WANG ON PROPERTIES LIMITED
宏安地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1243)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

The board of directors (the "**Board**") of Wang On Properties Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2017, together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
REVENUE	5	**152,417**	645,486
Cost of sales		**(92,464)**	(417,110)
Gross profit		**59,953**	228,376
Other income and gains, net	5	**12,792**	311,655
Selling and distribution expenses		**(52,669)**	(48,384)
Administrative expenses		**(71,157)**	(139,885)
Finance costs	7	**(12,333)**	(28,591)
Fair value gains on investment properties, net		**43,213**	20,694
Reversal of write-down of properties under development		**44,411**	49,564
PROFIT BEFORE TAX	6	**24,210**	393,429
Income tax credit	8	**4,175**	15,314
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**28,385**	408,743

	Notes	**2017**	2016
		HK$'000	*HK$'000*
Profit/(loss) and total comprehensive income/(loss) attributable to:			
Owners of the parent		**38,816**	410,000
Non-controlling interests		**(10,431)**	(1,257)
		28,385	408,743
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		(restated)
Basic and diluted		**HK0.26 cents**	HK3.60 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2017

	Note	2017 HK$'000	2016 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,314**	70
Investment properties		**1,229,300**	579,200
Properties under development		**415,004**	350,000
Deposit and other receivable		**32,844**	—
Deferred tax assets		**10,950**	1,577
Total non-current assets		**1,689,412**	930,847
CURRENT ASSETS			
Properties under development		**3,103,588**	2,560,519
Properties held for sale		**—**	92,473
Prepayments, deposits and other receivables		**1,874,491**	14,977
Tax recoverable		**3,331**	1,022
Cash and cash equivalents		**1,357,233**	475,831
Total current assets		**6,338,643**	3,144,822
CURRENT LIABILITIES			
Trade payables	*11*	**45,363**	37,508
Other payables and accruals		**11,595**	25,738
Deposits received and receipts in advance		**2,709,175**	13,567
Interest-bearing bank and other loans		**432,502**	326,677
Tax payable		**21,515**	49,448
Total current liabilities		**3,220,150**	452,938
NET CURRENT ASSETS		**3,118,493**	2,691,884
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,807,905**	3,622,731

	Note	**2017**	2016
	Note	***HK$'000***	*HK$'000*
NON-CURRENT LIABILITIES			
Other payables		**—**	21,973
Interest-bearing bank and other loans		**2,413,416**	1,567,044
Deferred tax liabilities		**2,875**	2,573
Total non-current liabilities		**2,416,291**	1,591,590
Net assets		**2,391,614**	2,031,141
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*12*	**15,200**	1
Reserves		**2,388,159**	2,032,454
		2,403,359	2,032,455
Non-controlling interests		**(11,745)**	(1,314)
Total equity		**2,391,614**	2,031,141

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Pursuant to the reorganisation of the Company in connection with the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Reorganisation**"), the Company became the holding company of the companies now comprising the Group on 16 March 2016 which were under common control of the controlling shareholder before and after the Reorganisation. Accordingly, these financial statements have been prepared by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the financial periods presented.

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 ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, 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 2017. A subsidiary is an entity (including a structured entity), 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 financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. 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. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has assessed and adopted to the extent that is applicable to the Group, the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011) and certain amendments included in the *Annual Improvements 2012–2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

(a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

  (i) the materiality requirements in HKAS 1;

  (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

  (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

  (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

  Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

(b) 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 a 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 applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) *Annual Improvements to HKFRSs 2012–2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:

- HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any disposal group held for sale during the year.

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:

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*[2]
HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[3]
Amendments to HKAS 7	*Disclosure Initiative*[1]
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
Amendments to HKAS 40	*Transfers of Investment Property*[2]
Annual Improvements 2014–2016 Cycle	Amendments to a number of HKFRSs[5]
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*[2]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 No mandatory effective date yet determined but available for adoption
5 Effective for annual periods beginning on or after 1 January 2017 or 2018, with early application permitted

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

The HKICPA issued amendments to HKFRS 2 in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 April 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

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 is currently assessing the impact of the standard.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

HKFRS 15 establishes a new five-step model to account for 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. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt HKFRS 15 on 1 April 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt HKFRS 16 on 1 April 2019 and is currently assessing the impact of HKFRS 16 upon adoption.

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 April 2017.

Amendments to HKAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 April 2017.

Amendments to HKAS 40 were issued with the purpose of clarifying when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or cease to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The Group expects to adopt the amendments from 1 April 2018.

Annual Improvements to HKFRSs 2014–2016 Cycle issued in March 2017 sets out amendments to a number of HKFRSs. Details of the applicable amendments are as follows:

HKFRS 12 *Disclosure of Interest in Other Entities*: Clarifies the scope of the standard by specifying that certain disclosure requirements are not required for subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

HKAS 28 *Investments in Associates and Joint Ventures*: Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

The HK(IFRIC)-Int 22 was issued in June 2017 with the purpose of clarifying that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Group expects to adopt the amendments from 1 April 2018.

4. OPERATING SEGMENT INFORMATION

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

(a) the property development segment engages in the development of properties; and

(b) the property investment segment engages in investment and the trading of car parking spaces, industrial and commercial premises for rental or for sale;

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource 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 and head office and corporate expenses are excluded from such measurement.

The Group's revenue from external customers was derived solely from its operations in Hong Kong during the years ended 31 March 2017 and 2016, and the non-current assets of the Group were located in Hong Kong as at 31 March 2017 and 2016.

Year ended 31 March

	Property development		**Property investment**		**Total**	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**46,039**	567,509	**106,378**	77,977	**152,417**	645,486
Other revenue	**15,924**	3,051	**36,515**	332,155	**52,439**	335,206
Total	**61,963**	570,560	**142,893**	410,132	**204,856**	980,692
Segment results	**(2,593)**	103,154	**53,259**	343,661	**50,666**	446,815
Reconciliation:						
Interest income					**3,566**	110
Finance costs					**(12,333)**	(28,591)
Corporate and unallocated expenses					**(17,689)**	(24,905)
Profit before tax					**24,210**	393,429
Income tax credit					**4,175**	15,314
Profit for the year					**28,385**	408,743
Other segment information						
Depreciation	**92**	12	**—**	1,475	**92**	1,487
Reversal of write-down of properties under development	**44,411**	49,564	**—**	—	**44,411**	49,564
Capital expenditure*	**1,336**	82	**608,115**	1,272	**609,451**	1,354
Fair value gains/(losses) on investment properties, net	**6,726**	(2,967)	**36,487**	23,661	**43,213**	20,694

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

Information about a major customer

Revenue of approximately HK$41,440,000 (2016: nil) was derived from sales by property development segment to a single external customer.

5. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents proceeds from the sale of properties, gross rental income and property management fee income received and receivable from investment properties.

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

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Sale of properties	**126,470**	613,927
Gross rental income	**25,947**	30,265
Property management fee income	**—**	1,294
	152,417	645,486
Other income and gains, net		
Interest income	**3,566**	110
Forfeiture of deposits from customers	**8,232**	2,693
Gains on disposal of subsidiaries, net	**—**	307,815
Others	**994**	1,037
	12,792	311,655

6. PROFIT BEFORE TAX

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

	2017	2016
	HK$'000	*HK$'000*
Cost of services provided	**—**	6,254
Cost of properties sold	**90,864**	409,325
Depreciation	**92**	1,487
Minimum lease payments under operating leases	**8,699**	3,505
Auditor's remuneration	**1,850**	1,750
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**54,140**	86,118
Pension scheme contributions	**849**	923
Less: Amount capitalised	**(11,457)**	(12,991)
	43,532	74,050
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**1,600**	1,531

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2017	2016
	HK$'000	*HK$'000*
Interest on bank loans and other loans	**64,300**	74,736
Less: Interest capitalised	**(51,967)**	(46,145)
	12,333	28,591

8. INCOME TAX CREDIT

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

	2017	2016
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the year	**5,418**	13,577
Overprovision in prior years	**(522)**	(29,255)
	4,896	(15,678)
Deferred	**(9,071)**	364
Total tax credit for the year	**(4,175)**	(15,314)

9. DIVIDENDS

		2017	2016
	Note	***HK$'000***	*HK$'000*
Special dividends	*(i)*	**—**	170,000

Notes:

(i) During the year ended 31 March 2016 and before the completion of the Reorganisation, certain subsidiaries of the Company declared special dividends aggregating HK$170,000,000 to their then shareholders.

(ii) The directors do not recommend the payment of any dividend for the years ended 31 March 2017 and 2016.

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

The calculation of basic earnings per share for the year ended 31 March 2017 is based on the profit for the year attributable to owners of the parent of HK$38,816,000 (2016: HK$410,000,000) and the weighted average number of ordinary shares of 15,085,479,452 (2016: 11,400,000,000 (restated)) in issue during the year, on the assumption that the Reorganisation and the Capitalisation Issue (as defined in note 12(iii)) in connection with the listing of the shares of the Company and the Share Subdivision (as defined in note 12(v)) had been completed on 1 April 2015.

No adjustment has been made to the basic earnings per share presented for the years ended 31 March 2017 and 2016 as the Group had no potentially diluted ordinary shares in issue during those periods.

11. 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:

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**45,363**	37,508

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.

12. SHARE CAPITAL

	2017	2016
	HK$'000	*HK$'000*
Authorised:		
50,000,000,000 ordinary shares of HK$0.001 each (31 March 2016: 5,000,000,000 ordinary shares of HK$0.01 each)	**50,000**	50,000
Issued and fully paid:		
15,200,000,000 ordinary shares of HK$0.001 each (31 March 2016: 100,000 ordinary shares of HK$0.01 each)	**15,200**	1

The movements in the Company's share capital during the period from 19 November 2015 (date of incorporation) to 31 March 2017 were as follows:

	Notes	**Number of ordinary shares**	**Nominal value of ordinary shares**
			HK$'000
Authorised:			
At 19 November 2015 (date of incorporation)	*(i)*	10,000,000	100
Increase in authorised share capital on 2 February 2016	*(ii)*	4,990,000,000	49,900
At 31 March 2016 and 1 April 2016		5,000,000,000	50,000
Effect of Share Subdivision	*(v)*	45,000,000,000	—
At 31 March 2017		50,000,000,000	50,000

	Notes	Number of ordinary shares	Nominal value of ordinary shares HK$'000
Issued and fully paid:			
At 19 November 2015 (date of incorporation)	*(i)*	—	—
Shares issued on 2 December 2015	*(i)*	100,000	1
At 31 March 2016 and 1 April 2016		100,000	1
Issue of new shares pursuant to the Capitalisation Issue	*(iii)*	1,139,900,000	11,399
Issue of new shares pursuant to the Share Offer	*(iv)*	380,000,000	3,800
Effect of Share Subdivision	*(v)*	13,680,000,000	—
At 31 March 2017		15,200,000,000	15,200

Notes:

(i) Upon incorporation on 19 November 2015, the authorised share capital of the Company was HK$100,000 divided into 10,000,000 shares of HK$0.01 each. 100,000 ordinary shares of HK$0.01 each were allotted and issued to the first shareholder, Wang On Enterprises (BVI) Limited ("**WOE**"), on 2 December 2015. Pursuant to the Reorganisation, such shares were transferred to Earnest Spot Limited ("**Earnest Spot**") by WOE for a consideration of HK$1.

(ii) On 2 February 2016, an ordinary resolution of the sole shareholder of the Company was passed and pursuant to which the authorised capital of the Company increased from HK$100,000 to HK$50,000,000 by the creation of an additional 4,990,000,000 shares of HK$0.01 each.

(iii) Pursuant to the resolution of the shareholder passed on 17 March 2016, the Company allotted and issued a total of 1,139,900,000 shares, credited as fully paid at par, to Earnest Spot on 12 April 2016 by way of capitalisation of the sum of HK$11,399,000 standing to the credit of the share premium account of the Company (the "**Capitalisation Issue**"). This Capitalisation Issue was conditional on the share premium account being credited as a result of the issue of new shares to the public in connection with the Company's initial public offering as detailed in note (iv) below.

(iv) In connection with the listing of the shares of the Company on the Main Board of the Stock Exchange (the "**Share Offer**"), 380,000,000 new ordinary shares of HK$0.01 each were issued at a price of HK$0.92 per share for a total cash consideration, before expenses, of HK$349,600,000. Dealings in the shares of the Company on the Stock Exchange commenced on 12 April 2016.

(v) Pursuant to an ordinary resolution passed by the shareholders of the Company at the special general meeting of the Company held on 6 December 2016, every one issued and unissued existing ordinary share of HK$0.01 each in the share capital of the Company was subdivided into ten subdivided shares of HK$0.001 each (the "**Share Subdivision**"). The Share Subdivision was completed on 6 December 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the financial year ended 31 March 2017, the Group's turnover and profit and total comprehensive income attributable to owners of the parent amounted to approximately HK$152.4 million (2016: approximately HK$645.5 million) and approximately HK$38.8 million (2016: approximately HK$410.0 million), respectively.

DIVIDEND

For prudence sake and for the purpose of reserving more resources for future development, the Board does not recommend any distribution of regular dividend immediately after the listing of its shares on the Main Board of the Stock Exchange (the "**Listing**") (2016: nil).

BUSINESS REVIEW

The Group's revenue for the year ended 31 March 2017 amounted to approximately HK$152.4 million (2016: approximately HK$645.5 million), which represented a decrease of approximately HK$493.1 million compared with last year. Profit and total comprehensive income attributable to owners of the parent for the year was approximately HK$38.8 million (2016: approximately HK$410.0 million). The decrease in revenue and profit was primarily attributable to the fact that the Company's existing projects under development are not expected to complete until at least the end of 2017 as disclosed in the prospectus of the Company dated 30 March 2016 (the "**Prospectus**"). The reduced profit recorded by the Group for the year ended 31 March 2017 was also attributable to the decrease in other income recognized from the disposal of properties. The review of the individual business segment of the Group is set out below.

Property Development

Revenue recognised in this business segment during the year amounted to approximately HK$46.0 million (2016: approximately HK$567.5 million) which was contributed mainly by the sale of a unit in "726 Nathan Road".

The Group has launched the pre-sales of two Ma On Shan projects, The Met. Blossom (Ma Kam Street, Ma On Shan) and The Met. Bliss (Hang Kwong Street, Ma On Shan) in August and October 2016, respectively. The total contracted pre-sales (which will be recognised (subject to audit) as revenue of the Group upon completion and delivery of respective projects) amount to approximately HK$4.0 billion as at 21 June 2017.

For The Met. Blossom project, 637 out of 640 units released were sold and the contracted pre-sales amounted to approximately HK$2.5 billion. As at the date of this announcement, over 65% of the pre-sold units were fully paid. The excellent market response and satisfactory results was mainly attributable to the successful sales strategy and precise positioning of the project. Selling at a close-to-market price, the project has attracted singles and young couples who are end users as well as investors. The foundation works and top-up have completed and the fitting-out works are undergoing. Expected completion of this project will be in 2018. The Group owns 60% equity interest in this development and the results and financial position are consolidated into the financial statements of the Group.

For The Met. Bliss project, all of the 364 units released were sold and the contracted pre-sales amounted to approximately HK$1.5 billion. The Met. Bliss comprises studios, one-bedroom units and a limited number of two-bedroom units that are rarely offered in Ma On Shan, to meet the demand of small flats in the district. Same as The Met. Blossom, the foundation works and top-up have completed and the fitting-out works are undergoing. The project is expected to be delivered in 2018. The Group owns 60% equity interest in this development and the results and financial position are consolidated into the financial statements of the Group.

The Group's third residential project in Shatin district, the site at Tai Po Road — Tai Wai Section (Sha Tin Town Lot No. 587) is officially named as "The Met. Acappella". The Met. Acappella is a residential building consisting of two wings of 12 and 13-storeys, offering around 336 units. It comprises diversified unit layouts including studios, 1-bedroom units, 1-bedroom (with store room or study room) units, that account for over 80% of all units. The project also offers garden duplex units and penthouse units with rooftop terrace. The Met. Acappella is designed to incorporate the natural scenery of neighbouring areas, enabling residents to breathe fresh air and breathtaking green views in this bustling city. With the excellent and convenient transport network, The Met. Acappella also allows residents to indulge in all-round shopping, dining, entertainment and leisure activities, satisfying the needs of pursuing quality lifestyle. The Group is currently preparing for the launch of the pre-sale of The Met. Acappella and the set-up of its show flats. It is expecting the approval of presale consent application to be issued. The Group owns entire equity interest in this development.

The site at 575–575A Nathan Road, Mongkok has completed the foundation works and is undergoing the construction of the superstructure. The site will be developed into another 19-floor Ginza type commercial complex in the brand "Ladder". The project is expected to be completed by the end of 2017.

Development works of the site at 13 and 15 Sze Shan Street are still being paused. The Lands Department has issued the revised assessment of land premium and the Group has accepted the offer. The site works are expected to be resumed. On 7 June 2017, Swift Prosper Limited (the "**Vendor**"), an indirectly wholly-owned subsidiary of the Group has entered into a sales and purchase agreement with Xu Qi Co. Limited (the "**Purchaser**"), pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, 50% of entire issued share capital and the shareholder loan of Wonder Sign Limited ("**Wonder Sign**") (the "**Agreement**"), an indirectly wholly-owned subsidiary of the Group, for the consideration of approximately HK$664.5 million. Wonder Sign is an investment holding company and its sole business is the holding of the entire issued share capital of Double Bright Limited ("**Double Bright**"), an indirectly wholly-owned subsidiary of the Group. Double Bright is the registered owner of project at Nos. 13 and 15, Sze Shan Street, Yau Tong. Completion took place simultaneously upon signing of the Agreement on 7 June 2017. For details of the transaction, please refer to the joint announcement by the Group and Wang On Group Limited ("**WOG**") on 7 June 2017.

On 19 May 2017, the Group has successfully acquired the entire equity interest of the site at Yiu Sha Road, Whitehead, Ma On Shan (Sha Tin Town Lot 601). The site will be developed as a residential project with site area of approximately 253,000 square feet and estimated gross floor area of approximately 387,500 square feet.

As at 31 May 2017, the Group had a development land portfolio as follows:

Location	**Approximate Site Area** *(Square feet)*	**Approximate Gross Floor Area** *(Square feet)*	**Intended Usage**	**Anticipated Year of Completion**
575–575A Nathan Road, Mongkok	2,100	25,000	Commercial	2017
Hang Kwong Street, Ma On Shan (Sha Tin Town Lot No. 598)	33,300	115,000	Residential	2018
Ma Kam Street, Ma On Shan (Sha Tin Town Lot No. 599)	33,300	200,000	Residential	2018
Tai Po Road — Tai Wai section (Sha Tin Town Lot No. 587)	71,000	148,000	Residential	2019
13 and 15 Sze Shan Street, Yau Tong	41,000	272,000	Residential and Commercial	2020
Yiu Sha Road, Whitehead (Sha Tin Town Lot No. 601)	253,000	388,000	Residential	2020

To achieve sustainable operation of the Group in the long run, the Group has actively participated in the tender for land reserve. In facing the fierce competition from the PRC property developers, the Group has also explored other way of collaboration with external parties for development opportunities. The Group will dedicate further resources in its branding building for its property development business and residential and commercial projects.

Property Investment

As at 31 March 2017, the Group's portfolio of investment properties comprised of commercial and industrial units located in Hong Kong with a total carrying value of approximately HK$1,229.3 million (31 March 2016: approximately HK$579.2 million).

During the year, the Group received gross rental income of approximately HK$25.9 million (2016: approximately HK$30.3 million), representing a decrease of approximately HK$4.4 million over last year. The decrease in gross rental income was primarily attributable to the disposal of several properties during the year ended 31 March 2016.

In November 2015, the Group has acquired a number of car parking spaces in Shatin Centre at a consideration of HK$96.8 million, with a view for trading gain. Some of which has been sold during the year ended 31 March 2016. The remaining car parking spaces were sold during the reporting year.

The Group has acquired three properties, two of which were completed by the end of the financial year ended 31 March 2017 and the remaining one was completed before the date of this announcement.

1. On 4 November 2015, the Group entered into a provisional sale and purchase agreement to acquire a shop at No. 166 Sai Yeung Choi Street South, Mongkok at a consideration of HK$83.3 million and the transaction was completed on 30 December 2016. The property is leased out as at the date of this announcement.

2. On 7 November 2016, the Group entered into a sale and purchase agreement to acquire the share and a shareholder's loan of a company which principally holds, through its wholly-owned subsidiary, an office premise located at 30th Floor of United Centre, No. 95 Queensway, Hong Kong, at a consideration of approximately HK$512.2 million, completion of which took place on 25 January 2017. The property is vacant as at the date of this announcement.

3. On 20 February 2017, the Group entered into a sale and purchase agreement to acquire the share and a shareholders' loan of a company which principally holds, through its wholly-owned subsidiary, office units and carparks units located at Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories, at a consideration of approximately HK$274.5 million. Completion took place on 25 April 2017. The properties are vacant as at the date of this announcement.

Reference is also made to the Prospectus, in which it was stated that as at 21 March 2016, WOG and its subsidiaries (excluding the Group) owned a total of 48 residential investment properties ("**Excluded Properties**") which were not injected into the Group as part of the spin-off listing of the Company in April 2016. The Company has been informed by WOG that 18 out of these 48 Excluded Properties had been sold as of 21 June 2017. One of these 18 properties will be delivered in July 2017 and the others completed during the period up to 21 June 2017.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2017, the Group's total assets less current liabilities were approximately HK$4,807.9 million (2016: approximately HK$3,622.7 million) and the current ratio was approximately 1.97 times as at 31 March 2017 (2016: approximately 6.94 times). As at 31 March 2017, the Group had cash and cash equivalents of approximately HK$1,357.2 million (2016: approximately HK$475.8 million).

Aggregate bank borrowings as at 31 March 2017 amounted to approximately HK$2,817.1 million (2016: approximately HK$1,649.4 million). The gearing ratio was approximately 60.7% (2016: approximately 57.7%), calculated by reference to the Group's total bank borrowings net of cash and cash equivalents divided by the equity attributable to owners of the parent. As at 31 March 2017, the Group's investment properties and properties under development, with carrying value of approximately HK$1,210.1 million and HK$1,756.7 million (2016: approximately HK$527.5 million and HK$2,910.5 million) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 31 March 2017 amounted to approximately HK$2,251.6 million (2016: approximately HK$127.5 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.

DEBT PROFILE AND FINANCIAL PLANNING

As at 31 March 2017, interest-bearing debt profile of the Group was analysed as follows:

	Outstanding amount *(HK$ million)*	**Approximate effective interest rate** *(per annum)*	**Maturity date**
Financial institution borrowings	2,817.1	2.3%	On demand or from 2017 to 2025
Non-financial institution borrowing	28.8	6%	2018
Total	2,845.9		

TREASURY POLICY

The Group's treasury policy includes diversifying the funding sources. Internally generated cash flow and interest-bearing bank borrowings during the period are the general source of funds to finance the operation of the group. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

FOREIGN EXCHANGE

The management of the Group is of the opinion that the Group has no material foreign exchange exposure and has not engaged in any hedging activities during the year under review. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, being denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore has not engaged in any hedging activities during the reporting period.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2017, the Group had 57 (2016: 56) employees in Hong Kong. The Group remunerates its employees mainly based on industry practices and individual performance and experience. In addition to salaries, we provide discretionary bonuses based on individual performance and our business performance, medical insurance coverage and a wide range of leave entitlements. The Group also provides a defined contribution to the Mandatory Provident Fund ("**MPF**") as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our eligible employees in Hong Kong.

CORPORATE SOCIAL RESPONSIBILITY

While the Group 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, the Group has participated in various charity activities, e.g. Kowloon Walk for Million, Po Leung Kuk Charity Run, Dress Causal Day, etc. In light of the ever greater disparity between the rich and the poor in Hong Kong society 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.

ENVIRONMENTAL MATTERS

The Group has taken measures to promote environmental-friendliness of the workplace by encouraging paper-recycling culture and energy-saving culture within our Group. The Group also participated in the BEAM Plus assessment scheme, a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council, for the development of some of our properties, including The Met. Delight, The Met. Bliss, The Met. Blossom, and The Met. Acappella, by engaging a third-party consultancy company for the provision of services in respect of BEAM Plus Certification and other environmental assessments.

The Group also outsourced all of the construction-related work for our property development projects to independent construction companies. Our contractors in relation to our property development business are subject to various environmental laws and regulations, including those relating to waste disposal, water pollution control, air pollution control, drainage control and noise control.

RISK FACTORS

The Group's businesses, financial condition, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses, including the following highlighted risks:

- our business is dependent on the economic conditions in Hong Kong, particularly the performance of the property market in Hong Kong;

- we may not be able to identify and acquire land bank which is suitable and desirable for our future development;

- we generate revenue principally from the sale of properties, which depends on a number of factors including the schedule of our property development and the timing of property sales. Our profitability may fluctuate significantly between different periods, as our financial performance for a particularly period depends on the mix of properties available for sale;
- we may be unable to obtain, or may suffer material delays in obtaining, the relevant government approvals or be unable to take possession of the land parcels for our property development projects;
- we rely on external construction companies for the construction-related works of our property development projects and these construction companies may fail to provide satisfactory services which adhere to our quality and safety standards and in a timely manner, or at all;
- our results of operations may be adversely affected by labour shortages and/or the increase in the costs of labour; and
- we are subject to certain restrictive covenants and risks normally associated with borrowings which may limit or otherwise materially and adversely affect our business, results of operations and financial condition.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The Company listed its shares on the Stock Exchange on 12 April 2016. Net proceeds from the Listing were approximately HK$310.8 million (after deduction of the underwriting commission and relevant expenses), which are intended to be applied in the manner as disclosed in the Prospectus. As at 31 March 2017, the net proceeds from the Listing had been fully utilised as follows:

	Actual net proceeds	**Amount utilised as at the date of this report**	**Amount unutilised as at the date of this report**
	HK$ million	*HK$ million*	*HK$ million*
Acquisition of suitable development site(s) in Hong Kong to replenish our land bank for our property development business	230.0	(230.0)	—
Acquisition of properties for investment to enhance our portfolio of properties for investment	50.7	(50.7)	—
General working capital of the Group	30.1	(30.1)	—
TOTAL	310.8	(310.8)	—

PROSPECTS

2017 will be a year of challenges and uncertainties. The change of political and economic environment in U.S., Europe and China is varying the consumer sentiment. The hiking of U.S. interest rate also makes relatively great impact on the confidence and forecast of the property market development. In Hong Kong, the continuous release of the cooling measures also affect the transaction volume of the residential properties, especially in the second-hand market. However, the concrete demand for the new home buyers and relatively low-interest environment have stabilized the transaction price and volume in short run.

The Group has made a great success in the pre-sales of two Ma On Shan projects, namely The Met. Bliss and The Met. Blossom, for contracted pre-sales amounting to approximately HK$4.0 billion in a 3-month period. The Group is confident in the Hong Kong property market and is currently preparing for the launch of the Shatin project, the Met. Acappella.

To replenish the land bank, the Group has newly acquired the new site in Yiu Sha Road, Whitehead, Ma On Shan, in May 2017. The Group will keep looking for opportunities in property acquisition and further enhance its operational efficiency and effectiveness to strengthen the real estate business. The Group continues to capture every opportunity for its development and aims to achieve solid returns to our shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company recognises the importance of corporate governance and is committed to achieving 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 its effectiveness and corporate image.

The Company adopted 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 Company had complied with the applicable code provisions set out in the CG Code.

Further details of the Company's corporate governance practices are set out in the corporate governance report to be contained in the Company's 2017 Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the directors of the Company on the terms no less exacting terms than the required standard set forth in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all directors, the Company confirmed that all directors had complied with the required standard set out in the Model Code up to the date hereof and no incident of non-compliance by the directors was noted by the Company during the year.

AUDIT COMMITTEE

The consolidated financial statements for the year ended 31 March 2017 have been reviewed by the Audit Committee with the management and external auditors of the Company.

The Audit Committee, comprising three independent non-executive Directors, namely Mr. Li Wing Sum Steven, Mr. Sung Tze Wah and Sr Dr. Leung Tony Ka Tung, has reviewed with the management and the auditors the consolidated financial statements for the year ended 31 March 2017. Mr. Li Wing Sum, Steven was elected as the chairman of the Audit Committee.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2017 have been agreed by the Group's auditors, Ernst & Young to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute and assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

ANNUAL GENERAL MEETING

The 2017 annual general meeting of the shareholders of the Company will be held at The Palace Rooms, Basement 1, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Tuesday, 29 August 2017 at 10:30 a.m. and the notice convening such meeting will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Thursday, 24 August 2017 to Tuesday, 29 August 2017 for determining eligibility to attend and vote at the 2017 annual general meeting. In order to be eligible to attend and vote at the 2017 annual general meeting, 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 Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m., Wednesday, 23 August 2017.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of HKExnews (**www.hkexnews.hk**) and the Company (**www.woproperties.com**). The 2017 annual report containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

By Order of the Board
WANG ON PROPERTIES LIMITED
宏安地產有限公司
Chan Chun Hong
Non-executive Chairman

Hong Kong, 21 June 2017

As at the date of this announcement, the Board comprises Mr. Wong Yiu Hung Gary and Mr. Tang Ho Hong as executive directors of the Company; Mr. Chan Chun Hong as non-executive director of the Company; and Mr. Li Wing Sum Steven, Mr. Sung Tze Wah and Sr Dr. Leung Tony Ka Tung as independent non-executive directors of the Company.