and provision of finance, and has managed to maintain a steady business development. The Group's strategy for generating and preserving shareholder's value in the long run is to invest prudently in projects and opportunities which maximise return to the shareholders. With respect to property development, the Group actively explores opportunities and increases its land portfolio which forms the basis for generating gain in the property development. To cope with the varying and uncertain market conditions, the Group mainly focuses on projects with shorter development cycle in order to provide quicker turnover cycle, flexibility and reduction of business risk. On the other hand, the Group continues to maintain a balanced portfolio of property investments, regularly review its tenant mix, with an aim to maximise rental yield and secure a stable stream of income to support the recurring operations of the Group. Management of Chinese wet markets provides another stable source of income stream to the Group, the Group continues to devote resources to enhance the facilities and image of existing market to increase rental yield. The Group provides credit facilities to borrowers after due and careful assessment of credit risk and field, and aims to generate an enhanced return on its available financial resources. Overall, the Group adopts a proactive and prudent approach in developing its business.

In short-term, the Group continuously reviews and updates its strategies to provide better clarity on direction and business models. The Group takes active and prompt measures to meet market changes through adjustment of business strategy and control over costs. Further, the Group strives to maintain a healthy financing structure and devotes effort to securing banking facilities which is regarded as an important element for supporting continuous business development of the Group.

THE BOARD

Composition

The Board currently has seven Directors comprising three executive Directors and four independent non-executive Directors (the "**INEDs**"). The Directors during the year and up to the date of this annual report were:

Executive Directors

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

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

Ms. Yau Yuk Yin is the spouse of Mr. Tang Ching Ho and the biographical details of all Directors are set out on pages 24 to 26 of this annual report.

The Board possesses a mix and balance of skills and experience which are appropriate for the requirements of the business of the Company. The opinions raised by the INEDs in Board meetings facilitate the maintenance of good corporate governance practices. The Board has four INEDs, representing more than one-third of the Board, and at least one of the INEDs has the appropriate professional qualification and/or accounting and audit experience expertise as required by Rules 3.10(1) and (2) and 3.10A of the Listing Rules. A balanced composition of executive and non-executive Directors also generates a strong independent element on the Board, which allows for an independent and objective decision making process for the best interests of the Company and its shareholders. All Directors are aware of the required levels of fiduciary duties, care, skill and diligence under Rule 3.08 of the Listing Rules.

In compliance with code provision A.3.2 of the CG Code, an updated list of the Directors identifying their role and function are available on the websites of the Company *(www.wangon.com)* and the Stock Exchange *(www.hkexnews.hk)*. The Company will review the composition of the Board from time to time to ensure that the Board possesses the appropriate and necessary expertise, skills and experience to meet the needs of the Group's business and to enhance the shareholders' value.

Roles and Responsibilities of the Board and the Senior Management

The Board is accountable to stakeholders for the activities and performance of the Group and its primary functions cover, among other things, the formulation of overall strategy, the review corporate and financial policies and the oversight of the management of the Group's business and affairs. Apart from these, the Board reserved for its consideration and decision on major acquisitions and disposals, review of interim and annual financial results, appointments and removals of directors and auditors, evaluation on the performance and compensation of senior management, any material capital transactions and other significant operational and financial affairs. With a view to maintaining an appropriate balance between authority and responsibility, such functions are either carried out directly by the Board or indirectly through various committees established by the Board, with respective functions set out in their terms of reference.

The INEDs account for diverse industry expertise but are not involved in the day-to-day management of the Group. The general management and day-to-day management are delegated to the management, including but not limited to the preparation of regular financial information, execution of designated assignments, implementation of sustainability practices.

The Directors having material interest in matter(s) shall abstain from voting at such Board meeting(s) and the INEDs with no conflict of interest shall attend at such meeting to deal with the matter(s).

All Directors ensure that they can give sufficient attention to discharge their responsibilities to the affairs of the Company and the Directors have disclosed to the Company the identity and nature of offices held in any public organisation and other significant commitments from time to time.

During the year under review, regular Board meetings of the Company were held five times to review, consider and approve, among others, annual and interim results and to review the business operations, corporate governance practices and the effectiveness of internal control systems of the Group. Apart from these regular meetings, Board meetings are also held, as and when necessary, to consider major transaction(s) of the Group. At least 14 days notice for each regular meeting is given to all Directors. All such minutes are kept by the company secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any Director. Apart from the regular Board meetings, the chairman also met with the INEDs without the presence of executive Directors during the year.

Chairman and Chief Executive

The roles of the Chairman and the managing Director held by Mr. Tang Ching Ho and Mr. Chan Chun Hong, Thomas, respectively, are separate to reinforce their respective independence and accountability. Their respective responsibilities are clearly segregated and defined in writing by the Board, the chairman of the Company is primarily responsible for the overall strategic planning, management and leadership of the Board and ensuring all Directors receive accurate and timely information, while the functions of a managing Director is responsible for the day-to-day business management and implementation of the business strategies adopted by the Board.

Appointment and Re-election of the Directors

All INEDs are appointed with specific term set out under respective letters of appointment or service agreements and all of them are subject to retirement by rotation and, being eligible, offer themselves for re-election at the annual general meetings in accordance with the bye-laws of the Company (the "**Bye-laws**"). All INEDs are appointed for a term of not more than three years. Pursuant to code provisions A.4.2 and the Bye-law 87, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) are required to retire from office by rotation, provided that every Director, including those appointed for a specific term, is subject to retirement by rotation at least once every three years, and shall be eligible for re-election at each annual general meeting. In addition, any Director who is appointed by the Board to fill a casual vacancy or as an addition to the existing Board is subject to re-election at the first general meeting of the Company after his/her appointment.

Independence of INEDs

The INEDs are required to confirm their independence upon their appointment and on an annual basis. The Company has received from each INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules for the year ended 31 March 2015. The Company continues to consider all the INEDs to be independent for the year under review and up to the date of this report.

Corporate Governance

The Board has undertaken the responsibility for performing the corporate governance duties pursuant to code provision D.3.1 of the CG Code and is committed to ensuring that an effective governance structure is in place to continuously review, monitor and improve the corporate governance practices within the Group with regard to the prevailing legal and regulatory requirements.

The Board has adopted a Board diversity policy (the "**Board Diversity Policy**") stipulating the composition of the Board, reviewing the policies and measures on the Group's corporate governance, reviewing a code of conduct applicable to the Directors and employees, monitoring the Company's legal and regulatory compliance, training and continuing professional development of Directors and reviewing the Company's compliance with the CG Code and the disclosure in this annual report.

This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

Board Diversity

The Company notes increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives, sustainable and balanced development. In June 2013, the Company adopted the Board Diversity Policy which sets out the approach to diversify the Board. The nomination committee of the Company reviews and assesses Board composition on behalf of the Board and will recommend the appointment of new Director, when necessary, pursuant to the Board Diversity Policy.

In designing the Board's composition, the Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The nomination committee of the Company will also consider factors based on the Company's business model, specific needs and meritocracy from time to time in determining the optimum composition of the Board.

During the year under review, the Board comprises seven Directors, including three executive Directors and four INEDs, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of professional experience, skills and knowledge.

Having reviewed the Board Diversity Policy and the Board's composition, the nomination committee of the Company is satisfied that the requirements set out in the Board Diversity Policy had been met.

Continuous Professional Development

All Directors are encouraged to participate in continuous professional development so as to develop and refresh Directors' knowledge and skills and to ensure that their contribution to the Board remains informed and relevant. The Company regularly circulates training materials or briefings to all Directors in respect of the updates on, among other things, the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") or other useful guidelines, the Companies Ordinance and financial or accounting standards updates which may be of the interest to the Directors and benefit for them to discharge their responsibilities.

In addition, the Company provides and circulates to the Directors with monthly and regular updates relating to the Group's business, financial position and business environment, in which the Group operates. During the year, all Directors have complied with the code provisions in relation to continuous professional development. Apart from reading materials relevant to the Company's business, directors' duties and responsibilities, Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Siu Kam Chau also attended and/or gave presentation in seminars/forums.

The Company updates Directors constantly on the latest developments regarding the Group's business and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

All Directors have provided to the Company with their training records on a regular basis, and such records have been maintained by the Company for accurate and comprehensive record keeping.

Liability Insurance for the Directors

The Company has arranged for appropriate directors and officers liability insurance to indemnify its Directors against liabilities arising out of legal action on corporate activities. Such insurance coverage is reviewed and renewed with consultant advice on an annual basis.

BOARD COMMITTEES

The Board has established various committees, including the executive committee (the "**Executive Committee**"), audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**"), nomination committee (the "**Nomination Committee**") and investment committee (the "**Investment Committee**"), each of which has the specific written terms of reference that will be reviewed and updated, where necessary. Copies of minutes of all meetings and resolutions of the committee meetings are kept by the company secretary and open for inspection at any reasonable time on reasonable notice by any Director. Each committee is required to report to the Board on its decision and recommendations, where appropriate.

Executive Committee

The Executive Committee was established since 2005 with specific written terms of reference setting out authority delegated by the Board and is responsible for general management, supervising the day-to-day management, performance and operations in accordance with the business strategy and keeping under review strategy and business development initiatives of the Group and monitoring their implementation. The Executive Committee comprises three members, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas and Mr. Tang Ching Ho takes the chair of the Executive Committee.

Audit Committee

The Audit Committee has been established since December 1999 with specific written terms of reference stipulating its authorities and duties in compliance with Rule 3.21 of the Listing Rules, which are available on the websites of the Company and the Stock Exchange. Currently, the Audit Committee comprises three INEDs, namely, Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, which is chaired by Mr. Siu Yim Kwan, Sidney.

The functions of the Audit Committee is, among other things, to assist the Board to review and monitor the integrity of the financial reporting, including interim and final results, to supervise over the Group's internal controls, risk management, to monitor the internal and external audit functions, including the appointment, reappointment and removal of the auditors and to make relevant recommendations to the Board to ensure effective and efficient operation and reliable reporting. The functions of the Audit Committee will be reviewed regularly by the Board and amended from time to time, as and when appropriate, in order to be in compliance with the code provisions of the CG Code (as amended from time to time) so as to ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff to implement the Group's accounting and financial reporting function.

The Audit Committee is provided with sufficient resources to discharge its duties and may access to independent professional advice according to the Company's policy if considered necessary.

During the year under review and up to the date of this report, the Audit Committee members met twice with the Group senior management and the external auditors to discuss and review, among other things, the following matters:

(a) the interim results for the six-month ended 30 September 2014 and the annual results for the year ended 31 March 2015 to ensure the full, complete and accurate disclosure in the aforesaid financial statements pursuant to the accounting standards and other legal requirement for presenting the same to the Board for approval;

(b) the term and remuneration for the appointment of Ernst & Young as external auditors to perform the agreed-upon procedures on the interim results for the six-month ended 30 September 2014 and the audit of final results for the year ended 31 March 2015;

(c) the independence of the external auditors especially for those non-audit services;

(d) the continuing connected transaction(s) of the Group;

(e) the overall effectiveness of internal controls; and

(f) the adequacy of resources, qualifications and experience of staff, the accounting and financial reporting matters and their training programmes and budget.

The Audit Committee is satisfied with, *inter alia*, the audit fees, effectiveness of the audit process, independence and objectivity of Ernst & Young and has recommended to the Board the re-appointment of Ernst & Young as the Company's external auditors for the ensuing year at the forthcoming annual general meeting of the Company.

Remuneration Committee

The Board has established the Remuneration Committee since September 2005 with specific written terms of reference, as revised from time to time, stipulating its authorities and duties, which are available on the websites of the Company and the Stock Exchange. It currently consists of seven members, including Mr. Wong Chun, Justein, being elected as the chairman of the Remuneration Committee, Dr. Lee Peng Fei, Allen, Mr. Siu Yim Kwan, Sidney, Mr. Siu Kam Chau, Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, a majority of whom are INEDs.

The Remuneration Committee is provided with sufficient resources to discharge its duties and may access to independent professional advice in accordance with the Company's policy and its terms of reference, if considered necessary.

The roles and functions of the Remuneration Committee are as follows:

(a) to make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy on the basis of basic salary and allowances, discretionary bonus and share options;

(b) to review and approve the senior management's remuneration proposals with reference to the Board's corporate goals and objectives;

(c) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including, but not limited to, benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment;

(d) to make recommendations to the Board on the directors' fee of the INEDs with reference to the range of remuneration of other non-executive directors in the similar industry and allow any out-of-pocket expenses incurred in connection with the performance of their duties;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

(f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; and

(g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.

During the year under review, the Remuneration Committee held one meeting, in which it reviewed the existing remuneration policies by reference with the market research, communicated with the chairman and managing Director and recommended amendments to the existing remuneration policies and performance-based bonus and approved the remuneration package and performance-based bonus paid the other Directors and senior management of the Company. No Director took part in any discussion or determination about his own remuneration.

The Remuneration Committee has discharged or will continue to discharge its major roles to, among other things, approve the terms of the service agreements of the Directors and the senior management, make recommendations with respect to the remuneration and policies of the Directors and senior management of the Company and to review the remuneration package and recommend salaries, bonuses, including the incentive awards for Directors and senior management.

Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements. In addition, pursuant to the code provision B.1.5, the annual remuneration of other members of the senior management by bands for the year ended 31 March 2015 is set out below:

Remuneration to the senior management by bands	**Number of individual**
HK$1,000,000 to HK$1,500,000	3
Over HK$1,500,000	3

Nomination Committee

The Nomination Committee has been established since September 2005 with specific written terms of reference, as revised from time to time, stipulating its authorities and duties, which are available on the websites of the Company and the Stock Exchange. It currently consists of seven members, including Dr. Lee Peng Fei, Allen, being elected as the chairman of the Nomination Committee, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney, Mr. Siu Kam Chau, Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, a majority of whom are INEDs.

The roles and functions of the Nomination Committee are as follows:

(a) to review and evaluate the structure, size and composition (including diversity, skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

(c) to assess the independence of INEDs;

(d) to monitor the continuous professional development of the Directors;

(e) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive;

(f) where the Board proposes a resolution to elect an individual as an INED at the general meeting, the Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent; and

(g) the chairman or another member of the Committee shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the Committee's activities and responsibilities.

The Nomination Committee is provided with sufficient resources to discharge its duties and may access to independent professional advice according to the Board Diversity Policy and its terms of reference, if considered necessary.

During the year under review, the Nomination Committee held one meeting, in which it determined the criteria and procedures for retirement by rotation and recommended to the Board for re-appointment of Ms. Yau Yuk Yin, Mr. Wong Chun, Justein and Mr. Siu Kam Chau at the forthcoming annual general meeting. The Nomination Committee also reviewed the Board Diversity Policy and evaluated the Board performance and succession planning.

Investment Committee

The Investment Committee has been established since June 2012 with specific written terms of reference for purposes of effectively determining the investment strategy and plan, monitoring the execution of investment strategy and adjusting the investment strategy. The Investment Committee comprises three members, namely Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Siu Kam Chau, which is chaired by Mr. Tang Ching Ho and one meeting of this committee was held during the year under review.

ATTENDANCE OF DIRECTORS AT VARIOUS MEETINGS

Details of the attendance of individual Directors at Board meetings, committee meetings and shareholder meetings held during the year ended 31 March 2015 are as follows:

Name of directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Investment Committee	Annual general meeting
Mr. Tang Ching Ho	5/5	N/A	1/1	1/1	1/1	1/1
Ms. Yau Yuk Yin	5/5	N/A	1/1	1/1	N/A	1/1
Mr. Chan Chun Hong, Thomas	5/5	N/A	1/1	1/1	1/1	1/1
Dr. Lee Peng Fei, Allen	4/5	N/A	1/1	1/1	N/A	0/1
Mr. Wong Chun, Justein	4/5	1/2	1/1	1/1	N/A	1/1
Mr. Siu Yim Kwan, Sidney	5/5	2/2	1/1	1/1	N/A	1/1
Mr. Siu Kam Chau	5/5	2/2	1/1	1/1	1/1	1/1

EXTERNAL AUDITORS' REMUNERATION

The remuneration paid/payable to the Company's external auditors, Ernst & Young, for the year ended 31 March 2015, are set out as follows:

Services rendered for the Group	Fees paid/payable to Ernst & Young HK$'000
Audit services:	
– annual financial statements	2,400.0
Non-audit services:	
– Agreed-upon procedures	240.0
– taxation services	317.8
– other professional services	390.0
Total:	3,347.8

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for timely preparation and publication of the financial statements and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. In preparing the financial statements for the year ended 31 March 2015, the Directors have adopted suitable accounting policies which are pertinent to the Group's operations and relevant to the financial statements and have presented an understandable assessment of the Group's position and prospects.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, the financial statements is prepared on a going concern basis and they are not aware of any material uncertainties relating to the events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The Directors continue to explore any opportunities with potential investors to enhance its financial position and business development of the Group by way of refinancing, extension of borrowings and/or fund raising.

INTERNAL CONTROLS

The Board has undertaken the overall responsibility for maintaining sound and effective internal control systems to safeguard the Company's assets and shareholders' interests, as well as, with the Audit Committee, for reviewing the effectiveness of these systems. The Business Analysis Department is delegated to ensuring and maintaining sound internal control functions by monitoring such internal control systems and procedures constantly so as to ensure that they can provide reasonable assurance against misstatement or loss and to manage risks of failure in the Group's operational systems. In addition, the Company will engage independent consultants to conduct review of the internal control system and risk management of the Group as and when necessary. The Board is responsible for approving and overall reviewing internal control policy while the responsibility of day-to-day management of operational risks lies with the management.

The internal control system is designed to provide reasonable, but not absolute, assurance against material loss; and to manage rather than completely eliminate the risk of system failure. In addition, it should provide a basis for the maintenance of proper and fair accounting records and assist in the compliance with relevant rules and regulations. During the financial year ended 31 March 2015, the Board reviewed all material internal control, including financial, operational and compliance control and risk management functions. It also reviewed with the Audit Committee and the reports from Business Analysis Department the effectiveness of the Group's internal control system, adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and satisfied that they were effective and in compliance with our policies.

INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

The Company aims at promoting and maintaining effective communications with shareholders and investors (both individuals and institutions) (collectively the "**Stakeholders**") to ensure that the Group's information is disseminated to the Stakeholders in a timely manner and enable them to have a clear assessment of the enterprise performance. A shareholders communication policy has been adopted by the Company and the same is available on the website of the Company. Other major means of communications includes:

Disclosures in Corporate Website

Extensive information on the Group's activities and financial position will be disclosed in the annual reports, interim reports, announcements, circulars and other corporate communications which will be sent to shareholders and/or published on the website of the Stock Exchange *(www.hkex.com.hk)* and the Company *(www.wangon.com)*. Other inside information is released by way of formal public announcements as required by the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

General Meeting with Shareholders

The Company also acknowledges that annual general meetings and various general meetings are valuable forums for the Board to communicate directly with the shareholders. Members of the Board and the members of various committees are encouraged to attend and answer questions at such general meetings.

In order to let shareholders to make an informed decision at the general meetings, sufficient notices with not less than 10 clear business days for every general meeting and 20 clear business days for every annual general meeting were given to the shareholders of the Company pursuant to E.1.3 of the CG Code, the Bye-laws and any other applicable laws. The chairman will explain the detailed procedures for conducting a poll vote during the proceedings of meetings and answered all questions raised by shareholders. All resolutions put to vote at general meetings are taken by poll and the poll results are posted on the website of the Company and the Stock Exchange immediately following the holding of the general meetings.

Investor Relations

The Group also has a proactive investor relations programme that keeps investors and shareholders abreast the Group's latest development and discloses relevant information to the public in a timely manner. During the year under review, we held various meetings with investors and participated in investor and press conferences.

Shareholders' Rights in Convening a Special General Meeting

Pursuant to Section 74 of the Bermuda Companies Act 1981 (the "**Companies Act**") and bye-law 58 of the Bye-laws, the Board whenever it thinks fit call special general meetings and shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the company secretary of the Company to require a special general meeting (the "**SGM**") to be called by the Board. The written requisition (i) must state the purposes of the SGM, and (ii) must be signed by the requisitionists and deposited 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 for attention of the Board or the company secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such meeting shall be held within two (2) months after the deposit of such requisition.

Such requisitions will be verified by the Company's share registrars and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will inform the Board to convene a SGM by serving sufficient notice to all shareholders of the Company. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists or any of them representing more than one half of the total voting rights of all of them may convene a SGM in accordance with the provisions of Section 74(3) of the Companies Act, but any SGM so convened shall not be held after expiration of three months from the said date of deposit of the requisition. A SGM convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in any SGM to be convened by the Board.

Putting Forward Proposals at General Meetings

Pursuant to Sections 79 and 80 of the Companies Act, either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited 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 or the Company's branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

Proposing a Person for Election as a Director

The procedures for proposing candidate(s) for election as Director(s) at a general meeting are set out in the "Corporate Governance" under section headed under "Corporate Profile" on the website of the Company at *www.wangon.com*.

Enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board in writing by email to *pr@wangon.com* or by addressing their enquiries to the Board or the Company Secretary in the following manners:

In respect of the corporate affairs:
The Board/Company Secretary/PR Manager
Wang On Group Limited
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

In respect of the other shareholding/entitlement affairs:
Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

WHISTLEBLOWING POLICY

The Company has adopted a whistleblowing policy to facilitate the achieving of highest possible standards of openness, probity and accountability. Procedures are formulated to enable individual employees to disclose internally and at a high level, information which the individual believes that it shows malpractice or impropriety within the Group. During the year under review, no incident of fraud or misconduct was reported from employees that have material effect on the Group's financial statements and overall operations.

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita, who was appointed as a full-time employee company secretary of the Group, reports directly to the Board and is responsible for, inter alia, providing updated and timely information to all Directors from time to time.

During the year ended 31 March 2015, Ms. Mak has complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training.

FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements which give a true and fair view and are in compliance with Hong Kong Financial Reporting Standards, statutory requirements and other regulatory requirements. As at 31 March 2015, the Board was not aware of any material misstatement or uncertainties that might put doubt on the Group's financial position or continue as a going concern. The Board endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting.

A statement by the auditors about their reporting responsibilities is set out on pages 50 to 51 of this annual report. There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

CORPORATE SOCIAL RESPONSIBILITY

The Group is conscious of its role as a socially responsible group of companies. It has made donations for community wellbeing from time to time, supports the communities and encourages its employees to participate in any charitable events and caring services.

CONSTITUTIONAL DOCUMENT

During the year ended 31 March 2015, there was no change in the constitutional document. The Memorandum of Association and the amended and restated Bye-laws are available on the websites of the Stock Exchange and the Company at *(www.hkex.com.hk)* and *(www.wangon.com)*, respectively.

CONCLUSION

Going ahead, the Group will continue to review regularly its corporate governance practices to maintain high level of transparency, to enhance the Company's competitiveness and operating efficiency and to ensure its sustainable development and to generate greater returns for the stakeholders of the Company.

REPORT OF THE DIRECTORS

The Directors present their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Principal activities of the principal subsidiaries comprise property development, property investment, management and sub-licensing of Chinese wet markets and provision of finance in Hong Kong and the Mainland China, details of which are set out in note 17 to the financial statements. Apart from the re-designation of the provision of finance business as one of the principal activities of the Group, there were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2015 and the Group's financial position at that date are set out in the consolidated financial statements on pages 52 to 150.

The Group's revenue and profit attributable to owners of the parent for the year ended 31 March 2015 amounted to approximately HK$1,500.0 million (2014: approximately HK$1,686.6 million, as restated) and approximately HK$588.2 million (2014: approximately HK$593.5 million), respectively.

Subsequent to the end of the reporting period, the Board recommended the payment of a final dividend of HK1.0 cents (2014: HK0.6 cents) per ordinary share for the year ended 31 March 2015 to shareholders whose names appear on the register of members of the Company as of Friday, 28 August 2015. The final dividend will be paid on or around Thursday, 10 September 2015, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Thursday, 20 August 2015. Together with the interim dividend by way of (i) a cash dividend of HK1.0 cents (30 September 2013: HK0.15 cents); and (ii) a distribution in specie of shares in a listed issuer, namely PNG, in the proportion of three (3) PNG Shares for every multiple of 125 shares in the Company held of approximately HK0.5 cents (2014: Nil) per ordinary share for the period ended 30 September 2014 as well as a special dividend of HK1.5 cents (2014: Nil), the total dividends for the year ended 31 March 2015 will be approximately HK4.0 cents (2014: HK0.75 cents) per ordinary share.

BONUS ISSUE OF SHARES

The Board proposed a bonus issue of the Company's shares on the basis of two (2) new ordinary shares of HK$0.01 each for every one existing share held by the shareholders of the Company whose names appear on the register of members of the Company on Friday, 28 August 2015. The bonus shares will be credited by way of capitalisation of an amount equal to the total par value of the bonus shares in the retained earnings account of the Company.

The Bonus Issue is conditional upon:

(i) the passing of an ordinary resolution by the shareholders of the Company at the forthcoming annual general meeting approving the Bonus Issue; and

(ii) the Stock Exchange granting the approval for the listing of, and permission to deal in, the bonus shares to be issued under the Bonus Issue.

A circular containing further details of the Bonus Issue will be despatched to the shareholders of the Company as soon as possible.

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the Company's audited financial statements, is set out on pages 153 to 154 of this annual report. This summary does not form part of this audited financial statements.

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

Details of movements in the property, plant and equipment, the investment properties and properties under development of the Group during the year are set out in notes 14, 15 and 16 to the financial statements, respectively.

SHARE CAPITAL AND SHARE OPTION SCHEME

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor are set out in notes 32 and 33 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2015.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 34 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2015, the Company's reserves available for distribution to equity holders of the parent, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK$1,261.1 million (2014: approximately HK$944.1 million), of which approximately HK$65.2 million has been proposed as a final dividend for the year ended 31 March 2015 and approximately HK$130.5 million may be distributed in form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2015, sales to the Group's five largest customers accounted for less than approximately 26.7% (2014: less than approximately 27.0%) of the total revenue for the year and the sales to the largest customer included therein accounted to approximately 8.2%. Purchases from the Group's five largest suppliers, excluding the purchase of land parcels from Hong Kong Government at an aggregate amount of HK$1,904.8 million, accounted for approximately 82.2% (2014: approximately 83.0%) of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 30.6% of the total purchases for the year.

None of the Directors or any of their associates or any shareholders, which to the best knowledge of the Directors, own more than 5.0% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers.

PLEDGE OF ASSETS

Aggregate borrowings as at 31 March 2015 amounted to approximately HK$2,628.6 million (2014: approximately HK$1,266.9 million). As at 31 March 2015, the Group's land and buildings, investment properties, properties under development and properties held for sale, with carrying value of approximately HK$62.0 million, HK$1,516.7 million, HK$2,655.2 million and HK$359.1 million (2014: approximately HK$64.0 million, HK$1,096.2 million, HK$1,267.3 million and HK$314.0 million) were pledged to secure the Group's general banking facilities.

DIRECTORS

The Directors of the Company during the year and up to the date of this annual report were:

Executive Directors

Mr. Tang Ching Ho, *JP*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

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

In accordance with Bye-law 87 of the Bye-laws, Ms. Yau Yuk Yin, Mr. Wong Chun, Justein and Mr. Siu Kam Chau will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from all INEDs, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau, and as at the date of this annual report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 24 to 27 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in notes 8 and 39 to the financial statements, no Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors nor their respective associates had an interest in a business, apart from the businesses of the Group, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2015, the interests and short positions of the Directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the

SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules, were as follows:

Long positions in the ordinary shares of the Company:

Name of Director	Number of ordinary shares held, capacity and nature of interest					Approximate percentage of the Company's total issued share capital
	Personal interest	Family interest	Corporate interest	Other interest	Total	(Note f) %
Mr. Tang Ching Ho ("**Mr. Tang**")	9,342,113	9,342,100 (Note a)	2,336,125,102 (Note b)	1,663,309,609 (Note c)	4,018,118,924	61.58
Ms. Yau Yuk Yin ("**Ms. Yau**")	9,342,100	2,345,467,215 (Note d)	–	1,663,309,609 (Note e)	4,018,118,924	61.58

Notes:

(a) Mr. Tang was taken to be interested in those shares in which his spouse, Ms. Yau, was interested.

(b) Mr. Tang was taken to be interested in those shares in which Caister Limited ("**Caister**"), a company which is wholly and beneficially owned by him, was interested.

(c) Mr. Tang was taken to be interested in those 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 those shares in which her spouse, Mr. Tang, was interested.

(e) Ms. Yau was taken to be interested in those shares by virtue of being a beneficiary of Tang's Family Trust.

(f) The percentages represented the number of shares over the total issued share capital of the Company as at 31 March 2015 of 6,524,935,021 shares.

Save as disclosed above, as at 31 March 2015, none of the Directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Directors' interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations" above, "Share Option Scheme" below and in the share option scheme disclosures in note 33 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares, or underlying shares in, or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights, exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

On 3 May 2002, the Company adopted a share option scheme (the "**2002 Scheme**") for the primary purpose of providing incentives to eligible participants who contribute to the success of the Group. The 2002 Scheme expired at the close of business on 2 May 2012, no further share option will be granted under it since then but the share options granted prior to such expiry will continue to be valid and exercisable during the prescribed exercisable period in accordance with the terms of the 2002 Scheme. During the year under review, no share options were exercised and 22,372,042 share options lapsed or were cancelled under the 2002 Scheme.

The Company adopted a new share option scheme at the annual general meeting of the Company held on 21 August 2012 (the "**2012 Scheme**") for the primary purpose of providing incentives or rewards for the eligible persons for their contribution or potential contribution to the development and the growth of the Group. During the year under review, no share options were 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 INEDs), 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 technological support or any 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 "**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. Under the 2012 Scheme, the Board may grant share options to the Participants to subscribe for shares of the Company for a consideration of HK$1.00 for each lot of share options granted which must be accepted within 30 days from the date offer. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

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.

The maximum number of shares issuable under share options to each Participant (except for a substantial shareholder or an INED or any of their respective associates) 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 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 INEDs (excluding any INED who is the grantee of the option). Where any grant of share options to a substantial shareholder or an INED (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 INED (or any of their respective associates) is also required to be approved by shareholders.

The exercise price must be at least the higher of (i) the official closing price of the shares of the Company as stated in the daily quotations sheets of the Stock Exchange on the offer date which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company.

Details of the movements of the share options under the 2002 Scheme during the year ended 31 March 2015 were as follows:

Name or Category of Participant	Date of grant	Outstanding as at 1 April 2014	Granted during the year	Exercised during the year	Lapsed/or cancelled during the year	Outstanding as at 31 March 2015	Exercise period of share options	Exercise price per share HK$
Executive Directors								
Mr. Chan Chun Hong, Thomas	8/1/2009	180,295	–	–	(180,295)	–	8/1/2010 – 7/1/2019*	0.3893
		180,295	–	–	(180,295)	–		
Other employees	1/3/2007	14,562,108	–	–	(14,562,108)	–	1/3/2007 – 28/2/2017	2.0549
In aggregate	8/1/2009	617,150	–	–	(596,347)	20,803	8/1/2010 – 7/1/2019*	0.3893
	12/5/2010	7,250,817	–	–	(7,033,292)	217,525	12/5/2011 – 11/5/2020*	0.2234
		22,430,075	–	–	(22,191,747)	238,328		
TOTAL		22,610,370	–	–	(22,372,042)	238,328		

Note:

* The options granted under the 2002 Scheme were vested 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

At the end of the reporting period, the Company had 238,328 share options outstanding under the 2002 Scheme, which represented approximately 0.004% of the Company's shares in issue as at that date. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 238,328 additional ordinary shares of the Company and additional share capital of approximately HK$2,383.28 and share premium of HK$54,310.41 (before issue expenses). After the reporting period, 238,328 share options were exercised and as at the date of approval of these financial statements, there was no share options outstanding under the 2002 Scheme and the 2012 Scheme.

As at the date of this annual report, the total number of shares available for issue under the 2012 Scheme is 652,493,502 shares, representing 10% of the share capital of the Company in issue at the date of this annual report.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other details of the 2002 Scheme and the 2012 Scheme are set out in note 33 to the financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2015, to the best knowledge of the Directors, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders had notified the Company and the Stock Exchange of relevant interests and short positions in the shares and underlying shares of the Company:

Long positions in the ordinary shares of the Company:

Name of shareholder	Notes	Capacity	Number of shares	Approximate percentage of the Company's total issued share capital (Note 5) %
Caister	(1)	Beneficial owner	2,336,125,102	35.80
Accord Power Limited ("**Accord Power**")	(2)	Beneficial owner – Tang's Family Trust	1,663,309,609	25.49
Fiducia Suisse SA	(3)	Interest of controlled corporation – Trustee	1,663,309,609	25.49
David Henry Christopher Hill	(3)	Interest of controlled corporation	1,663,309,609	25.49
Rebecca Ann Hill	(4)	Family interest	1,663,309,609	25.49

Notes:

(1) Caister, a company wholly owned by Mr. Tang, beneficially owned 2,336,125,102 shares.

(2) Accord Power is wholly owned by Fiducia Suisse SA in its capacity as the trustee of Tang's Family Trust. Accordingly, Fiducia Suisse SA was taken to be interested in those shares held by Accord Power.

(3) Fiducia Suisse SA is the trustee of the Tang's Family Trust. Fiducia Suisse SA is wholly owned by Mr. David Henry Christopher Hill, and accordingly, Mr. David Henry Christopher Hill was taken to be interested in those shares in which Fiducia Suisse SA was interested.

(4) Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill and was therefore taken to be interested in the shares in which Mr. David Henry Christopher Hill was interested.

(5) The percentages represented the number of shares over the total issued share capital of the Company as at 31 March 2015 of 6,524,935,021 shares.

Save as disclosed above, as at 31 March 2015, there were no other persons who had an interest or short position in the shares or 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 recorded in the register required to be kept by the Company under section 336 of the SFO.

CONNECTED TRANSACTIONS

On 20 November 2013, the Company, through its wholly-owned subsidiary, namely Richly Gold Limited (as the landlord), entered into a tenancy agreement with Ms. Yau Yuk Yin, the deputy chairman of the Company, (as the tenant) in respect of the lease of a premise located at Winners Lodge, Nos. 9-15 Ma Yeung Path, Kau To Shan, Shatin, New Territories, Hong Kong for a term of three years commencing from 15 November 2013 and expiring on 14 November 2016 at a monthly rental of HK$100,000, which constituted a continuing connected transaction (the "**Continuing Connected Transaction**") for the Company during the year ended 31 March 2015 and subject to annual review pursuant to Rules 14A.55 and 14A.56 of the listing Rules.

The Directors (including all of the INEDs) and the auditors have reviewed and confirmed that the Continuing Connected Transaction was entered into (i) in the ordinary and usual course of the Group's business; (ii) in accordance with the terms of the agreement governing such transaction on terms that was fair and reasonable and in the interests of the shareholders of the Company as a whole; (iii) either on normal commercial terms or on terms no less favorable to the Group than those available to or from independent third parties; and (iv) have not exceeded the specified cap.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged its auditors, Ernst & Young, to perform certain review procedures in order to report on the Continuing Connected Transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 "*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*" and with reference to Practice Note 740 "*Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules*" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their findings and conclusions in respect of the Continuing Connected Transaction disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange as stipulated in the Listing Rules.

Further details of other related party transactions undertaken by the Group in the ordinary course of business, which fell under Rule 14A.73 of the Listing Rules, during the year are set out in note 39 to the financial statements.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules and save as disclosed above, there were no other transactions which need to be disclosed as continuing connected transaction in accordance with the requirements of the Listing Rules.

DISCLOSURES PURSUANT TO RULE 13.20 OF THE LISTING RULES

During the year under review, the Group, through its wholly-owned subsidiary, had advanced the following financial assistance to CAP:

(a) by way of subscription of (i) up to an aggregate principal amount of HK$200.0 million two-year 8.5% coupon bonds (the "**2016 Bonds**"); and (ii) up to an aggregate principal amount of HK$330.0 million five-year 10.0% coupon bonds (the "**2019 Bonds**") issued by CAP pursuant to the subscription agreement dated 4 October 2014 (as supplemented on 28 November 2014) in consideration of (1) receiving a subscription fee of 2.5% of the aggregate principal amount of the 2016 Bonds and the 2019 Bonds actually subscribed; and (2) the intended use of the net proceeds from the bonds issue to repay the outstanding maturing loans indebted to the Group on or around 28 November 2014;

(b) a loan facility dated 28 November 2014 entered into between Double Leads Investments Limited ("**Double Leads**"), an indirectly wholly-owned subsidiary of the Company, and CAP, under which Double Leads agreed to extend the accrued interest in a sum of approximately HK$17.2 million on the repayment of the previous loan facilities which was due to be repaid and had actually repaid by 31 May 2015; and

(c) a loan agreement dated 13 February 2015 entered into between Double Leads and CAP, under which Double Leads agreed to provide an unsecured revolving loan facility of HK$110.0 million to CAP at an interest rate of 12.0% per annum for a term up to 12 February 2016, out of which HK$50.0 million was drawn down on 24 February 2015 and HK$60.0 million was drawn down on 24 April 2015.

Therefore, at the end of the reporting period, CAP was indebted to the Group an aggregate outstanding principal amount of approximately HK$580.0 million.

DONATIONS

During the year, the Group made charitable and other donations totaling approximately HK$12.0 million (2014: approximately HK$14.0 million).

EMOLUMENT POLICY

The Group's emolument policy for its employees is set up and approved by the Remuneration Committee and the Board on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee and the Board, as authorised by the shareholders at the annual general meeting, having regarded to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the share option scheme are set out in note 33 to the financial statements.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 28 to 39 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient prescribed amount of public float as required under the Listing Rules throughout the financial year under review and up to the date of this annual report.

AUDIT COMMITTEE

The Company has established an Audit Committee with specific terms of reference in compliance with Rule 3.21 of the Listing Rules. During the year, the Audit Committee met twice with the management and the external auditors to review and consider, among other things, the accounting principles and practices adopted by the Group, the financial report matters (including the review of consolidated interim results for the six-month ended 30 September 2014), the statutory compliance, internal controls, continuing connected transaction(s) and the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function as well as their training programmes and budget. The consolidated financial statements for the year ended 31 March 2015 have been reviewed by the Audit Committee with the management and external auditors of the Company.

The Audit Committee, comprising three INEDs, namely Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, has reviewed with the management and the auditors the consolidated financial statements for the year ended 31 March 2015. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

AUDITORS

The consolidated financial statements for the year ended 31 March 2015 have been audited by Ernst & Young, who retire and, being eligible, offer themselves for re-appointment. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Tang Ching Ho
Chairman

Hong Kong, 25 June 2015

INDEPENDENT AUDITORS' REPORT

To the shareholders of Wang On Group Limited
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Wang On Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 52 to 150, which comprise the consolidated and company statements of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and of the Group as at 31 March 2015, and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

25 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
REVENUE	5	**1,500,023**	1,686,606
Cost of sales		**(802,976)**	(743,990)
Gross profit		**697,047**	942,616
Other income and gains, net	5	**45,622**	27,338
Selling and distribution expenses		**(64,580)**	(56,139)
Administrative expenses		**(152,270)**	(136,025)
Other expenses		**(239,103)**	(159,572)
Finance costs	7	**(18,765)**	(18,354)
Fair value gains of financial assets at fair value through profit or loss, net		**71,615**	41,365
Fair value gains/(losses) on investment properties, net	15	**111,701**	(11,580)
Fair value gain upon transfer of a property held for sale to an investment property	15	**107,929**	–
Share of profits and losses of:			
A joint venture		**4,788**	8,057
An associate		**135,658**	43,038
PROFIT BEFORE TAX	6	**699,642**	680,744
Income tax expense	10	**(111,629)**	(87,535)
PROFIT FOR THE YEAR		**588,013**	593,209
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		**(126,625)**	(291,308)
Reclassification adjustment for an impairment loss included in profit or loss		**74,236**	84,833
		(52,389)	(206,475)
Exchange differences on translation of foreign operations		**(278)**	(85)
Other reserves:			
Release upon deemed partial disposals of an associate		**69**	–
Share of other comprehensive loss of a joint venture		**(1,047)**	(458)
Share of other comprehensive income/(loss) of an associate		**(21,298)**	415
		(22,276)	(43)

Year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
OTHER COMPREHENSIVE LOSS FOR THE YEAR		**(74,943)**	(206,603)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**513,070**	386,606
Profit attributable to:			
Owners of the parent	*11*	**588,188**	593,521
Non-controlling interests		**(175)**	(312)
		588,013	593,209
Total comprehensive income attributable to:			
Owners of the parent	*11*	**513,245**	386,918
Non-controlling interests		**(175)**	(312)
		513,070	386,606
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*13*		
Basic		**HK9.01 cents**	HK9.10 cents
Diluted		**HK9.01 cents**	HK9.10 cents

Details of the dividends are disclosed in note 12 to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**66,973**	70,668
Investment properties	15	**1,569,570**	1,140,070
Properties under development	16	**300,273**	700,000
Investment in a joint venture	18	**95,082**	91,341
Investment in an associate	19	**504,702**	521,592
Available-for-sale investments	20	**478,104**	119,704
Loans and interest receivables	23	**371**	210,797
Deposits paid	24	**3,499**	3,996
Deferred tax assets	31	**3,649**	548
Total non-current assets		**3,022,223**	2,858,716
CURRENT ASSETS			
Properties under development	16	**2,354,889**	567,283
Properties held for sale	21	**438,149**	341,109
Trade receivables	22	**3,120**	1,958
Loans and interest receivables	23	**84,978**	846,015
Prepayments, deposits and other receivables	24	**180,805**	347,138
Financial assets at fair value through profit or loss	25	**209,933**	105,274
Tax recoverable		**4,102**	699
Time deposits with original maturity over three months	26	**–**	10,000
Cash and cash equivalents	26	**1,046,987**	710,591
Total current assets		**4,322,963**	2,930,067
CURRENT LIABILITIES			
Trade payables	27	**87,730**	56,792
Other payables and accruals	28	**65,357**	60,159
Deposits received and receipts in advance		**209,320**	361,446
Interest-bearing bank and other loans	29	**820,816**	447,315
Provisions for onerous contracts	30	**1,651**	2,398
Tax payable		**147,211**	121,864
Total current liabilities		**1,332,085**	1,049,974
NET CURRENT ASSETS		**2,990,878**	1,880,093
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,013,101**	4,738,809

31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		6,013,101	4,738,809
NON-CURRENT LIABILITIES			
Interest-bearing bank and other loans	29	1,807,781	819,540
Provisions for onerous contracts	30	–	1,651
Deferred tax liabilities	31	7,307	4,427
Other payables	28	7,581	984
Total non-current liabilities		1,822,669	826,602
Net assets		4,190,432	3,912,207
EQUITY			
Equity attributable to owners of the parent			
Issued capital	32	65,249	65,249
Reserves	34(a)	4,125,205	3,846,805
		4,190,454	3,912,054
Non-controlling interests		(22)	153
Total equity		4,190,432	3,912,207

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2015

		Attributable to owners of the parent										
	Notes	Issued capital *HK$'000*	Share premium account *HK$'000*	Contributed surplus *HK$'000*	Available-for-sale investment revaluation reserve *HK$'000*	Share option reserve *HK$'000*	Exchange fluctuation reserve *HK$'000*	Other reserves *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1 April 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
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	*20*	–	–	–	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		–	–	–	–	–	–	–	(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

Year ended 31 March 2015

		Attributable to owners of the parent										
	Notes	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Available-for-sale investment revaluation reserve HK$'000	Share option reserve HK$'000	Exchange fluctuation reserve HK$'000	Other reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2014		65,249	1,462,363	306,353	(585)	5,933	637	16,159	2,055,945	3,912,054	153	3,912,207
Profit for the year		-	-	-	-	-	-	-	588,188	588,188	(175)	588,013
Other comprehensive loss for the year:												
Available-for-sale investments:												
Change in fair value of available-for-sale investments	20	-	-	-	(126,625)	-	-	-	-	(126,625)	-	(126,625)
Reclassification adjustment for an impairment loss included in profit or loss	20	-	-	-	74,236	-	-	-	-	74,236	-	74,236
Exchange differences on translation of foreign operations		-	-	-	-	-	(278)	-	-	(278)	-	(278)
Release upon deemed partial disposal of an associate		-	-	-	-	-	-	69	-	69	-	69
Share of other comprehensive loss of a joint venture		-	-	-	-	-	-	(1,047)	-	(1,047)	-	(1,047)
Share of other comprehensive loss of an associate		-	-	-	-	-	-	(21,298)	-	(21,298)	-	(21,298)
Total comprehensive income for the year		-	-	-	(52,389)	-	(278)	(22,276)	588,188	513,245	(175)	513,070
Transfer of share option reserve upon the forfeiture and cancellation of share options		-	-	-	-	(5,899)	-	-	5,899	-	-	-
Final 2014 dividend	12	-	-	-	-	-	-	-	(39,150)	(39,150)	-	(39,150)
Interim 2015 dividend	12	-	-	-	-	-	-	-	(65,249)	(65,249)	-	(65,249)
Special interim 2015 dividend by way of distribution in specie	12	-	-	-	-	-	-	-	(32,572)	(32,572)	-	(32,572)
Special 2015 dividend	12	-	-	-	-	-	-	-	(97,874)	(97,874)	-	(97,874)
At 31 March 2015		65,249	1,462,363*	306,353*	(52,974)*	34*	359*	(6,117)*	2,415,187*	4,190,454	(22)	4,190,432

* These reserve accounts comprise the consolidated reserves of HK$4,125,205,000 (2014: HK$3,846,805,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		699,642	680,744
Adjustments for:			
Finance costs	7	18,765	18,354
Share of profits and losses of a joint venture and an associate		(140,446)	(51,095)
Loss on deemed partial disposals of an associate	6	164,079	–
Bank interest income	5	(10,424)	(4,493)
Imputed interest income from bonds investment	5	(947)	–
Dividend income from listed securities	5	(2,500)	(2,407)
Loss/(gain) on disposal of investment properties, net	6	660	(699)
Loss/(gain) on disposal of items of property, plant and equipment	6	42	(14)
Fair value losses/(gains) on investment properties, net	15	(111,701)	11,580
Fair value gains upon transfer of a property held for sale to investment property	15	(107,929)	–
Fair value gains on financial assets at fair value through profit or loss, net		(71,615)	(41,365)
Depreciation	14	5,998	4,677
Amount provided/(utilised) for onerous contracts, net	6	(2,398)	800
Impairment of an available-for-sale investment	6	74,236	84,833
Write-down of properties under development to net realisable value, net	6	–	73,068
Impairment of trade receivables, net	6	86	17
Accrued rent-free rental income	15	(2,555)	360
Equity-settled share option expense	33	–	17
		512,993	774,377
Decrease in properties held for sale		654,936	568,999
Increase in properties under development		(2,142,469)	(234,609)
Decrease/(increase) in trade receivables, prepayments, deposits and other receivables		165,582	(45,265)
Decrease/(increase) in loans and interest receivables		454,713	(140,618)
Increase in trade payables		30,938	18,319
Increase in other payables and accruals		3,360	8,406
Decrease in deposits received and receipts in advance		(152,126)	(6,025)
Cash generated from/(used in) operations		(472,073)	943,584
Profits tax paid		(89,906)	(14,035)
Net cash flows from/(used in) operating activities		(561,979)	929,549

Year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received	5	**10,424**	4,493
Dividend income from listed securities	5	**2,500**	2,407
Dividend income from a joint venture		**–**	9,696
Dividend income from an associate		**2,594**	2,188
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		**10,000**	(10,000)
Investment in an associate	19	**(35,354)**	–
Additions to investment properties	15	**(235,244)**	(436,910)
Purchases of items of property, plant and equipment	14	**(2,345)**	(8,527)
Purchases of available-for-sale investments		**–**	(76,484)
Purchases of financial assets at fair value through profit or loss		**(37,380)**	(7,920)
Proceeds from disposal of investment properties		**59,340**	5,099
Proceeds from disposal of items of property, plant and equipment		**–**	14
Proceeds from disposal of an available-for-sale investment		**100**	–
Proceeds from disposal of financial assets at fair value through profit or loss		**4,336**	–
Net cash flows used in investing activities		**(221,029)**	(515,944)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(40,038)**	(31,915)
Dividends paid		**(202,273)**	(42,412)
Repayment of bank loans		**(324,015)**	(790,502)
New bank loans		**1,450,595**	428,000
New other loans		**235,162**	–
Net cash flows from/(used in) financing activities		**1,119,431**	(436,829)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**336,423**	(23,224)
Cash and cash equivalents at beginning of year		**710,591**	734,535
Effect of foreign exchange rate changes, net		**(27)**	(720)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,046,987**	710,591
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	**555,102**	367,653
Non-pledged time deposits with original maturity of less than three months when acquired	26	**491,885**	342,938
		1,046,987	710,591

STATEMENT OF FINANCIAL POSITION

31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	17	**2,362,795**	2,019,288
CURRENT ASSETS			
Prepayments, deposits and other receivables	24	**3,032**	2,014
Financial assets at fair value through profit or loss	25	**16,516**	14,639
Time deposits with original maturity over three months	26	**–**	10,000
Cash and cash equivalents	26	**662,490**	484,011
Total current assets		**682,038**	510,664
CURRENT LIABILITIES			
Other payables and accruals	28	**25,731**	24,813
Interest-bearing bank and other loans	29	**94,885**	12,053
Total current liabilities		**120,616**	36,866
NET CURRENT ASSETS		**561,422**	473,798
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,924,217**	2,493,086
NON-CURRENT LIABILITIES			
Interest-bearing bank and other loans	29	**135,515**	15,400
Net assets		**2,788,702**	2,477,686
EQUITY			
Issued capital	32	**65,249**	65,249
Reserves	34(b)	**2,723,453**	2,412,437
Total equity		**2,788,702**	2,477,686

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

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
- provision of finance

The provision of finance business has been one of the businesses of the Group for years. During the year, the board of directors of the Company resolved that resources will continuously be deployed to such business and accordingly, the provision of finance business is redesignated by the board of directors as one of the principal activities of the Group. Other than this change, there were no significant changes in the nature of the Group's principal activities.

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") and accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance, which, because the Company has not early adopted the revised disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), are those of the predecessor Hong Kong Companies Ordinance (Cap. 32).

These financial statements have been prepared under the historical cost convention, except for investment properties, available-for-sale investments and financial assets at fair value through profit or loss, 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 2015. 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.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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 revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

1 Effective from 1 July 2014

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS financial statements, the nature and the impact of each amendment and interpretation is described below:

(a) 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 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 amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.

(b) 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 have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

(d) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group does not have any levies.

(e) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(f) The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.

(g) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

In addition, the amendments to the Listing Rules announced by the Hong Kong Stock Exchange in February 2015 relating to the disclosure of financial information with reference to the Companies Ordinance (Cap. 622) and HKFRSs will be applied for the year ending 31 March, 2016. They will affect the presentation and disclosure of certain information in the consolidated financial statements for the next financial year.

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	*Financial Instruments*[4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
HKFRS 14	*Regulatory Deferral Accounts*[5]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS 1	*Disclosure Initiative*[2]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[2]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010-2012 Cycle	*Amendments to a number of HKFRSs*[1]
Annual Improvements 2011-2013 Cycle	*Amendments to a number of HKFRSs*[1]
Annual Improvements 2012-2014 Cycle	*Amendments to a number of HKFRSs*[2]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2018
5 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

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

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 April 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

Amendments to HKFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments to HKFRS 10 also clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Consequential amendments were made to HKFRS 12 to require an investment entity that prepares financial statements in which all of its subsidiaries are measured at fair value through profit or loss in accordance with HKFRS 9 to present the disclosures in respect of investment entities in accordance with HKFRS 12. HKAS 28 (2011) was also amended to allow an investor that is not itself an investment entity, and has an interest in an investment entity associate or joint venture, to retain the fair value measurement applied by the investment entity associate or joint venture to the interests in its subsidiaries. The amendments are not expected to have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2016.

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1 April 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements in five areas, including materiality, disaggregation and subtotals, notes structure, disclosure of accounting policies and presentation of items of other comprehensive income arising from equity accounted investments. The amendments further encourage entities to apply professional judgement in determining what information to disclose and how to structure the disclosure in the financial statements. The Group expects to adopt the amendments from 1 April 2016.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

The HKAS 16 and HKAS 41 Amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will be within the scope of HKAS 16 instead of HKAS 41. After initial recognition, bearer plants will be measured under HKAS 16 at accumulated cost before maturity. After the bearer plants mature, they will be measured either using the cost model or revaluation model in accordance with HKAS 16. The amendments also require that produce growing on the bearer plants will remain in the scope of HKAS 41 and is measured at fair value less costs to sell. Government grants relating to bearer plants will now be accounted for in accordance with HKAS 20 *Accounting for Government Grants and Disclosure of Government Assistance.* The Group expects to adopt the amendments from 1 April 2016. The amendments are not expected to have any impact on the Group as the Group does not have any bearer plants.

The HKAS 19 Amendments apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The Group expects to adopt the amendments from 1 April 2015.

The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Except for those described in note 2.2, the Group expects to adopt the amendments from 1 April 2015. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendments most applicable to the Group are as follows:

HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

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 investments 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 assets 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 of 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 operation disposed of and the portion of the cash-generating unit retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

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).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

When an operating lease contract is entered into with another party on a property originally held for sale and upon the commencement of the lease, the property is transferred to investment property. The difference between the fair value of the property at the date of transfer and its then carrying amount is recognised in profit or loss.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 of 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

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.

The determination of what is "significant" or "prolonged" requires judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and other 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 consolidated 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 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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, an associate and a 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, an associate and a 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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 are approved by the shareholders in a general meeting.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional 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 Hong Kong dollars 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

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.

Valuation 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 2015, there was no write-down of properties under development (2014: HK$73,068,000) 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Estimation of fair value of investment properties (continued)

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.

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 2015, an impairment loss of HK$74,236,000 (2014: HK$84,833,000) has been recognised for available-for-sale assets.

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

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 four 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;

(c) the Chinese wet markets segment engages in the management and sub-licensing of Chinese wet markets; and

(d) the provision of finance segment engages in money lending and investments in debt securities.

During the year, as mentioned in note 1 to the financial statements, the board of directors of the Company has resolved that resources would continuously be deployed to the provision of finance business and accordingly, the provision of finance business is redesignated by the board of directors as one of the principal activities of the Group. The results of the provision of finance business are also separately reviewed and evaluated for management reporting purposes. Accordingly, the presentation of segment information for the year ended 31 March 2014 has been restated to reflect this change of segment composition.

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.

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March

	Property development		Property investment		Chinese wet markets		Provision of finance		Total	
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	2015	2014	2015	2014	2015	2014	2015	2014 (Restated)	2015	2014 (Restated)
Segment revenue:										
Sales to external customers	1,210,177	899,046	33,973	504,814	173,566	193,480	82,307	89,266	1,500,023	1,686,606
Other revenue	128,788	1,065	112,385	7,461	6,950	5,801	71,708	37,915	319,831	52,242
Total	1,338,965	900,111	146,358	512,275	180,516	199,281	154,015	127,181	1,819,854	1,738,848
Segment results	526,880	299,581	121,461	290,791	25,496	19,544	151,960	125,354	825,797	735,270
Reconciliation:										
Bank interest income									10,424	4,493
Finance costs									(18,765)	(18,354)
Corporate and unallocated income									6,612	11,968
Corporate and unallocated expenses									(264,872)	(103,728)
Share of profits and losses of:										
A joint venture									4,788	8,057
An associate									135,658	43,038
Profit before tax									699,642	680,744
Income tax expense									(111,629)	(87,535)
Profit for the year									588,013	593,209

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March

	Property development		Property investment		Chinese wet markets		Provision of finance		Corporate and others		Total	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014 (Restated)	**2015**	2014 (Restated)	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:												
Depreciation	**40**	53	**1,959**	700	**1,523**	1,635	**-**	-	**2,476**	2,289	**5,998**	4,677
Impairment of an available-for-sale investment	**-**	-	**-**	-	**-**	-	**1,917**	1,840	**72,319**	82,993	**74,236**	84,833
Write-down of properties under development to net realisable value, net	**-**	73,068	**-**	-	**-**	-		-	**-**	-	**-**	73,068
Impairment of trade receivables, net	**-**	-	**-**	-	**86**	17	**-**	-	**-**	-	**86**	17
Capital expenditure*	**-**	58	**235,265**	541,153	**564**	1,497	**-**	-	**1,760**	4,329	**237,589**	547,037
Fair value gains on financial assets at fair value through profit or loss, net	**-**	-	**-**	-		-	**(69,738)**	(37,255)	**(1,877)**	(4,110)	**(71,615)**	(41,365)
Fair value losses/(gains) on investment properties, net	**-**	-	**(111,701)**	11,580	**-**	-	**-**	-	**-**	-	**(111,701)**	11,580
Fair value gain upon transfer of a property held for sale to an investment property	**(107,929)**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(107,929)**	-
Investment in a joint venture	**-**	-	**-**	-	**95,082**	91,341	**-**	-	**-**	-	**95,082**	91,341
Investment in an associate	**-**	-	**-**	-		-	**-**	-	**504,702**	521,592	**504,702**	521,592
Share of profits and losses of:												
A joint venture	**-**	-	**-**	-	**(4,788)**	(8,057)	**-**	-	**-**	-	**(4,788)**	(8,057)
An associate	**-**	-	**-**	-	**-**	-	**—**	-	**(135,658)**	(43,038)	**(135,658)**	(43,038)

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

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Sales to external customers

	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Hong Kong	**1,499,957**	1,685,824
Mainland China	**66**	782
	1,500,023	1,686,606

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

(b) Non-current assets

	2015	2014
	HK$'000	*HK$'000*
Hong Kong	**2,441,518**	2,432,199
Mainland China	**95,082**	91,472
	2,536,600	2,523,671

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 year ended 31 March 2015, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

For the year ended 31 March 2014, revenue of HK$210,000,000 was derived from the sales by property development segment to a single customer, which accounted for more than 10% of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS, NET

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; proceeds from the sale of properties; and interest income received and receivable during the year.

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

	Group	
	2015	2014
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Sub-licensing fee income	**173,118**	191,114
Property management fee income	**2,358**	3,257
Gross rental income	**33,599**	43,713
Sale of properties	**1,208,641**	1,359,256
Interest income from loans receivable and bonds investment	**82,307**	89,266
	1,500,023	1,686,606
Other income		
Bank interest income	**10,424**	4,493
Imputed interest income from bonds investment	**947**	–
Dividend income from listed securities	**2,500**	2,407
Management fee income	**2,760**	3,520
Commission fee income	**–**	2,651
Forfeiture of deposits	**18,978**	580
Others	**9,984**	12,974
	45,593	26,625
Gains, net		
Gain on disposal of investment properties, net	**–**	699
Gain on disposal of items of property, plant and equipment	**–**	14
Exchange gains, net	**29**	–
	29	713
Other income and gains, net	**45,622**	27,338

6. PROFIT BEFORE TAX

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

	Notes	Group 2015 HK$'000	Group 2014 HK$'000
Cost of services provided		**148,040**	169,090
Cost of properties sold		**654,936**	574,900
Depreciation	*14*	**5,998**	4,677
Minimum lease payments under operating leases		**105,746**	115,427
Auditors' remuneration		**2,400**	2,300
Employee benefit expense (including directors' remuneration *(note 8)*):			
Wages and salaries		**124,817**	104,264
Equity-settled share option expense		**–**	17
Pension scheme contributions		**1,818**	1,548
Less: Amount capitalised		**(19,679)**	(8,702)
		106,956	97,127
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		**10,642**	11,755
Impairment of an available-for-sale investment*	*20*	**74,236**	84,833
Loss on disposal of an investment property*		**660**	–
Loss on disposal of items of property, plant and equipment*		**42**	–
Loss on deemed partial disposals of an associate*	*19*	**164,079**	–
Gain on bargain purchase	*19*	**(112,066)**	–
Write-down of properties under development to net realisable value, net*	*16*	**–**	73,068
Amount provided/(utilised) for onerous contracts, net	*30*	**(2,398)**	800
Impairment of trade receivables, net*	*22*	**86**	17
Foreign exchange differences, net*		**(29)**	1,654

* 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 2015 HK$'000	2014 HK$'000
Interest on bank loans wholly repayable within five years	**30,195**	20,963
Interest on bank loans repayable beyond five years	**10,446**	11,615
Interest on other loans wholly repayable within five years	**7,581**	–
	48,222	32,578
Less: Interest capitalised	**(29,457)**	(14,224)
	18,765	18,354

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

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules on the Hong Kong Stock Exchange and section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32) is as follows:

	Group 2015 HK$'000	2014 HK$'000
Fees	**771**	771
Other emoluments:		
Salaries, allowances and benefits in kind	**18,426**	16,126
Performance-related bonuses*	**28,522**	27,707
Pension scheme contributions	**109**	101
	47,057	43,934
	47,828	44,705

* 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.

8. DIRECTORS' REMUNERATION (continued)

Executive directors and independent non-executive directors:

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Performance-related bonuses HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2015					
Executive directors:					
Mr. Tang Ching Ho, *JP*	**–**	**12,240**	**19,395**	**18**	**31,653**
Ms. Yau Yuk Yin	**–**	**4,712**	**564**	**18**	**5,294**
Mr. Chan Chun Hong, Thomas	**–**	**1,474**	**8,563**	**73**	**10,110**
	–	**18,426**	**28,522**	**109**	**47,057**
Independent non-executive directors:					
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	**297**	**–**	**–**	**–**	**297**
Mr. Wong Chun, Justein, *BBS, MBE, JP*	**217**	**–**	**–**	**–**	**217**
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	**117**	**–**	**–**	**–**	**117**
Mr. Siu Kam Chau	**140**	**–**	**–**	**–**	**140**
	771	**–**	**–**	**–**	**771**
	771	**18,426**	**28,522**	**109**	**47,828**
2014					
Executive directors:					
Mr. Tang Ching Ho, *JP*	–	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
	–	16,126	27,707	101	43,934
Independent non-executive directors:					
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	297	–	–	–	297
Mr. Wong Chun, Justein, *BBS, MBE, JP*	217	–	–	–	217
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	117	–	–	–	117
Mr. Siu Kam Chau	140	–	–	–	140
	771	–	–	–	771
	771	16,126	27,707	101	44,705

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2014: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2014: three) directors, details of whose remuneration are disclosed in note 8 above. Details of the remuneration for the year of the remaining two (2014: two) non-director, highest paid employees are as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**3,629**	2,491
Performance-related bonuses	**6,565**	1,845
Equity-settled share option expense	**–**	–
Pension scheme contributions	**35**	30
	10,229	4,366

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

	Number of employees	
	2015	2014
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**–**	–
HK$2,500,001 to HK$3,000,000	**1**	1
Over HK$3,000,001	**1**	–

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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.

	2015	2014
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong		
Charge for the year	**83,037**	86,857
Underprovision in prior years	**28,813**	2,831
	111,850	89,688
Current – Mainland China		
Charge for the year	**–**	3,339
Deferred *(note 31)*	**(221)**	(5,492)
Total tax charge for the year	**111,629**	87,535

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	
	2015	2014
	HK$'000	*HK$'000*
Profit before tax	**699,642**	680,744
Tax at the statutory tax rates of different jurisdictions	**115,423**	112,323
Effect of withholding tax at 10% on the distributable profits of the Group's PRC joint venture	**–**	801
Adjustments in respect of current tax of previous periods	**28,813**	2,831
Adjustments in respect of deferred tax of previous periods	**(3,637)**	–
Profits and losses attributable to a joint venture and an associate	**(23,174)**	(9,115)
Income not subject to tax	**(44,728)**	(56,632)
Expenses not deductible for tax	**41,216**	38,917
Tax losses utilised from previous periods	**(6,910)**	(5,045)
Tax losses not recognised	**5,486**	7,427
Other tax	**–**	2,538
Others	**(860)**	(6,510)
Tax charge at the Group's effective rate	**111,629**	87,535

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 March 2015 includes a profit of HK$29,481,000 (2014: a loss of HK$19,857,000) which has been dealt with in the financial statements of the Company (note 34(b)).

12. DIVIDENDS

	Notes	2015 HK$'000	2014 HK$'000
Interim – HK1.0 cents (2014: HK0.15 cents) per ordinary share		**65,249**	9,787
Special interim dividend by way of distribution in specie	*(i)*	**32,572**	–
Special dividend – HK1.5 cents (2014:Nil) per ordinary share		**97,874**	–
Proposed final – HK1.0 cents (2014: HK0.6 cents) per ordinary share	*(ii)*	**65,249**	39,150
		260,944	48,937

Notes:

(i) During the year, a special interim dividend was declared by way of distribution in specie of the shares of PNG Resources Holdings Limited ("PNG") held by the Group to the shareholders of the Company in the proportion of 3 PNG shares for every 125 shares in the issued share capital of the Company. A total of 156,597,840 PNG shares with an aggregate market value of HK$32,572,000 was recognised as distribution during the year.

(ii) 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.

(iii) The board of directors also proposed a bonus issue on the basis of two bonus shares for every existing share held by the shareholders of the Company whose names appear on the register of members of the Company on 28 August 2015, 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 the 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 (2014: 6,524,935,021) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the effect of the deemed exercise of all outstanding share options into ordinary shares. 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, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all outstanding share options into ordinary shares.

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 March 2014 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:

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**588,188**	593,521

	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	**6,524,935,021**	6,524,935,021
Effect of dilution – weighted average number of ordinary shares:		
Share options	**54,143**	–
Weighted average number of ordinary shares, used in the diluted earnings per share calculation	**6,524,989,164**	6,524,935,021

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 2015							
At 31 March 2014 and at 1 April 2014:							
Cost	64,643	46,187	1,535	7,648	3,378	10,100	133,491
Accumulated depreciation	(683)	(45,559)	(833)	(6,695)	(1,817)	(7,236)	(62,823)
Net carrying amount	63,960	628	702	953	1,561	2,864	70,668
At 1 April 2014, net of accumulated depreciation	63,960	628	702	953	1,561	2,864	70,668
Additions	–	1,163	50	282	128	722	2,345
Disposal	–	(10)	–	(13)	–	(19)	(42)
Depreciation provided during the year	(1,939)	(1,022)	(547)	(354)	(707)	(1,429)	(5,998)
At 31 March 2015, net of accumulated depreciation	62,021	759	205	868	982	2,138	66,973
At 31 March 2015:							
Cost	64,643	28,175	1,234	6,004	3,506	10,785	114,347
Accumulated depreciation	(2,622)	(27,416)	(1,029)	(5,136)	(2,524)	(8,647)	(47,374)
Net carrying amount	62,021	759	205	868	982	2,138	66,973

14. PROPERTY, PLANT AND EQUIPMENT (continued)

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 1 April 2013:							
Cost	–	46,476	824	8,526	3,112	7,273	66,211
Accumulated depreciation	–	(45,014)	(616)	(8,355)	(1,503)	(5,905)	(61,393)
Net carrying amount	–	1,462	208	171	1,609	1,368	4,818
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 *(note 15)*	62,000	–	–	–	–	–	62,000
Depreciation provided during the year	(683)	(1,123)	(632)	(200)	(657)	(1,382)	(4,677)
At 31 March 2014, net of accumulated depreciation	63,960	628	702	953	1,561	2,864	70,668
At 31 March 2014:							
Cost	64,643	46,187	1,535	7,648	3,378	10,100	133,491
Accumulated depreciation	(683)	(45,559)	(833)	(6,695)	(1,817)	(7,236)	(62,823)
Net carrying amount	63,960	628	702	953	1,561	2,864	70,668

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 2015, the Group's land and buildings with a net carrying amount of approximately HK$62,021,000 (2014: HK$63,960,000) were pledged to secure general banking facilities granted to the Group (note 29).

15. INVESTMENT PROPERTIES

	Notes	Group 2015 HK$'000	2014 HK$'000
Carrying amount at 1 April		**1,140,070**	679,900
Additions		**235,244**	538,510
Disposals		**(60,000)**	(4,400)
Transfer to property, plant and equipment	*14*	**–**	(62,000)
Transfer from properties held for sale	*21*	**32,071**	–
Accrued rent-free rental income		**2,555**	(360)
Net gain/(loss) from fair value adjustments		**111,701**	(11,580)
Fair value gain upon transfer of a property held for sale to an investment property		**107,929**	–
Carrying amount at 31 March		**1,569,570**	1,140,070

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

	Group 2015 HK$'000	2014 HK$'000
Long term leases	**748,500**	335,830
Medium term leases	**821,070**	804,240
	1,569,570	1,140,070

The Group's investment properties consists of ten 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 2015 by Vigers Appraisal and Consulting Limited and Asset Appraisal Limited, independent professionally qualified valuers, at HK$1,569,570,000. Each year, the Group's financial controller and assistant financial controller decide to appoint which external valuers 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 valuers 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 and a related party under operating leases, further summary details of which are included in notes 37(a) and 39 to the financial statements.

15. INVESTMENT PROPERTIES (continued)

At 31 March 2015, the Group's investment properties with an aggregate carrying value of HK$1,516,670,000 (2014: HK$1,096,170,000) and certain rental income generated therefrom were pledged to secure the Group's general banking facilities granted to the Group (note 29).

Further particulars of the Group's investment properties are included on page 151.

Fair value hierarchy

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

	Fair value measurement using significant unobservable inputs (Level 3)	
	31 March 2015	31 March 2014
Recurring fair value measurement for:	***HK$'000***	*HK$'000*
Commercial properties	**1,247,100**	883,100
Industrial property	**16,800**	15,500
Residential properties	**305,670**	241,470
	1,569,570	1,140,070

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 (2014: Nil).

15. INVESTMENT PROPERTIES (continued)

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

	Commercial properties HK$'000	Industrial property HK$'000	Residential properties HK$'000	Total HK$'000
Carrying amount 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	(25,301)	–	13,721	(11,580)
Carrying amount at 31 March 2014 and 1 April 2014	**883,100**	**15,500**	**241,470**	**1,140,070**
Additions	**235,157**	**–**	**87**	**235,244**
Disposals	**(60,000)**	**–**	**–**	**(60,000)**
Transfer from properties held for sale	**32,071**	**–**	**–**	**32,071**
Accrued rent-free rental income	**2,555**	**–**	**–**	**2,555**
Net gain from fair value adjustments	**46,288**	**1,300**	**64,113**	**111,701**
Fair value gain upon transfer of a property held for sale to an investment property	**107,929**	**–**	**–**	**107,929**
Carrying amount at 31 March 2015	**1,247,100**	**16,800**	**305,670**	**1,569,570**

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

	Valuation techniques	Significant unobservable inputs	Range or weighted average 2015	2014
Commercial properties	Investment method and direct comparison method	Estimated rental value per square feet and per month	HK$405	–
		Capitalisation rate	2.3%	–
		Price per square feet	HK$2,000 to HK$85,437	HK$2,000 to HK$124,740
Industrial property	Direct comparison method	Price per square feet	HK$5,683	HK$5,244
Residential properties	Investment method and direct comparison method	Estimated rental value per square feet and per month	HK$21 to HK$47	HK$14 to HK$69
		Capitalisation rate	3.2% to 6.5%	2.5% to 8%
		Price per square feet	HK$4,851 to HK$12,950	HK$3,761 to HK$11,510

15. INVESTMENT PROPERTIES (continued)

As at 31 March 2015, 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

	Group	
	2015	2014
	HK$'000	*HK$'000*
Carrying amount at 1 April	**1,267,283**	1,834,280
Additions (including development cost and capitalised interest)	**2,171,926**	248,833
Transfer to properties held for sale *(note 21)*	**(784,047)**	(742,762)
Write-down to net realisable value, net	**–**	(73,068)
Carrying amount at 31 March	**2,655,162**	1,267,283

Properties under development expected to be completed:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Beyond normal operating cycle included under non-current assets	**300,273**	700,000
Within normal operating cycle included under current assets	**2,354,889**	567,283
	2,655,162	1,267,283

16. PROPERTIES UNDER DEVELOPMENT (continued)

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

	Group	
	2015	2014
	HK$'000	*HK$'000*
Within one year	**–**	348,926
After one year	**2,354,889**	218,357
	2,354,889	567,283

At 31 March 2015, the Group's properties under development with an aggregate carrying value of HK$2,655,162,000 (2014: HK$1,267,283,000) 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	
	2015	2014
	HK$'000	*HK$'000*
Long term leases	**–**	348,926
Medium term leases	**2,655,162**	918,357
	2,655,162	1,267,283

17. INVESTMENTS IN SUBSIDIARIES

	Notes	Company 2015 HK$'000	2014 HK$'000
Unlisted shares, at cost		**71,000**	71,000
Due from subsidiaries	*(i)*	**4,286,035**	3,823,795
Loans to subsidiaries	*(ii)*	**356,639**	196,428
Due to subsidiaries	*(i)*	**(2,136,195)**	(1,868,182)
		2,577,479	2,223,041
Impairment	*(iii)*	**(214,684)**	(203,753)
		2,362,795	2,019,288

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 rates ranging from 3% to 5% (2014: 2% to 5%) 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	Issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
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

17. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries are as follows: (continued)

Name	Place of incorporation and business	Issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
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
Easy Kingdom Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Easytex Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Everlong Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
East Run Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Emperor Smart Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Money lending
Ever Task Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Ever World Limited*	Hong Kong	Ordinary HK$1	–	100	Property development
Fulling Limited	Hong Kong	Ordinary HK$100	–	100	Money lending and securities investment
Goldbo Investment Limited	Hong Kong	Ordinary HK$2	–	100	Property investment

17. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries are as follows: (continued)

Name	Place of incorporation and business	Issued ordinary share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
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
Grandwall Investment Limited*	Hong Kong	Ordinary HK$100	–	60	Property development
Greatest Wealth (Fresh Food) Limited	Hong Kong	Ordinary HK$1	–	100	Management and sub-licensing of Chinese wet markets
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
New Rich Investments Limited*	Hong Kong	Ordinary HK$100	–	60	Property development
Newbo Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
New Sino Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment

17. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries are as follows: (continued)

Name	Place of incorporation and business	Issued ordinary share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Oriental Sino Investments Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
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 Agricultural Wholesale (HK) Limited	Hong Kong	Ordinary HK$1	–	100	Management and sub-licensing of Chinese wet markets
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

17. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries are as follows: (continued)

Name	Place of incorporation and business	Issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Wang On Shopping Centre Management Limited	Hong Kong	Ordinary HK$2	–	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

* *Certain bank loans of the Group are secured by share charges in respect of the equity interests of these subsidiaries of the Group, which are engaged in property development (note 29).*

Note:

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.

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2015	2014
Percentage of equity interest held by non-controlling interests:		
New Rich Investments Limited ("New Rich")	40%	–
Grandwall Investment Limited ("Grandwall")	40%	–

	2015 HK$'000	2014 HK$'000
Loss for the year allocated to non-controlling interests:		
New Rich	(4)	–
Grandwall	(42)	–
Accumulated balances of non-controlling interests at the reporting dates:		
New Rich	(15)	–
Grandwall	(42)	–

17. INVESTMENTS IN SUBSIDIARIES (continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2015	New Rich HK$'000	Grandwall HK$'000
Revenue	–	–
Total expenses	(10)	(105)
Loss for the year and total comprehensive loss for the year	(10)	(105)
Current assets	445,693	733,275
Current liabilities	2,369	2,515
Non-current liabilities	443,361	730,865
Net cash flows used in operating activities	(432,052)	(712,046)
Net cash flows from investing activities	–	–
Net cash flows from financing activities	433,658	713,308
Net increase in cash and cash equivalents	1,606	1,262

18. INVESTMENT IN A JOINT VENTURE

	Group	
	2015	2014
	HK$'000	HK$'000
Share of net assets	93,706	89,965
Goodwill on acquisition	1,376	1,376
	95,082	91,341

18. INVESTMENT IN A JOINT VENTURE (continued)

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

Name	Paid-up and registered capital	Place of registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities
Shenzhen Jimao Market Co., Limited ("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 as 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 in respect of Shenzhen Jimao and reconciled to the carrying amount in the financial statements:

	2015 *HK$'000*	2014 *HK$'000*
Prepayments, deposits and other receivables	**1,927**	1,842
Cash and cash equivalents	**43,256**	32,439
Current assets	**45,183**	34,281
Property, plant and equipment	**1,379**	1,255
Investment properties	**157,262**	158,466
Non-current assets	**158,641**	159,721
Other payables and accruals	**5,716**	6,010
Deposits received and receipts in advance	**7,585**	6,206
Tax payable	**2,489**	923
Current liabilities	**15,790**	13,139
Deferred tax liabilities and non-current liabilities	**622**	934
Net assets	**187,412**	179,929

18. INVESTMENT IN A JOINT VENTURE (continued)

	2015 HK$'000	2014 HK$'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	93,706	89,965
Goodwill on acquisition	1,376	1,376
Carrying amount of the investment	95,082	91,341
Revenue	35,035	36,219
Interest income	646	808
Depreciation and amortisation	(161)	(166)
Tax	(2,015)	(2,687)
Profit for the year	9,576	16,113
Other comprehensive loss	(2,094)	(916)
Total comprehensive income for the year	7,482	15,197
Dividend received	–	9,696

19. INVESTMENT IN AN ASSOCIATE

	Group	
	2015 HK$'000	2014 HK$'000
Share of net assets	504,702	521,592
Market value of listed shares	97,693	151,641

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 2015	2014	Principal activities
Wai Yuen Tong Medicine Holdings Limited ("WYTH")*	Ordinary shares of HK$0.01 each	Bermuda/ Hong Kong	20.50 *(Notes)*	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 Hong Kong Stock Exchange

19. INVESTMENT IN AN ASSOCIATE (continued)

Notes:

(i) The Group acquired on-market an aggregate of 135,500,000 shares of WYTH during the year through a series of transactions between 19 June 2014 and 18 July 2014 at an aggregate purchase price of approximately HK$35.4 million. As a result, the Group's equity interests in WYTH increased from 24.87% to 29.50%. A gain on bargain purchase amounting to approximately HK$112 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 2015 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.

(ii) In addition, WYTH issued an aggregate of 1,286,000,000 ordinary shares to certain placees during the year. As a result, the Group's equity interests in WYTH were diluted from 29.50% to 20.50% and an aggregate loss of about HK$164 million on deemed partial disposals of WYTH was recognised for the year ended 31 March 2015 and included in "Other expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

(iii) On 26 March 2015, WYTH proposed to raise gross proceeds of up to approximately HK$228 million by way of rights issue of 2,108,571,484 shares to the shareholders of WYTH at the subscription price of HK$0.108 per share, on the basis of one new WYTH share ("WYTH Rights Shares") for every two WYTH shares held on 23 April 2015 ("WYTH Right Issue").

The WYYH Right Issue was completed on 11 May 2015. Upon the completion of the WYTH Rights Issue, an aggregate 532,070,017 WYTH Rights Shares were allotted to and subscribed by the Group (including 99,799,000 WYTH Rights Shares allotted by way of excess application). As a result, the Group's equity interests in WYTH increased from 20.50% to 22.08%.

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.

19. INVESTMENT IN AN ASSOCIATE (continued)

The following table illustrates the summarised financial information in respect 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:

	2015 HK$'000	2014 HK$'000
Current assets	676,135	645,660
Non-current assets	2,571,019	1,952,644
Current liabilities	424,781	308,735
Non-current liabilities	360,412	192,295
Net assets	2,461,961	2,097,274
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	20.50%	24.87%
Carrying amount of the investment	504,702	521,592
Revenue	831,088	865,258
Profit for the year	114,392	173,051
Other comprehensive income/(loss)	(103,115)	1,668
Total comprehensive income for the year	11,277	174,719
Dividend received	2,594	2,188

20. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2015 HK$'000	2014 HK$'000
Listed equity investments in Hong Kong, at fair value	–	106,909
Listed debt securities, at fair value:		
Hong Kong	5,856	5,981
Elsewhere	6,512	6,814
	12,368	12,795
Unlisted debt securities in Hong Kong, at fair value	465,736	–
	478,104	119,704

20. AVAILABLE-FOR-SALE INVESTMENTS (continued)

During the year, the gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$126,625,000 (2014: HK$291,308,000), of which HK$74,236,000 (2014: HK$84,833,000) was reclassified from other comprehensive income to profit or loss for the year.

During both years, there was a significant decline in the market value of the share of PNG. The directors consider that such a decline indicates that the investment in PNG has been impaired and an impairment loss of HK$74,236,000 (2014: HK$84,833,000), which included a reclassification from other comprehensive income of HK$74,236,000 (2014: HK$84,833,000), has been recognised in profit or loss for the year.

21. PROPERTIES HELD FOR SALE

		Group	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
Carrying amount at 1 April		**341,109**	167,346
Transfer from properties under development	*16*	**784,047**	742,762
Transfer to investment properties	*15*	**(32,071)**	–
Properties sold during the year		**(654,936)**	(568,999)
Carrying amount at 31 March		**438,149**	341,109

At 31 March 2015, the Group's properties held for sale with an aggregate carrying value of HK$359,109,000 (2014: HK$313,983,000) 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	
	2015	2014
	HK$'000	*HK$'000*
Long term leases	**77,920**	315,146
Medium term leases	**360,229**	25,963
	438,149	341,109

Further particulars of the Group's properties held for sale are included on page 152.

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 2015 HK$'000	2014 HK$'000
Within 90 days	3,101	1,943
91 days to 180 days	144	63
Over 180 days	92	83
	3,337	2,089
Less: Impairment	(217)	(131)
	3,120	1,958

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 2015 HK$'000	2014 HK$'000
At 1 April	131	154
Impairment losses recognised *(note 6)*	158	17
Amount written off as uncollectible	–	(40)
Impairment losses reversed *(note 6)*	(72)	–
At 31 March	217	131

22. TRADE RECEIVABLES (continued)

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$217,000 (2014: HK$131,000) with a carrying amount before provision of HK$236,000 (2014: HK$146,000).

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	
	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired	**3,101**	1,943

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.

23. LOANS AND INTEREST RECEIVABLES

		Group	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
Loans and interest receivables from PNG	*(i)/(iv)*	**–**	130,077
Loans and interest receivables from CAP	*(ii)/(iv)*	**84,515**	925,534
Loans and interest receivables, secured	*(iii)*	**905**	905
Loans and interest receivables, unsecured	*(iii)*	**5,773**	6,140
		91,193	1,062,656
Less: Impairment	*(v)*	**(5,844)**	(5,844)
		85,349	1,056,812
Less: Loans and interest receivables classified as non-current assets		**(371)**	(210,797)
		84,978	846,015

23. LOANS AND INTEREST RECEIVABLES (continued)

Notes:

(i) PNG is an associate of WYTH.

The loans as at 31 March 2014 are secured by share charges in respect of the equity interests of three subsidiaries of PNG. The loans bear interest at 8% per annum and are repayable within one year.

(ii) The loan as at 31 March 2015 is unsecured, bears interest at a rate of 12% per annum and is repayable within one year.

The loans as at 31 March 2014 bear interest rates ranging from 10% to 12% 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 ("CAP" and an associate of PNG); (ii) floating charges of assets of the aforesaid three subsidiaries; and (iii) a loan assignment by way of charge executed by CAP 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 receivables relate to a number of different borrowers, the directors are of the opinion that there is no concentration of credit risk over these loans receivable. The carrying amounts of these loans receivables approximate to their fair values.

(iv) The aggregate fair value of the loans and interest receivables was HK$85,349,000 as at 31 March 2015 (2014: HK$1,050,619,000). The fair values have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

(v) The movements in provision for impairment of loans and interest receivables are as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
At 1 April and 31 March	**5,844**	5,844

Included in the above provision for impairment of loans and interest receivables are provision for individually impaired receivables of HK$5,844,000 (2014: HK$5,844,000) with an aggregate carrying amount of HK$5,844,000 (2014: HK$5,844,000).

The individually impaired loans and interest receivables relate to borrowers that was in financial difficulties and was in default in both interest and principal payments.

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

	Group	
	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired	**85,349**	1,056,812

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

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Group		Company	
		2015	2014	**2015**	2014
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Prepayments		**8,502**	18,718	**967**	884
Deposits	*(i)*	**53,449**	49,668	**82**	82
Other receivables		**122,618**	283,013	**1,983**	1,048
		184,569	351,399	**3,032**	2,014
Less: Impairment	*(ii)*	**(265)**	(265)	**–**	–
		184,304	351,134	**3,032**	2,014
Less: Deposits classified as non-current assets		**(3,499)**	(3,996)	**–**	–
		180,805	347,138	**3,032**	2,014

Notes:

(i) The deposit as at 31 March 2015 included a tender deposit of HK$30,000,000 paid to Urban Renewal Authority in respect of a tender for a development project. The aforementioned tender deposit had been wholly refunded to the Group at the date of approval of these financial statements.

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 during the year.

(ii) Included in the above provision for impairment of other receivables is a provision for individually impaired receivables of HK$265,000 (2014: HK$265,000) with an aggregate carrying amount of HK$665,000 (2014: HK$665,000).

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	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Unlisted equity investments, at fair value:	**35,809**	15,080	**–**	–
Listed equity investments, at market value:				
Hong Kong	**174,124**	90,194	**16,516**	14,639
	209,933	105,274	**16,516**	14,639

The above financial instruments at 31 March 2015 and 2014 were classified as held for trading or 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$301,835,000 and HK$66,814,000, respectively.

26. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Cash and bank balances	**555,102**	367,653	**244,912**	168,990
Time deposits	**491,885**	352,938	**417,578**	325,021
Less: Time deposits with original maturity over three months	**–**	(10,000)	**–**	(10,000)
Cash and cash equivalents	**1,046,987**	710,591	**662,490**	484,011

As at the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$167,303,000 (2014: HK$171,774,000). 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	
	2015	2014
	HK$'000	*HK$'000*
Within 90 days	**87,730**	56,792

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	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Other payables	**29,018**	20,931	**1,171**	106
Accruals	**43,920**	40,212	**24,560**	24,707
	72,938	61,143	**25,731**	24,813
Less: Other payables classified as non-current liabilities	**(7,581)**	(984)	**–**	–
	65,357	60,159	**25,731**	24,813

Included in other payables and accruals of the Group as at 31 March 2015 is an amount of HK$1,636,000 (2014: HK$1,636,000) due to Shenzhen Jimao. The balance is unsecured, interest-free and has no fixed terms of repayment.

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 AND OTHER LOANS

Group

	2015			2014		
	Contractual interest rate (%)	Maturity	HK$'000	Contractual interest rate (%)	Maturity	HK$'000
Current:						
Bank loans – secured	HIBOR+ (1.0–3.05)/ Prime rate – 2.75	2016 or on demand	731,552	HIBOR+ (1.0–3.05)/ Prime rate – 2.75	2015 or on demand	388,068
Bank loans – unsecured	HIBOR+ (1.5–2.0)	On demand	42,280	HIBOR+1.5	On demand	8,000
Long term bank loans repayable on demand – secured	HIBOR+ (1.0–3.05)/ Prime rate – 2.75	On demand	26,766	HIBOR+ (1.0–2.3)/ Prime rate – 2.75	On demand	49,247
Long term bank loans repayable on demand – unsecured	HIBOR+ (1.5–2.0)	On demand	20,218	HIBOR+1.5	On demand	2,000
			820,816			447,315
Non-current:						
Bank loans – secured	HIBOR+ (1.49–2.24)	2016 – 2025	1,450,451	HIBOR+ (1.2–3.05)	2015–2025	819,540
Bank loans – unsecured	HIBOR+1.93	2018	122,168			–
Other loans – unsecured	6	2018	235,162			–
			1,807,781			819,540
Total			2,628,597			1,266,855

29. INTEREST-BEARING BANK AND OTHER LOANS (continued)

Company

	2015			2014		
	Contractual interest rate (%)	Maturity	HK$'000	Contractual interest rate (%)	Maturity	HK$'000
Current:						
Bank loans – secured	HIBOR+ (1.1–1.93)	2016 or on demand	67,053	HIBOR+ (1.1–1.45)	2015 or on demand	12,053
Bank loans – unsecured	HIBOR+1.93	2016	27,832			–
			94,885			12,053
Non-current:						
Bank loans – secured	HIBOR+ (1.1–1.93)	2018 – 2022	13,347	HIBOR+1.45	2015–2022	15,400
Bank loans – unsecured	HIBOR+1.93	2018	122,168			–
			135,515			15,400
			230,400			27,453

29. INTEREST-BEARING BANK AND OTHER LOANS (continued)

	Group		Company	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Analysed into:				
Bank loans repayable:				
Within one year or on demand *(Note)*	**820,816**	447,315	**94,885**	12,053
In the second year	**342,230**	146,703	**30,222**	15,400
In the third to fifth years, inclusive	**879,041**	397,379	**100,160**	–
Beyond five years	**351,348**	275,458	**5,133**	–
	2,393,435	1,266,855	**230,400**	27,453
Analysed into:				
Other loans repayable:				
Within one year or on demand	**–**	–	**–**	–
In the second year	**–**	–	**–**	–
In the third to fifth years, inclusive	**235,162**	–	**–**	–
Beyond five years	**–**	–	**–**	–
	235,162	–	**–**	–
	2,628,597	1,266,855	**230,400**	27,453

Note: As further explained in note 42 to the financial statements, the Group's term loans with an aggregate amount of HK$234,261,000 (2014: HK$394,352,000) 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 and other loans and analysed into bank and other loans repayable within one year or on demand.

29. INTEREST-BEARING BANK AND OTHER LOANS (continued)

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	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank loans repayable:				
Within one year or on demand	**773,832**	396,068	**94,885**	12,053
In the second year	**357,597**	157,473	**30,222**	2,053
In the third to fifth years, inclusive	**897,905**	415,563	**100,160**	6,160
Beyond five years	**364,101**	297,751	**5,133**	7,187
	2,393,435	1,266,855	**230,400**	27,453
Other loans repayable:				
Within one year or on demand	**–**	–	**–**	–
In the second year	**–**	–	**–**	–
In the third to fifth years, inclusive	**235,162**	–	**–**	–
Beyond five years	**–**	–	**–**	–
	235,162	–	**–**	–
	2,628,597	1,266,855	**230,400**	27,453

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 equity interests of four (2014: four) subsidiaries of the Company, which are engaged in property development (note 17). In addition, sales proceeds from the pre-sale of properties under development with an aggregate carrying amount of HK$136,268,000 (2014: HK$239,940,000) are pledged for certain bank loans of the Group.

The Company has guaranteed certain of the Group's bank loans up to HK$3,271,323,000 (2014: HK$2,474,686,000) 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) All other loans of the Group represented the loans advanced from non-controlling interests shareholders from certain subsidiaries of the Group.

(d) The carrying amounts of the bank and other loans of the Group and of the Company approximate to their fair values.

30. PROVISIONS FOR ONEROUS CONTRACTS

	Group 2015 HK$'000	2014 HK$'000
Carrying amount at 1 April	**4,049**	3,249
Provided for the year	**–**	2,380
Amount utilised during the year	**(2,398)**	(1,580)
Carrying amount at 31 March	**1,651**	4,049
Less: Portion classified as current liabilities	**(1,651)**	(2,398)
Long term portion	**–**	1,651

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	Withholding tax HK$'000	Total HK$'000
At 1 April 2013	5,717	5,628	283	11,628
Deferred tax credited to profit or loss during the year *(note 10)*	(603)	(5,192)	–	(5,795)
At 31 March 2014 and 1 April 2014	**5,114**	**436**	**283**	**5,833**
Deferred tax charged/(credited) to profit or loss during the year *(note 10)*	**3,058**	**(178)**	**–**	**2,880**
At 31 March 2015	**8,172**	**258**	**283**	**8,713**

31. DEFERRED TAX (continued)

Deferred tax assets

Group

	Losses available for offsetting against future taxable profits HK$'000	Depreciation in excess of related depreciation allowance HK$'000	Provision for onerous contracts HK$'000	Total HK$'000
At 1 April 2013	1,440	281	536	2,257
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	(34)	(281)	12	(303)
At 31 March 2014 and 1 April 2014	**1,406**	**–**	**548**	**1,954**
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	**3,459**	**–**	**(358)**	**3,101**
At 31 March 2015	**4,865**	**–**	**190**	**5,055**

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:

	2015 ***HK$'000***	2014 *HK$'000*
Net deferred tax assets recognised in the consolidated statement of financial position	**3,649**	548
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(7,307)**	(4,427)
	(3,658)	(3,879)

The Group has tax losses arising in Hong Kong of approximately HK$244,935,000 (2014: HK$253,570,000), 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.

31. DEFERRED TAX (continued)

Deferred tax assets (continued)

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

	2015	2014
	HK$'000	*HK$'000*
Authorised:		
40,000,000,000 ordinary shares of HK$0.01 each	**400,000**	400,000
Issued and fully paid:		
6,524,935,021 ordinary shares of HK$0.01 each	**65,249**	65,249

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

Shares options

Details of the Company's share option scheme are set out in note 33 to the financial statements.

33. SHARE OPTION SCHEME

On 2 May 2012, the share option scheme adopted by the Company on 3 May 2002 (the "2002 Scheme") was 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 termination of the 2002 Scheme will remain in full force and effect. During the year ended 31 March 2015, no share option was granted, exercised, lapsed or cancelled under the 2012 Scheme.

33. SHARE OPTION SCHEME (continued)

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.

33. SHARE OPTION SCHEME (continued)

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 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.

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:

	2015		2014	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
	HK$ per share	***'000***	*HK$ per share*	*'000*
At 1 April	**1.4088**	**22,610**	1.3448	23,912
Cancelled during the year	**1.4331**	**(22,155)**	–	–
Forfeited during the year	**0.2234**	**(217)**	0.23	(1,302)
At 31 March	**0.2379**	**238**	1.4088	22,610

There was no share option exercised during the years ended 31 March 2015 and 2014. 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.

33. SHARE OPTION SCHEME (continued)

Basis of determining the exercise price (continued)

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

2015

Number of options *'000*	**Exercise price*** *HK$ per share*	**Exercise period**
21	**0.3893**	**8/1/2010 to 7/1/2019**
217	**0.2234**	**12/5/2011 to 11/5/2020**
238		

2014

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

* 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 did not recognise any share option expense during the year ended 31 March 2015 (2014: HK$17,000).

At the end of the reporting period, the Company had 238,000 (2014: 22,610,000) 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 238,000 (2014: 22,610,000) additional ordinary shares of the Company and additional share capital of HK$2,000 (2014: HK$226,000) and share premium of HK$55,000 (2014: HK$31,628,000) (before issue expenses).

Subsequent to the end of the reporting period, a total of 238,000 share options were exercised.

At the date of approval of these financial statements, the Company did not have any share options outstanding under the 2002 Scheme.

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 56 and 57 of the financial statements.

(b) Company

	Notes	Share premium account HK$'000	Contributed surplus *(Note)* HK$'000	Share option reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 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		–	–	–	(32,625)	(32,625)
Interim 2014 dividend	*12*	–	–	–	(9,787)	(9,787)
Equity-settled share option arrangements	*33*	–	–	17	–	17
At 31 March 2014 and 1 April 2014		**1,462,363**	**321,388**	**5,933**	**622,753**	**2,412,437**
Total comprehensive income for the year		**–**	**–**	**–**	**545,861**	**545,861**
Transfer of share option reserve upon the forfeiture and cancellation of share options		**–**	**–**	**(5,899)**	**5,899**	**–**
Final 2014 dividend	*12*	**–**	**–**	**–**	**(39,150)**	**(39,150)**
Interim 2015 dividend	*12*	**–**	**–**	**–**	**(65,249)**	**(65,249)**
Special interim 2015 dividend by way of distribution in specie	*12*	**–**	**–**	**–**	**(32,572)**	**(32,572)**
Special 2015 dividend	*12*	**–**	**–**	**–**	**(97,874)**	**(97,874)**
At 31 March 2015		**1,462,363**	**321,388**	**34**	**939,668**	**2,723,453**

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. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major non-cash transactions

(i) During the year, a special interim dividend was declared by way of distribution in specie of the shares of PNG held by the Group to the shareholders of the Company, details of which are set out in note 12(i) to the financial statements.

(ii) The Group purchased unlisted debt securities issued by CAP at a consideration of HK$516,750,000 in the current year, which was fully offsetted by the loan and interest receivables due from CAP.

36. CONTINGENT LIABILITIES

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

(a)

	Company	
	2015	2014
	HK$'000	*HK$'000*
Guarantees given to financial institutions in connection with facilities granted to subsidiaries	**3,271,323**	2,474,686

As at 31 March 2015, the banking facilities granted to subsidiaries subject to guarantees given to banks by the Company were utlised to the extent of approximately HK$2,171,702,000 (2014:HK$1,243,139,000).

(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$1,557,000 (2014: HK$1,354,000) as at 31 March 2015, as further explained under the heading "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 one months to three 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	
	2015	2014
	HK$'000	*HK$'000*
Within one year	**158,895**	160,798
In the second to fifth years, inclusive	**121,051**	46,366
	279,946	207,164

(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 one month to eight 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	
	2015	2014
	HK$'000	*HK$'000*
Within one year	**85,953**	83,783
In the second to fifth years, inclusive	**143,884**	20,498
After five years	**53,448**	–
	283,285	104,281

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	
	2015	2014
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Properties under development	**42,757**	211,309
Investment properties	**6,981**	9,824
	49,738	221,133

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

	Notes	**2015** ***HK$'000***	2014 *HK$'000*
Rental income received from a director*	*(i)*	**1,200**	1,073
Rental expenses paid to a company of which a director of the Company is a controlling shareholder	*(ii)*	**300**	286
Transactions with WYTH:			
– Management fee income	*(ii)*	**960**	960
– Rental income	*(ii)*	**2,084**	1,507
– Rental expenses paid to WYTH	*(ii)*	**1,992**	1,992
– Purchases of products from WYTH	*(iii)*	**3,964**	431

* 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 (2014: HK$100,000). 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.

39. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balance with a related party

Details of the Group's balance with its joint venture as at the end of reporting period is disclosed in note 28 to the financial statements.

(c) Compensation of key management personnel of the group

	2015 HK$'000	2014 HK$'000
Short term employment benefits	**16,417**	8,258
Post-employment benefits	**108**	80
Total compensation paid to key management personnel	**16,525**	8,338

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 Group and the Company as at 31 March 2015 and 2014 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, the current portion of loans and interest receivables, financial liabilities included in other payables and accruals and the 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 department headed by the director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the director and the audit committee. At each reporting date, the finance department 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.

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

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 and interest-bearing bank and other 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 and other loans as at 31 March 2015 was assessed to be insignificant.

The fair values of listed equity investments and listed debt investments are based on quoted market prices. The fair values of unlisted available-for-sale debt investments have been estimated using a discounted cash flow valuation model based on assumptions that are not supported by observable market prices or rates. 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.

For the fair value of the unlisted available-for-sale debt investments, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model and has quantified this as a reduction in fair value of approximately HK$11,476,000, using less favourable assumptions, and an increase in fair value of approximately HK$11,956,000, using more favourable assumptions.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 March 2015:

	Valuation technique	Significant unobservable input	Weighted average	Sensitivity of fair value to the input
Unlisted available-for-sale debt investments	Discounted cash flow method	Discount for credit risk	14.06%	1% increase/(decrease) in discount rate would result in decrease/(increase) in fair value by HK$11,476,000/(HK$11,956,000)

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

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 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *HK$'000*	Significant observable inputs (Level 2) *HK$'000*	Significant unobservable inputs (Level 3) *HK$'000*	Total *HK$'000*
Available-for-sale investments:				
Debt investments	–	12,368	465,736	478,104
Equity investments at fair value through profit or loss	174,124	35,809	–	209,933
	174,124	48,177	465,736	688,037

As at 31 March 2014

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *HK$'000*	Significant observable inputs (Level 2) *HK$'000*	Significant unobservable inputs (Level 3) *HK$'000*	Total *HK$'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
	197,103	27,875	–	224,978

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

Group (continued)

The movements in fair value measurements in Level 3 during the year are as follows:

	HK$'000
Available-for-sale investments – unlisted:	
At 1 April 2014	–
Purchase	516,750
Total gains recognised in the statement of profit or loss included in other income	947
Total losses recognised in other comprehensive income	(51,961)
At 31 March 2015	465,736

Company

As at 31 March 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Equity investments at fair value through profit or loss	**16,516**	**–**	**–**	**16,516**

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

Company (continued)

As at 31 March 2014

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

The Group and Company did not have any financial liabilities measured at fair value as at 31 March 2015 and 2014.

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 (2014: 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 and other 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.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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) in basis points	**Increase/ (decrease) in profit before tax** *HK$'000*
2015		
HK$	**100**	**(23,934)**
HK$	**(100)**	**23,934**
2014		
HK$	100	(12,669)
HK$	(100)	12,669

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.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

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 Mainland China 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 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) in exchange rate	Increase/ (decrease) in profit before tax
	%	*HK$'000*
2015		
If Euro strengthens against HK$	**22.540**	**19**
If Euro weakens against HK$	**(22.540)**	**(19)**
If HK$ strengthens against RMB	**2.559**	**(4,252)**
If HK$ weakens against RMB	**(2.559)**	**4,252**
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	(2.678)	5,367

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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. 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(a) 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.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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

	2015					
	On demand	**Within 1 year**	**1 to 2 years**	**3 to 5 years**	**Over 5 years**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Bank loans *(Note)*	**234,261**	**631,154**	**374,221**	**903,651**	**358,491**	**2,501,778**
Other loans *(note 29)*	**–**	**–**	**–**	**277,491**	**–**	**277,491**
Trade payables *(note 27)*	**–**	**87,730**	**–**	**–**	**–**	**87,730**
Other payables and accruals *(note 28)*	**–**	**65,357**	**–**	**7,581**	**–**	**72,938**
	234,261	**784,241**	**374,221**	**1,188,723**	**358,491**	**2,939,937**

	2014					
	On demand	Within 1 year	1 to 2 years	3 to 5 years	Over 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
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
	394,352	188,606	165,826	411,282	280,829	1,440,895

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Company

	2015					
	On demand	Within 1 year	1 to 2 years	3 to 5 years	Over 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Bank loans *(Note)*	65,000	33,363	33,066	102,364	5,210	239,003
Other payables and accruals *(note 28)*	–	25,731	–	–	–	25,731
Due to subsidiaries *(note 17)*	–	–	–	–	2,136,195	2,136,195
	65,000	59,094	33,066	102,364	2,141,405	2,400,929
Financial guarantees issued:						
Guarantees given to financial institution in connection with facilities granted to subsidiaries *(note 36(a))*	2,171,702	–	–	–	–	2,171,702

	2014					
	On demand	Within 1 year	1 to 2 years	3 to 5 years	Over 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
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
	10,000	27,125	2,282	6,358	1,875,475	1,921,240
Financial guarantees issued:						
Guarantees given to financial institution in connection with facilities granted to subsidiaries *(note 36(a))*	1,243,139	–	–	–	–	1,243,139

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Note:

Included in interest-bearing bank loans of the Group are term loans with an aggregate principal amounting to HK$234,261,000 (2014: HK$394,352,000) 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 2015	**192,498**	**16,091**	**21,659**	**10,911**	**241,159**
31 March 2014	350,951	10,170	18,545	22,291	401,957

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 2015	**66,528**	**–**	**–**	**–**	**66,528**
31 March 2014	10,183	–	–	–	10,183

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 2015.

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 2015	**High/low 2015**	31 March 2014	High/low 2014
Hong Kong – Hang Seng Index	**24,901**	**24,901/22,134**	22,151	23,881/20,803

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.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk (continued)

	Carrying amount of financial investments *HK$'000*	Increase/ (decrease) in price *%*	Increase/ (decrease) in profit before tax *HK$'000*
2015			
Equity securities listed in Hong Kong:			
Held-for-trading	**174,124**	**12.50**	**21,766**
Held-for-trading	**174,124**	**(12.50)**	**(21,766)**
Equity securities unlisted in Hong Kong:			
Held-for-trading	**35,809**	**12.50**	**4,476**
Held-for-trading	**35,809**	**(12.50)**	**(4,476)**
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)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 2015.

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 and other loans, less cash and cash equivalents. The gearing ratios as at the end of the reporting periods were as follows:

	Group	
	2015	2014
	HK$'000	*HK$'000*
Interest-bearing bank and other loans *(note 29)*	**2,628,597**	1,266,855
Less: Cash and cash equivalents *(note 26)*	**(1,046,987)**	(710,591)
Net debt	**1,581,610**	556,264
Equity attributable to owners of the parent	**4,190,454**	3,912,054
Gearing ratio	**37.74%**	14.22%

43. COMPARATIVE AMOUNTS

As further explained in notes 1 and 4 to the financial statements, due to the changes in the designation of principal activities and segment composition, certain comparative amounts have been reclassified to conform with the current year's presentation and disclosures.

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 June 2015.

PARTICULARS OF PROPERTIES

INVESTMENT PROPERTIES

Location	Use	Tenure	Attributable interest of the Group
Shop 4 & 5, Ground Floor, Mong Kok Building, Nos. 93, 95 and 99 Mong Kok Road, Mong Kok, Kowloon	Commercial premises for rental	Long term lease	100%
Shop 6, Ground Floor, Grandeur Garden, Nos. 14-18 Chik Fai Street, Nos. 55-65 Tai Wai Road, Shatin, New Territories	Commercial premises for rental	Medium term lease	100%
Shop B, Ground Floor, Nos. 106-108 Shau Kei Wan Road, Hong Kong	Commercial premises for rental	Long term lease	100%
Shop AB, G/F. Po Wing Building, Nos. 108, 110, 112, 116, 118 & 120 Percival Street., Hong Kong	Commercial premises for rental	Long term lease	100%
Ground Floor with Cockloft, Foon Shing Building, No. 732 Nathan Road, Kowloon	Commercial premises for rental	Long term lease	100%
Commercial Unit and Car Parking Space on 1st and 2nd Basement of Riviera Plaza, Tsuen Wan, New Territories	Commercial premises for rental	Medium term lease	100%
Shop 1 and 2 on Ground Floor, No. 726 Nathan Road, Mong Kok, Kowloon	Commercial premises for rental	Long term lease	100%

PROPERTIES HELD FOR SALE

Property name	Location	Units	Estimated approximate gross floor area (sq ft)	Use	Attributable interest of the Group
The Met. Delight	Nos. 140-146, Camp Street, Cheung Sha Wan, Kowloon	84 units and 9 shops	43,000	Residential & Commercial	100%
726 Nathan Road	Nos. 724-726, Nathan Road, Mong Kok, Kowloon	2 floor units	4,400	Commercial	100%
The Met. Sublime	1-3, 5, 7, 9 &13, Kwai Heung Street, Sai Ying Pun, Hong Kong	6 units	3,150	Commercial	100%

PROPERTIES UNDER DEVELOPMENT

Location	Approximate site area (sq ft)	Estimated approximate gross floor area (sq ft)	Use	Estimated completion date	Attributable interest of the Group
Nos. 575-575A, Nathan Road, Mong Kok, Kowloon	2,100	20,000	Commercial	2017	100%
Hang Kwong Street, Ma On Shan (Shan Tin Town Lot No. 598)	33,000	115,000	Residential	2017	60%
Ma Kam Street, Ma On Shan (Shan Tin Town Lot No. 599)	33,000	200,000	Residential	2018	60%
Tai Po Road - Tai Wai (Sha Tin Town Lot No. 587)	71,000	148,000	Residential	2019	100%
Nos.13 &15, Sze Shan Street, Yau Tong, Kowloon	41,000	272,000	Residential & Commercial	2020	100%

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

RESULTS

	Year ended 31 March				
	2015	2014	2013	2012	2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Restated)	(Restated)	(Restated)	(Restated)
CONTINUING OPERATIONS					
REVENUE	**1,500,023**	1,686,606	807,971	438,985	564,187
PROFIT AFTER FINANCE COSTS	**559,196**	629,649	266,256	122,551	240,164
Share of profits and losses of:					
A joint venture	**4,788**	8,057	4,925	4,898	7,757
An associate	**135,658**	43,038	179,379	295,704	–
PROFIT BEFORE TAX	**699,642**	680,744	450,560	423,153	247,921
Income tax expense	**(111,629)**	(87,535)	(41,026)	(29,666)	(16,763)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**588,013**	593,209	409,534	393,487	231,158
DISCONTINUED OPERATION					
Profit for the year form a discontinued operation	**–**	–	–	1,809	9,281
PROFIT FOR THE YEAR	**588,013**	593,209	409,534	395,296	240,439
Attributable to:					
Owners of the parent	**588,188**	593,521	409,536	395,228	240,241
Non-controlling interests	**(175)**	(312)	(2)	68	198
	588,013	593,209	409,534	395,296	240,439

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	31 March				
	2015	2014	2013	2012	2011
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TOTAL ASSETS	**7,345,186**	5,788,783	5,712,640	4,210,172	3,633,262
TOTAL LIABILITIES	**(3,154,754)**	(1,876,576)	(2,144,644)	(1,218,777)	(1,006,399)
NON-CONTROLLING INTERESTS	**22**	(153)	(465)	(467)	(594)
	4,190,454	3,912,054	3,567,531	2,990,928	2,626,269