ANNUAL REPORT | 2014/15

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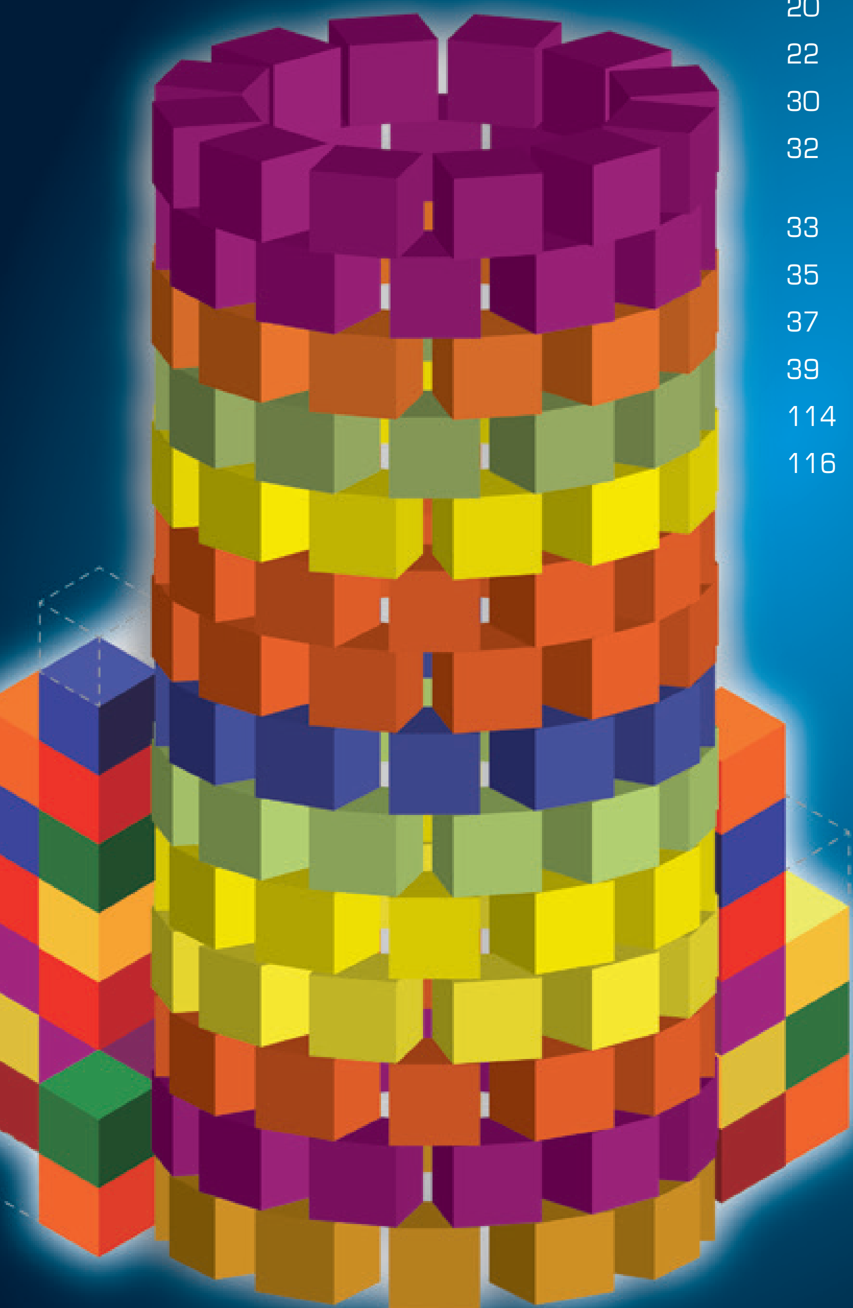

Corporate Information

BOARD OF DIRECTORS

Executive directors

Mr. Ng Ian *(Chairman)*
Mr. Chan Kwok Hung

Non-executive directors

Mr. Ng Chun For, Henry
Mr. Mak Wah Chi

Independent non-executive directors

Mr. Li Kit Chee
Mr. Chu Tak Sum
Mr. Chan Kam Man

COMPANY SECRETARY

Mr. Lee Pui Lam

AUTHORISED REPRESENTATIVES

Mr. Chan Kwok Hung
Mr. Lee Pui Lam

AUDIT COMMITTEE

Mr. Li Kit Chee *(Committee Chairman)*
Mr. Mak Wah Chi
Mr. Chan Kam Man

NOMINATION COMMITTEE

Mr. Chan Kam Man *(Committee Chairman)*
Mr. Mak Wah Chi
Mr. Chu Tak Sum

REMUNERATION COMMITTEE

Mr. Li Kit Chee *(Committee Chairman)*
Mr. Mak Wah Chi
Mr. Chu Tak Sum

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

PRINCIPAL PLACE OF BUSINESS

Suite 1711 Tower 2
Times Square 1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
Dah Sing Bank, Limited
China Construction Bank (Asia) Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
OCBC Wing Hang Bank Limited

LEGAL ADVISERS

as to Hong Kong law:
Cheung, Tong & Rosa

as to Bermuda law:
Conyers Dill & Pearman

FINANCIAL ADVISER

Quam Capital Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.henrygroup.hk

INVESTOR AND MEDIA RELATIONS

Strategic Financial Relations Limited

STOCK CODE

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Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)"), I would like to present the annual report of Henry Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 March 2015.

BUSINESS REVIEW

Overview

During the financial year 2014/15, the Hong Kong economy maintained only a moderate growth rate of 2.3% amidst a still-unsteady external environment (including but not limited to the US economy for its part grew much slower than expected, the Eurozone launched quantitative easing measures, the Greek debt issue reemerged and Central Banks rapidly adjusted their monetary policies). In face of the uneven and moderate global economic expansion, anaemic regional trade flows and a stronger US dollar, Hong Kong's exports only managed to record mild improvement. Retail sales performance declined 0.2% amid weaker spending by both tourists and locals compounded by the short term "Occupy Movement." Sales of luxury goods continued to be a drag on headline growth as China's relentless crackdown on corruption, changing spending pattern to affordable mid-priced items and slowdown in the domestic economic growth. On the other hand, domestic demand was relatively steady and fared comparatively better, providing solid support to the overall economic growth. The labour market was broadly stable and remained at a state of full employment. In terms of asset markets, the local stock market generally trended upward during the second half of the year, despite some market turbulence caused by concerns about the prospective US interest rate increases, Greece's debt negotiations and the geopolitical risks surrounding Eastern Europe and the Middle East. The residential property market saw further signs of rising in the second half of financial year 2014/2015. The Hong Kong Monetary Authority's introduction of new financial measures through tightening mortgage loans merely cooled down trading volume in the first quarter by 2% from the preceding quarter as residential property prices continued showing notable increases. Also flat and shop rentals both rose by 2% in the first quarter of 2015.

Henry Group has been responsive to the developments in the market and Hong Kong business environment. We have refined our retail portfolio, starting with strengthening of the brand's, e.g., "Jardine Center" has been re-launched as the brand "Jardine 50" to suit changes in consumption trends. We also continue to actively adjust our tenant mix while leveraging Henry Group' s experience in Gin-za-i-za-tion — *the rising trend of retail businesses to operate from above the ground floor level of buildings to maintain an effective presence in the CBD of a city*. Our business strategy pursuit of supporting the development of domestic service-based retailers' businesses and provide them a competitive geographical advantage by offering prime vertical retailing space with more competitive leases than rents for street-level shops and shopping malls. To differentiate us from the typical Ginza-building player, Henry Group is dedicated to create a unique Gin-za-i-za-tion layout to provide our clientele and their customers a distinctive and satisfying experience.

- Duplex — Among our two Ginza-style commercial properties, L'hart's special attractive characteristic — a duplex floor plate to give our clients an opportunity to truly personalise business space and reinforce the distinctive personality of their unique business style and brand;

- Balanced Portfolio — We strive to create a diverse, complementary and distinct mix of tenants to cater for the needs of all for every occasion. We have also taken into account the monitoring of visitor traffic flows across each of our properties in order to avoid heavy visitor traffic during lunch hour should all of our tenants be simultaneously dining. We strategically allocate an even distribution of our clientele across our properties — food and beverage businesses account for around one-third of the leased area and are primarily located at the lower level; entertainment businesses account for one-third of the leased area generally at the middle level and the remaining one third of available area is leased to fitness & beauty businesses at higher levels. We have observed Hong Kong people's growing appreciation of a healthier lifestyle, and our portfolio has been expanded to include a number of personal care and beauty tenants.

- Caring for visitors — We strive to provide our clientele as well as those who come to our premises an enthralling personal interactivity experience. Our premises incorporate a configuration to stir the five senses, including Sight, Smell, Touch, Taste and Hearing. By means of a leading-edge eye-catching 360 degree liquid-crystal display (LCD) display panel for broadcasting promotions of tenants, visitors can select their own preferred lifestyle services retailer at a glance. Our lobby and elevators on our premises welcome our visitors with a hint of enticing fragrances and a bird song serenade releasing their stress

- Promotion — We have also launched a brand new user-friendly state-of-the-art website *http://www.ginza.hk* where our tenants can more effectively manage their promotion activities and interactively communicate with their customers online. The website is designed to attract visitors and enable them to browse our client's services and product offerings through a few touches on their mobile devices.

In September 2014, the Company successfully completed a capital funding exercise by way of open offer on the basis of one offer share for every five existing shares held on the record date at a subscription price of HK$0.85 per offer share ("Open Offer"). Pursuant to the Open Offer, the Company allotted and issued 148,603,879 offer shares and accordingly the issued share capital of the Company has been enlarged to 891,623,278 ordinary shares. The Board believes that the Open Offer is in the best interest of the Company and its shareholders as a whole as it offers all of its shareholders the opportunity to participate in the enlargement of its capital base and future development and to maintain a proportional interests. The net proceeds of the Open Offer amounted to approximately HK$123.6 million, which is intended to be used for property investment and development.

On 31 March 2015, the Group entered into the first sale and purchase agreement whereby Joyfield Global Holdings Limited, an indirect wholly-owned subsidiary of the Company has agreed to acquire entire issued share capital of South Shine Limited in turn acquire a residential property located at House No. 12, Villa Bel-Air, Bel-Air on The Peak, Island South, Hong Kong ("First Agreement") and Crystal City Global Limited, an indirect wholly-owned subsidiary of the Company also entered into the second sale and purchase agreement whereby it shall acquire entire issued share capital of Pioneer Delight Limited in turn purchase a commercial property located at Shop No.1 on Ground Floor, Nos. 119, 121 and 125 Caine Road, Hong Kong ("Second Agreement") (collectively "Acquisitions"). The Acquisitions are in line with the Group's strategy to invest in properties with stable income and potential for appreciation of value and it will also enlarge and diversify the property investment portfolio of the Group. The Acquisitions have been duly approved by independent shareholders of the Company at a special general meeting held on 13 May 2015. Details of the Acquisitions are contained in Company's circular dated 20 April 2015 and announcements dated 31 March 2015 and 13 May 2015.

On 31 March 2015, the Board proposed to make the distribution of an aggregate of approximately HK$550 million to the shareholders to be paid in cash out of the credit standing in the contributed surplus account of the Company ("Distribution") and the Board also proposed a share premium reduction to reduce the entire amount standing to the credit of the share premium account of the Company of approximately HK$720.6 million and wholly transfer the credit arising from the said reduction to the contributed surplus account of the Company to facilitate the payment of the Distribution ("Share Premium Reduction"). Both Distribution and Share Premium Reduction were duly approved by the shareholders of the Company at a special general meeting held on 13 May 2015. The Share Premium Reduction became effective on 14 May 2015 and the credit transferred to the contributed surplus account of the Company was then partially applied to pay the Distribution on 27 May 2015. Details of the Share Premium Reduction and the Distribution are contained in Company's circular dated 20 April 2015 and announcements dated 31 March 2015, 13 May 2015 and 19 May 2015.

Business Performance

The Group's turnover for the year was approximately HK$51.3 million, representing a modest decline of 4.3% from approximately HK$53.6 million in 2014. Profit for the year attributable to the owners of the Company was approximately HK$486.2 million (2014: HK$123.6 million), reflecting a substantial fair value gain on the Group's investment properties valuation of approximately HK$488.0 million recorded this year. As of 31 March 2015, the external valuation of the Group's investment properties increased by 24.3% to approximately HK$2,494.8 million (2014: HK$2,006.8 million). Earnings per shares were HK$56.52 cents per share (2014: HK$16.99 cents (restated)).

Prospects

The Group will ride on the opportunities afforded by the present stable economic growth and buoyant local spending in the retail market. In fact, official published retail sales figures only reflect the performance of merchandise retailers and exclude the sales of service-based retailers which include education, entertainment, personal care and food & beverage. The service-based retailers typically cater to niche target local consumers — a market segment with continued support through a tight domestic labour market, low unemployment and a buoyant property market. Thus it is noted that not all retailers are suffering from weak retail sales. We believe that our business strategy positions us well to capture current market opportunities which include attracting services-based retailers to the upper floors of the Group's properties to overcome the high rental cost of street-level shops in the prime shopping district in Causeway Bay. Looking ahead, the Group continues to closely monitor market changes and implement solid business strategies to strengthen our property rental business with a view to provide long term and stable profit and generate returns for shareholders.

Ng Ian
Chairman
Hong Kong, 12 June 2015

Management Discussion and Analysis

FINANCIAL REVIEW

Turnover

The Group's turnover for the year was approximately HK$51.3 million (2014: HK$53.6 million), which represented rental income derived from investment properties. The decline in rental income was driven by a decrease in occupancy levels that resulted from stagnant retail leasing market.

Other income and gains

Other income and gains for the year was approximately HK$20.5 million (2014: HK$7.8 million). The increase was due to an increase in bank deposits interest income.

Other operating expenses

Other operating expenses for the year was approximately HK$13.2 million (2014: HK$20.6 million). The decrease was due to deconsolidation of subsidiaries disposed in October 2013.

Finance costs

Finance costs for the year was approximately HK$26.1 million (2014: HK$32.5 million). The decrease was due to (i) the reduction in bank borrowings; and (ii) fully discharge and repaid of entire loans from related parties.

Profit for the year attributable to owners of the Company

Profit for the year attributable to owners of the Company was approximately HK$486.2 million, representing a substantial increase of approximately 293.3% from approximately HK$123.6 million recorded in the corresponding year in 2014. The increase was mainly attributable to the gain in fair value of investment properties of approximately HK$488.0 million.

Liquidity and financial resources

The Group mainly finances its business operations with its internal resources and bank borrowings. As at 31 March 2015, the Group had cash and bank balances of approximately HK$1,146.0 million (2014: HK$964.7 million). The increase in cash and bank balances was mainly due to (i) net proceeds of the Open Offer approximately HK$123.6 million; and (ii) cash proceeds from exercise of share options approximately HK$38.4 million. As of 31 March 2015, the Group has a undrawn revolving credit facility of approximately HK$100 million for unanticipated and non-recurring extraordinary needs of business operation. Accordingly the Board considered that the Group has maintained adequate financial resources to satisfy its working capital requirements and to meet its financial obligations when they fall due in the foreseeable future.

As of 31 March 2015, the Group's total bank borrowings all denominated in Hong Kong Dollars ("HKD") and are on a floating rate based in aggregate of approximately HK$1,008.1 million (2014: HK$999.9 million) with maturity profile set out as follows:

	2015 **HK$'000**	2014 HK$'000
Repayable		
Within 1 year	**26,750**	26,750
After 1 year but within 2 years	**26,750**	26,750
After 2 years but within 5 years	**395,257**	354,251
Over 5 years	**559,367**	592,123
	1,008,124	999,874

To mitigate the adverse impact of interest rate upward exposure arising from long term floating rate based bank borrowings, the Group has concluded the interest rate swap arrangement with a bank thereby converting part of the Group's bank borrowings from floating interest rate into fixed interest rate.

The Group's gearing ratio as of 31 March 2015, which is calculated on the basis of total liabilities over total assets, was approximately 28.5% (2014: 34.5%) whilst the Group's current ratio as of 31 March 2015 which expressed a ratio of current assets over current liabilities was approximately 29.1 (2014: 28.8), to reflect the adequacy of the financial resources. The Directors will continue to adopt a prudent financial policy so as to sustain an optimal level of borrowings to meet the Group's funding requirements.

Capital Structure

During the year under review, the Company issued and allotted 148,603,879 ordinary shares at HK$0.85 each pursuant to the Open Offer and accordingly the issued share capital of the Company has been enlarged from 743,019,399 ordinary shares to 891,623,278 ordinary shares. Coupled with the new issue and allotment of 59,253,386 ordinary shares by virtue of exercise of share options, the issued share capital of the Company further increased from 891,623,278 ordinary shares to 950,876,664 ordinary shares as of 31 March 2015.

As of 31 March 2015, the audited net assets attributable to owners of the Company of approximately HK$2,619.1 million (2014: HK$1,959.4 million), representing an increase of approximately 33.7% as compared with the same in 2014. With the total number of 950,876,664 ordinary shares in issue as of 31 March 2015, the net assets value per share was approximately HK$2.75 (2014: HK$2.64).

Treasury Policy

The Group's business has been conducted in Hong Kong and its monetary assets and liabilities are mainly denominated in HKD and with certain cash and bank balances placed as time deposits denominated in Renminbi ("RMB") for enhancement of its financial flexibility and deposits yield. Since it is expected that there shall not be sharp depreciation of RMB against HKD in near future, the directors of the Company consider that no hedging measure against RMB exchange rate exposure is necessary at this stage but will closely monitor their respective fluctuations.

CHARGES ON GROUP'S ASSETS

At of 31 March 2015, the following Group's assets were pledged to secure the Group's banking facilities:

1. Certain investment properties with an aggregate carrying values of approximately HK$2,482 million;

2. Time deposits of approximately HK$15 million; and

3. Certain issued share of several wholly-owned subsidiaries.

CONTINGENT LIABILITIES

High Fly Investments Limited ("High Fly"), an indirect non-wholly subsidiary of the Company which were dissolved by virtue of voluntary liquidation with the British Virgin Islands ("BVI") Registry of Corporate Affairs approved on 24 January 2014 and Premium Assets Development Limited ("Premium Assets") (collectively the "Indemnifiers") had signed Deed of Indemnity (the "Deed") on 4 October 2013 (being date of completion of the sale and purchase agreement ("SPA") with Double Favour Limited ("Double Favour"). Pursuant to the Deed, each of the Indemnifiers hereby severally, pro rata to their respective shareholdings in the High Luck International Limited ("High Luck") immediately before completion of the

SPA (i.e. 45% as to Premium Assets and 55% as to High Fly) (the "Relevant Proportion") undertakes to Double Favour (for itself and as trustee of the High Luck and its subsidiaries ("Disposal Group")) to pay them an amount or amounts equal to each of the following:

(a) any liability to taxation in connection with any claim in respect of all taxation falling on any member of the Disposal Group resulting from or by reference to any transaction, event, matters or thing occurred or effected during the period from 1 September 2007 to 4 October 2013 (being date of completion of the SPA) ("Relevant Period"), or in respect of any gross receipts, income, profits or gains earned, accrued or received, or alleged or deemed to have been earned, accrued, or received by any member of the Disposal Group during the Relevant Period, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company; and

(b) all action, claims, losses, damages, cost (including all legal costs), charges, expenses, interests, penalties or any other liabilities to which any member of the Disposal Group is or may be subject or which any member of the Disposal Group or Double Favour may reasonably and properly incur in connection with:

    (i) any investigation, assessment or the contesting of any claim or any of the matter referred to in (a) above;

    (ii) the settlement of any claim or any of the matters referred to in (a) above;

    (iii) any legal proceedings or actions in which the Purchaser or any member of the Disposal Group claims under or in respect of the Deed and in which judgment is given in favour of Double Favour or any member to the Disposal Group; or

    (iv) the enforcement of any such settlement or judgment,

and each of the Indemnifiers severally in the Relevant Proportion undertakes to indemnify an hold harmless or demand any member of the Disposal Group and Double Favour in respect of the matters referred to (a) to (b) (inclusive) above.

Notwithstanding anything to the contrary herein provided and the guarantee provided in the SPA, Double Favour further agrees and acknowledges to High Fly acting as trustee for the benefit of Uptodate Management Limited ("Uptodate"), an indirect wholly owned subsidiary of the Company and Best Task Limited that their respective obligations under the guarantee in respect of any obligations arising from any claims against High Fly under the Deed and/or the SPA ("Relevant Claims"), the obligations of Uptodate under the guarantee for such Relevant Claims should only be limited to 54.55% of the said claims (i.e. not more than 30% of total claims).

Pursuant to the Deed, the Board is of the opinion that it would be unlikely for the Group through Uptodate to suffer any material financial loss as a result of giving the aforesaid indemnity on several basis limited to 30% of the Relevant Claims.

EMPLOYEES AND REMUNERATION POLICY

As of 31 March 2015, the Group had about 7 employees based in Hong Kong. The Group offers its employees competitive remuneration packages which commensurate with their performance, experience and job nature. The Group also provides other benefits including but not limited to medical insurance, discretionary bonus, share options and mandatory provident fund schemes.

COMPLIANCE OF THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code set out in the Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. All Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the review year.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Apart from the discloseable and connected transaction regarding the Acquisitions disclosed in announcement dated 31 March 2015 and circular dated 20 April 2015, the Group did not have any significant investments, material acquisitions or disposals during the year.

Report of the Directors

The directors of the Company ("Directors") are pleased to present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 41 to the consolidated financial statements on pages 110 to 111 of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2015 are set out in the consolidated financial statements on page 33 of this annual report.

DIVIDEND

On 31 March 2015, the board of directors has resolved to make the distribution of an aggregate payment of approximately HK$550,000,000 to the shareholders ("Distribution"). The Distribution was approved by the shareholders of the Company at a special general meeting held on 13 May 2015 and it was paid in cash out of the credit standing in the contributed surplus account of the Company on 27 May 2015.

Save as the above, no dividend was paid or proposed during the year ended 31 March 2015, nor has any dividend been proposed since the end of reporting period (2014: Nil).

RESERVES

Movements in reserves of the Group and the Company during the year are set out on pages 35 to 36 and 88 to 89 of this annual report respectively.

INVESTMENT PROPERTIES

The Group's investment properties as at 31 March 2015 were revalued by an independent firm of professional properties valuers using income capitalisation approach and direct comparison approach. Details of movements in the investment properties of the Group during the year are set out in note 15 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 24 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 114 to 115 of this annual report.

DIRECTORS

The Directors during the year and subsequent to the end of reporting period were:

Executive Directors

Mr. Ng Ian *(Chairman)*
Mr. Chan Kwok Hung

Non-executive Directors

Mr. Ng Chun For, Henry
Mr. Mak Wah Chi

Independent non-executive Directors

Mr. Li Kit Chee
Mr. Chu Tak Sum
Mr. Chan Kam Man

In accordance with the Company's Bye-laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the non-executive Director, Mr. Mak Wah Chi, the executive Director and the Chairman, Mr. Ng Ian and all the independent non-executive Directors, Mr. Chan Kam Man, Mr. Li Kit Chee and Mr. Chu Tak Sum, will retire from office at the forthcoming annual general meeting and being eligible, will offer themselves for re-election. The non-executive Director, Mr. Ng Chun For, Henry would hold office as a non-executive Director of the Company until the close of the annual general meeting of the Company for year 2015–2016 subject to the retirement and rotation in accordance with the Bye-laws of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of directors and senior management as at the date of this report are set out on pages 20 to 21 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No Director who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Details of the connected transactions under the Listing Rules and related party transactions under applicable accounting principles are set out on page 13 and 99 respectively of this annual report.

Save for the above, no contract of significance to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which any Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, the following Directors (not being the independent non-executive Directors) are considered to have interests in the business which compete or are likely to compete with the business of the Group ("Competing Business") pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as set out below:

Name/Entity	Competing Entity	Nature of Interest	Competing Business
Mr. Ng Chun For, Henry, Director ("Mr. Ng") and his associates	Certain private companies owned by Mr. Ng and his family	Shareholder/director	Commercial property development and investment
Mr. Ng Ian, Director and his associates	Certain private companies owned by Mr. Ng Ian and his family	Shareholder/director	Residential and commercial property development and investment
Mr. Mak Wah Chi and his associates	Certain private companies owned by Mr. Mak Wah Chi and his family	Shareholder/director	Residential property investment

As the Board of the Company operates independently of the boards of the competing entities owned by Mr. Ng, Mr. Ng Ian and Mr. Mak Wah Chi and the independent non-executive Directors of the Company would assist in monitoring the operation of the Group, the Group is therefore capable of carrying on its business independently of, and at an arm's length from the Competing Business.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate turnover attributable to the Group's five largest customers was approximately 36% of the Group's total turnover and the Group's largest customer accounted for approximately 15% of the Group's total turnover.

The Group had no major suppliers due to the nature of the principal activities of the Group.

None of the Directors, their associates or any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in major customers or suppliers noted above.

CONNECTED TRANSACTION

During the year, the Group had the following connected transaction of the Listing Rules:

Connected Transaction required reporting, announcement and independent shareholders approval

Discloseable and connected transaction in relation to acquisition of two properties

On 31 March 2015, Joyfield Global Holdings Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company ("First Purchaser"), Ms. Li Yuen Ting, the spouse of Mr. Ng Ian ("First Vendor") and Mr. Ng Ian entered into the sale and purchase agreement ("First Acquisition Agreement") in relation to acquire a residential property located at House No.12, Villa Bel-Air ("First Property") by way of acquisition of the entire issued share capital of the South Shine Limited, a company incorporated in the BVI with limited liability and is wholly-owned by the First Vendor ("Sale Share") and the two outstanding unsecured and interest free loans without any fixed terms of repayment owned by Sunny Coast and Asia Goal to Mr. Ng Ian ("Sale Loan") and the repayment by the First Purchaser of the outstanding amount owned by Asia Goal to the bank for the bank loan associated with the First Property, for an aggregate consideration of HK$197.96 million (subject to adjustments).

As one or more the applicable percentage ratios in respect of the First Acquisition Agreement under the Listing Rules is over 5% but less than 25%, it constitute discloseable and connected transactions of the Company under Chapter 14 of the Listing Rules. The First Acquisition Agreement is therefore subject to the reporting, announcement and independent shareholders' approval requirement. The transaction has been announced on 31 March 2015 and details of the First Acquisition Agreement have been disclosed in the circular dated 20 April 2015. The transaction also approved by independent shareholders of the Company at the special general meeting held on 13 May 2015.

On 31 March 2015, Crystal City Global Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company ("Second Purchaser"), Trade Icon Holdings Limited and Billion Sincere Limited both are wholly-owned by Mr. Ng Ian ("Second Vendor") and Mr. Ng Ian entered into the sale and purchase agreement ("Second Acquisition Agreement") in relation to acquire a commercial property located at Shop 1 on Ground Floor. K.K. Mansion Caine Road Hong Kong ("Second Property") by way of acquisition of the 2 share of HK$1 in the share capital of the Pioneer Delight Limited, a company incorporated in the BVI with limited liability of which each of the Second Vendors owns 50% of the total issued share capital ("Second Sale Share") and the outstanding unsecured and interest free loans without any fixed terms of repayment owned by Pioneer Delight to Mr. Ng Ian ("Second Sale Loan"), for an aggregate consideration of HK$56.154 million (subject to adjustments).

As one or more the applicable percentage ratios in respect of the Second Acquisition Agreement under the Listing Rules is over 5% but less than 25%, it constitute discloseable and connected transactions of the Company under Chapter 14 of the Listing Rules. The Second Acquisition Agreement is therefore subject to the reporting, announcement and independent shareholders' approval requirement. The transaction has been announced on 31 March 2015 and details of the Second Acquisition Agreement have been disclosed in the circular dated 20 April 2015. The transaction also approved by independent shareholders of the Company at the special general meeting held on 13 May 2015.

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

As at 31 March 2015, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

(I) Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company

(a) Long positions in ordinary shares of HK$0.1 each of the Company ("Share")

Name of Director	Capacity and nature of interests	Number of issued ordinary shares held	Approximate percentage of issued share capital of the Company
Mr. Ng Ian	Personal beneficial interests	79,396,491	8.35%
Mr. Ng Ian	Interest of controlled corporations	582,352,665 (Note 1)	61.24%
Mr. Ng Chun For, Henry	Personal beneficial interests	127,200	0.01%

Note:

1. The 582,352,665 Shares represented the aggregate of (i) 568,676,782 Shares held by Golden Tool International Limited (''Golden Tool''); and (ii) 13,675,883 Shares held by Trade Icon Holdings Limited (''Trade Icon''). Golden Tool and Trade Icon both are companies incorporated in the British Virgin Islands and 100% beneficially owned and controlled by Mr. Ng Ian.

(b) Long positions in underlying shares of the Company

Share options granted under the share option scheme adopted on 3 September 2003 and lapsed on 2 September 2013 ("2003 Scheme")

As at 31 March 2015, the following directors had personal interests in share options granted under the 2003 Scheme were as follows:

Name of director	Date of grant	Exercisable period	Exercise price per Share HK$	Number of share options outstanding	Approximate percentage of interest in issued share capital
Mr. Ng Ian	12 April 2012	12 April 2012 to 11 April 2022	0.5421	7,102,290	0.75%
	25 April 2013	25 April 2013 to 24 April 2023	0.6328	7,102,290	0.75%
				14,204,580	1.5%
Mr. Mak Wah Chi	2 April 2007	2 April 2007 to 1 April 2017	0.6761	2,029,225	0.21%

Share options granted under the share option scheme adopted on 3 September 2013 ("2013 Scheme")

As at 31 March 2015, the following directors had personal interests in share options granted under the 2013 Scheme were as follows:

Name of director	Date of grant	Exercisable period	Exercise price per Share HK$	Number of share options outstanding	Approximate percentage of interest in issued share capital
Mr. Chan Kwok Hung	30 April 2014	30 April 2014 to 29 April 2024	1.0211	1,014,612	0.11%
	5 September 2014	5 September 2014 to 4 September 2024	0.9100	4,350,000	0.46%
				5,364,612	0.57%

(II) Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Associated Corporations of the Company

Long positions in the shares of the associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity and nature of interests	Number of issued ordinary shares held	Approximately percentage of issued share capital of the associated corporation
Mr. Ng Ian	Golden Tool	Personal interests (held as beneficial owner)	1	100%
Mr. Ng Ian	Trade Icon	Personal interests (held as beneficial owner)	1	100%

Save as disclosed above, as at 31 March 2015, none of the Directors or chief executives of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executives of the Company, as at 31 March 2015, shareholders who had interests or short positions 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 or had otherwise notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares of HK$0.1 each of the Company

Name of shareholder	Capacity and nature of interests	Number of issued ordinary shares held	Approximate percentage of issued share capital of the Company
Mr. Ng Ian (Note 1)	Personal and interests in corporation	675,953,736	71.09%
Golden Tool (Note 1)	Beneficial owner	568,676,782	59.81%
Mr. Chan Kwai Ping, Albert (Note 2)	Personal and interests in corporation	85,962,138	9.04%
Morden Choice Limited (Note 2)	Beneficial owner	78,859,848	8.29%

Notes:

1. Mr. Ng Ian was deemed to be interested in 675,953,736 Shares (being the aggregate of (i) personal interests of 79,396,491 Shares; (ii) personal interests of 14,204,580 Share Options; and (iii) corporate interests of 582,352,665 Shares (of which 568,676,782 Shares through Golden Tool and 13,675,883 Shares through Trade Icon).

2. Mr. Chan Kwai Ping, Albert was deemed to be interested in 85,962,138 Shares (being the aggregate of (i) personal interests of 7,102,290 Share Options; and (ii) corporate interests of 78,859,848 Shares through his 100% controlled and beneficially owned corporation, Morden Choice Limited.

Save as disclosed above, as at 31 March 2015, the Company had not been notified by any person 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 or as otherwise notified to the Company and the Stock Exchange.

SHARE OPTIONS

Particulars of the Company's share option schemes are set out in note 28 to the consolidated financial statements.

The following table discloses details of share options outstanding under the Company's 2003 Scheme and movement during the year:

					Number of share options				
Name of Grantee	Notes	Date of grant of share options	Exercise price HK$	Exercise price per share after adjustments (Note 9) HK$	Outstanding as at 1 April 2014	Granted during the year	Adjustments during the year (Note 9)	Exercised during the year	Outstanding as at 31 March 2015
Mr. Ng Chun For, Henry (Director)	(1)	28 October 2005	0.676	0.6663	2,000,000	—	29,225	(2,029,225)	—
	(2)	2 April 2007	0.686	0.6761	2,000,000	—	29,225	(2,029,225)	—
	(3)	31 August 2007	1.156	1.1394	1,000,000	—	14,612	(1,014,612)	—
	(4)	24 March 2010	0.45	0.4435	6,300,000	—	92,061	(6,392,061)	—
	(5)	30 March 2011	0.56	0.5519	6,300,000	—	92,061	(6,392,061)	—
	(7)	12 April 2012	0.55	0.5421	7,000,000	—	102,290	(7,102,290)	—
	(8)	25 April 2013	0.642	0.6328	7,000,000	—	102,290	(7,102,290)	—
Mr. Ng Ian (Director)	(1)	28 October 2005	0.676	0.6663	2,000,000	—	29,225	(2,029,225)	—
	(2)	2 April 2007	0.686	0.6761	2,000,000	—	29,225	(2,029,225)	—
	(3)	31 August 2007	1.156	1.1394	1,000,000	—	14,612	(1,014,612)	—
	(4)	24 March 2010	0.45	0.4435	6,300,000	—	92,061	(6,392,061)	—
	(5)	30 March 2011	0.56	0.5519	6,300,000	—	92,061	(6,392,061)	—
	(7)	12 April 2012	0.55	0.5421	7,000,000	—	102,290	—	7,102,290
	(8)	25 April 2013	0.642	0.6328	7,000,000	—	102,290	—	7,102,290
Mr. Mak Wah Chi (Director)	(2)	2 April 2007	0.686	0.6761	2,000,000	—	29,225	—	2,029,225
Eligible participants	(1)	28 October 2005	0.676	0.6663	640,000	—	9,352	—	649,352
	(2)	2 April 2007	0.686	0.6761	2,000,000	—	29,225	—	2,029,225
	(3)	31 August 2007	1.156	1.1394	1,000,000	—	14,612	—	1,014,612
Employees	(2)	2 April 2007	0.686	0.6761	500,000	—	7,306	—	507,306
	(6)	18 April 2011	0.66	0.6505	3,500,000	—	51,144	—	3,551,144
					72,840,000	—	1,064,392	(49,918,948)	23,985,444

Notes:

(1) The exercisable period is from 28 October 2005 to 27 October 2015 (both dates inclusive).

(2) The exercisable period is from 2 April 2007 to 1 April 2017 (both dates inclusive).

(3) The exercisable period is from 31 August 2007 to 30 August 2017 (both dates inclusive).

(4) The exercisable period is from 24 March 2010 to 23 March 2020 (both dates inclusive).

(5) The exercisable period is from 30 March 2011 to 29 March 2021 (both dates inclusive).

(6) The exercisable period is from 18 April 2016 to 17 April 2021 (both dates inclusive).

(7) The exercisable period is from 12 April 2012 to 11 April 2022 (both dates inclusive).

(8) The exercisable period is from 25 April 2013 to 24 April 2023 (both dates inclusive).

(9) Adjustments for the Open Offer applicable to the outstanding share options as of 4 September 2014 with effect from 4 September 2014.

The following table discloses details of share options outstanding under the Company's 2013 Scheme and movement during the year:

Name of Grantee	Notes	Date of grant of share options	Exercise price HK$	Exercise price per share after adjustments (Note 3) HK$	Number of share options: Outstanding as at 1 April 2014	Granted during the year	Adjustments during the year (Note 3)	Exercised during the year	Outstanding as at 31 March 2015
Mr. Ng Chun For, Henry *(Director)*	(1)	30 April 2014	1.036	1.0211	—	4,600,000	67,219	(4,667,219)	—
Mr. Ng Ian *(Director)*	(1)	30 April 2014	1.036	1.0211	—	4,600,000	67,219	(4,667,219)	—
Mr. Chan Kwok Hung *(Director)*	(1)	30 April 2014	1.036	1.0211	—	1,000,000	14,612	—	1,014,612
	(2)	5 September 2014	0.9100	N/A	—	4,350,000	—	—	4,350,000
Eligible participants	(1)	30 April 2014	1.036	1.0211	—	7,000,000	102,290	—	7,102,290
					—	21,550,000	251,340	(9,334,438)	12,466,902

Notes:

(1) The exercise period is from 30 April 2014 to 29 April 2024 (both dates inclusive).

(2) The exercise period is from 5 September 2014 to 4 September 2024 (both dates inclusive).

(3) Adjustments for the Open Offer applicable to the outstanding share options as of 4 September 2014 with effect from 4 September 2014.

Apart from the foregoing, at no time during the year was the Company, its holding Company, or any of its subsidiaries or fellow 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would obligate the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as required under the Listing Rules throughout the year ended 31 March 2015.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the end of reporting period are set out in note 35 to the consolidated financial statements.

AUDITORS

The accounts for the year ended 31 March 2015 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Ng Ian
Chairman
Hong Kong, 12 June 2015

Directors and Senior Management Profile

DIRECTORS

Executive Directors

Ng Ian (Aged 49)

Mr. Ng Ian has been appointed as the Chairman and resigned as Deputy Chairman on 28 March 2013. Prior to the appointment as the Chairman, he has been appointed as an executive Director of the Company since 30 April 2005 and became the Chief Executive Officer and Deputy Chairman on 21 May 2005 and 11 July 2005 respectively. On 28 March 2013, Mr. Ng Ian has been appointed as the Chairman and resigned as the Deputy Chairman and Chief Executive Officer. Mr. Ng Ian graduated from University of California, Los Angeles in the United States of America with a Bachelor of Arts Degree in Psychology with a specialisation in Business Administration and is a member of American Institute of Certified Public Accountant. Mr. Ng Ian is responsible for overall strategic planning and the supervision of the operation of the Group with focus on the accounting affairs and financial control of the Group.

Chan Kwok Hung (Aged 51)

Mr. Chan has been appointed as an executive Director of the Company since 4 July 2013 and he has over 20 years of property agency experience. Prior to the joining of the Company, he held senior management position in a Hong Kong renowned listed property agency firm. Mr. Chan is responsible for implementation of business plans of the Group.

Non-executive Directors

Ng Chun For, Henry (Aged 78)

Mr. Ng resigned as the Chairman and has been re-designated as a non-executive Director on 28 March 2013. Prior to the re-designation, he had been appointed as an executive Director of the Company since 30 April 2005 and became the Chairman on 21 May 2005. Mr. Ng is the father of Mr. Ng Ian, the Chairman and the executive Director of the Company. Mr. Ng has made investments in the real estate market in Hong Kong and Macau Special Administrative Region of the PRC which included sale and purchase and development of real estate properties.

Mak Wah Chi (Aged 62)

Mr. Mak has been appointed as a non-executive Director of the Company since 1 May 2005. Mr. Mak is currently in full time practice as Certified Public Accountant in Hong Kong. Mr. Mak is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants and has over 25 years of experience in accounting and finance.

Independent non-executive Directors

Li Kit Chee (Aged 60)

Mr. Li has been appointed as an independent non-executive Director of the Company since 4 April 2007. Mr. Li is a Certified public accountant and has been practising in Hong Kong since 1989. Mr. Li is a fellow member of both the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants and is a managing director of Arthur Li, Yau & Lee C.P.A. Limited. Mr. Li is a director of Cheong Yip Corporate Services Limited, which is principally engaged in corporate service related business. Mr. Li is also an independent non-executive director of Tysan Holdings Limited (stock code 687) and National Arts Entertainment and Culture Group Limited (stock code 8228) whose shares are listed on the Main Board and Growth Enterprise Market ("GEM") of the Stock Exchange respectively. Mr. Li was also a former independent non-executive director of First Credit Holdings Limited (stock code 8215) for the period from 18 November 2010 to 28 May 2014 whose shares are listed on the GEM of the Stock Exchange.

Chan Kam Man (Aged 52)

Mr. Chan has been appointed as an independent non-executive Director of the Company since 19 February 2010. Mr. Chan is a certified public accountant and has been practising in Hong Kong since 1995. Mr. Chan is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants and has over 25 years of experience in accounting and finance. Mr. Chan is currently the managing director of CL Partners CPA Limited and a director of Eastern Empire Investments Limited and Venture Strategic Advisory Limited. Mr. Chan was also a former independent non-executive director of China Financial Leasing Group Limited (stock code 2312) for the period from 30 May 2012 to 22 January 2014 whose shares are listed on the Main Board of the Stock Exchange.

Chu Tak Sum (Aged 68)

Mr. Chu has been appointed as an independent non-executive Director of the Company since 19 February 2010. Mr. Chu is a registered architect in Hong Kong under the provisions of the Architects Registration Ordinance and has been engaged as an architect for about 30 years. Mr. Chu holds a Bachelor degree in Architecture from The University of Hong Kong. He is also a fellow member of the Hong Kong Institute of Architects and holds Class 1 Registered Architect qualification of the People's Republic of China. Mr. Chu is currently the managing director of T.S. Chu Architects Limited. Mr. Chu is also an independent non-executive director of Sam Woo Construction Group Limited (Stock code 3822) with effect from 15 September 2014 whose shares are listed on the Main Board of the Stock Exchange.

SENIOR MANAGEMENT

Lee Pui Lam (Aged 45)

Mr. Lee has been appointed as the Financial Controller and Company Secretary of the Company with effect from 1 January 2006. Mr. Lee has been promoted to Chief Financial Officer since 1 April 2011. Mr. Lee holds a Master Degree in Professional Accounting awarded from The Hong Kong Polytechnic University and Diploma in law awarded from University of London. Mr. Lee is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company, Mr. Lee worked for a number of main board and GEM board listed companies in Hong Kong and has extensive professional experience in auditing, accounting and financial management.

Yang Ki Kit (Aged 36)

Mr. Yang joined the Company with effect from 30 December 2008 and has been promoted to Senior Accounting Manager since September 2010. Mr. Yang holds a Master Degree in Corporate Governance from The Hong Kong Polytechnic University. Mr. Yang is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants and The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Prior to joining the Company, Mr. Yang worked for a number of audit firms and a listed company and has extensive experience in auditing and accounting.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company ("Board") is committed to maintaining and achieving the highest standards of corporate governance practices with an emphasis on a quality board, better transparency and effective accountability system in order to safeguard the interests of the shareholders and enhance the performance of the Group.

For the year ended 31 March 2015 under review, save as disclosed in this Corporate Governance Report, the Company complied with all code and provisions, where appropriate, under the "Corporate Governance Code and Corporate Governance Report" ("CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules").

The Board considers that during the year ended 31 March 2015, the Company has applied the principles and complied with the code provisions set out in the CG Code. Key corporate governance principles and practices of the Company are summarised below.

BOARD OF DIRECTORS

The Board oversees the management, business, strategic directions and financial performance of the Group. It has delegated the day-to-day responsibility to the executive Directors and senior management of the Company who perform their duties under the leadership of the Chairman. At the time of delegation, the Board gives clear directions to executive Directors as to the matters that must be approved by the Board before decisions can be made on behalf of the Group. The functions reserved to the Board and delegated to the executive Directors and senior management are reviewed by the Board to ensure that such delegation remains appropriate to the needs of the Group. The Board members have accessed to appropriate business documents and information about the Group on a timely basis.

BOARD COMPOSITION

The Board comprises seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The Company has three independent non-executive Directors, representing one-third of the Board. At least one of the independent non-executive Directors has appropriate professional qualifications, or accounting or related financial management expertise. Biographical details of the Directors are set out on page 20 to 21 of this annual report.

The Company has received the annual written confirmations of independence from all the independent non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board is of the view that all the independent non-executive Directors are independent in character and judgement and that they all meet the specific independence criteria as required by the Listing Rules.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. After the appointment of Mr. Ng Ian as the Chairman of the Company with effect from 28 March 2013, he resigned as the Deputy Chairman and Chief Executive Officer of the Company ("CEO") but remains as an executive director and in all other positions in the Company and its subsidiaries.

The Board considered that the management structure of the Board could be optimised by Mr. Ng Ian (the former CEO of the Company, the current Chairman and executive Director of the Company) taking up both the roles of Chairman and CEO of the Company after considering the following factors:

1. it will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals who meet regularly to discuss issues pertaining to the operations of the Company;

2. it is conducive to strong and consistent leadership, and enables the Group to make and implement decisions promptly and efficiently; and

3. it is beneficial to the Company and its shareholders as a whole having taken into account that the Group's business scale has been narrowed down to business operation in Hong Kong after disposal of the joint-venture based property development project at No. 68 Yu Yuan Road in the Jing An district of Shanghai.

THE BOARD

The Board meets at least four times a year at approximately quarterly intervals and additional meetings will be held as and when required. The Board held 4 regular meetings during the financial year ended 31 March 2015. The record of attendance of each Director at the Board meetings is as follows:

Name of Director	Regular Board Meeting Attended/Eligible to Attend[(2)]	Special Board Meeting Attended/Eligible to Attend[(3)]
Executive Directors		
Mr. Ng Ian *(Chairman)*[(1)]	4/4	15/15
Mr. Chan Kwok Hung	4/4	20/20
Non-executive Directors		
Mr. Ng Chun For, Henry[(1)]	4/4	1/1
Mr. Mak Wah Chi	4/4	10/10
Independent non-executive Directors		
Mr. Li Kit Chee	4/4	7/7
Mr. Chu Tak Sum	4/4	7/7
Mr. Chan Kam Man	4/4	7/7

Notes:

(1) Save as Mr. Ng Ian being son of Mr. Ng Chun For, Henry, there is no relationship, including financial, business, family or other material relevant relationship, among the members of the Board.

(2) Regular Board Meetings are attended by a majority of the Directors in person or through other electronic means of communication.

(3) Special Board Meetings are convened from time to time for the Board to discuss major matters that require the Board's timely attention. Since the Special Board Meetings mainly concern the day-to-day management of the Company which often requires prompt decisions, usually only the executive Directors will attend.

The Company Secretary assists the Chairman in establishing the meeting agenda and each Director may request inclusion of items in the agenda. A notice of at least 14 days is given to all Directors for all Board meetings. Relevant information is circulated to all Directors normally three days in advance of the Board meetings.

With the assistance of the Company Secretary, the Chairman ensures that all Directors are properly briefed on issues arising at Board meetings and that they receive adequate information in a timely manner to assist them to make informed decisions and discharge their duties as Directors. Upon reasonable request, the Directors and Board committees will have access to independent professional advice in appropriate circumstances at the Company's expense. The Company has arranged appropriate insurance covering for its Directors.

Meeting minutes of the Board and Board committees are recorded in appropriate details and draft minutes are circulated to the respective Board members for comments before being approved by the Board and Board committees. All minutes are kept by the Company Secretary and are open for inspection by the Directors.

Pursuant to Code A.6.7 of the CG Code, independent non-executive Directors and other non-executive Directors should attend the general meetings of the Company. Mr. Ng Chun For, Henry, due to other business engagement, was unable to attend the AGM.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The code provision A.4.2 of the CG Code requires every director, including those appointed for a specific term, to be subject to retirement by rotation at least once every three years. According to the bye-laws of the Company, one-third of the Directors shall retire from office by rotation at each annual general meeting,

The code provision A.4.1 of the CG Code stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. The non-executive Director Mr. Ng Chun For, Henry would hold office as a non-executive Director of the Company until the close of the annual general meeting of the Company for year 2015–2016 subject to retirement and rotation in accordance with the Bye-laws of the Company. The non-executive Director, Mr. Mak Wah Chi and all the independent non-executive Directors Mr. Li Kit Chee, Mr. Chu Tak Sum and Mr. Chan Kam Man were re-elected at the AGM to hold office until the conclusion of the next annual general meeting of the Company. As such, all non-executive Directors including the independent non-executive Directors have been appointed for a specific term and accordingly the Company has been in compliance with the code provision A.4.1.

The names and biographical details of the Directors who will offer themselves for election or re-election at the next annual general meeting are included in the circular to shareholders containing the notice of the forthcoming annual general meeting.

RESPONSIBILITIES OF DIRECTORS

The Directors acknowledge their responsibility for preparing the financial statements for the financial year ended 31 March 2015. Every Director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Group. On appointment, new Directors will receive a comprehensive, formal induction on the Group's business and his responsibilities as a Director.

All Directors are also encouraged to attend training courses relevant on changes and developments to the Group's business and to the legislative and regulatory environments in which the Group operates at the Company's expenses.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules ("Model Code") as the code of conduct regarding directors' securities transactions. Having made specific enquiry, all the Directors have confirmed that they have fully complied with the required standard set out in the Model Code for the year under review.

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

The Directors newly appointed during the reporting period have received induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

Under the code provision A.6.5 of the CG Code, all Directors should participate in continuous development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Directors are continuously updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. The Company has provided timely technical updates, including the briefing on the amendments to the Listing Rules and the news release published by the Stock Exchange to the Directors. Continuous briefing and seminars on professional development for Directors are arranged where necessary. During the year ended 31 March 2015, regulatory updates and relevant materials on amendment to Listing Rules were sent to the Directors for their awareness of the latest development on statutory requirements.

The training each Director received during the year ended 31 March 2015 is summarized as below:

Name of Directors	Seminars on regulations and updates	Reading materials relating to regulatory update and corporate governance matters
Executive Directors		
Mr. Ng Ian	√	√
Mr. Chan Kwok Hung	√	√
Non-executive Directors		
Mr. Ng Chun For, Henry	√	√
Mr. Mak Wah Chi	√	√
Independent non-executive Directors		
Mr. Li Kit Chee	√	√
Mr. Chu Tak Sum	√	√
Mr. Chan Kam Man	√	√

BOARD COMMITTEES

The Board has established three Board committees, namely, the Remuneration Committee ("RC"), the Audit Committee ("AC") and the Nomination Committee ("NC"), for overseeing particular aspects of the affairs of the Group. All Board committees have been established with defined written terms of reference, which are posted on the Company's website "www.henrygroup.hk" and are available to shareholders upon request. All the Board committees should report to the Board on their decisions or recommendations made.

All Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses. The duties and work done by the foregoing three Board committees for the year ended 31 March 2015 are detailed below.

Remuneration Committee

The RC was established on 20 May 2005 with written terms of reference. The RC comprises a non-executive Director and two independent non-executive Directors, namely, Mr. Mak Wah Chi, Mr. Li Kit Chee (Committee Chairman) and Mr. Chu Tak Sum.

The RC will assist the Board to develop and administer fair and transparent procedures for setting policies on the remuneration of Directors and senior management of the Company, to assess their performance and with delegated responsibility to determine their remuneration packages and it is also responsible for the administration of the share option schemes adopted by the Company.

During the year under review, the RC i) recommended granting of share options to two executive Directors and a non-executive Director; ii) recommended awarding of one-off special bonus and tax thereon to an executive Director and a non-executive Director; and iii) reviewed the remuneration of the Board.

Details of Directors' emoluments on named basis for the year ended 31 March 2015 are set out in note 10 to the consolidated financial statements. In addition, pursuant to the code provision B.1.5, the annual remuneration of the senior management by bands for the year ended 31 March 2015 is set out below:

Remuneration bands	No. of senior management 2015
HK$Nil–HK$1,000,000	1
HK$1,000,001–HK$1,500,000	1
	2

The RC held 4 meetings during the year under review and the record of attendance of its members is as follows:

Name of member	Attended/Eligible to Attend
Mr. Li Kit Chee *(Independent non-executive Director and the Chairman of Remuneration Committee)*	4/4
Mr. Mak Wah Chi *(Non-executive Director)*	4/4
Mr. Chu Tak Sum *(Independent non-executive Director)*	4/4

Audit Committee

The AC comprises a non-executive Director and two independent non-executive Directors, namely, Mr. Mak Wah Chi, Mr. Li Kit Chee (Committee Chairman) and Mr. Chan Kam Man. The AC had reviewed and discussed with management the accounting principles and practices adopted by the Group, audit, internal control and financial reporting matters including the review of i) the audited consolidated financial statements for the year ended 31 March 2014; ii) unaudited interim results for the six months ended 30 September 2014; iii) approved the audit fee for the year ended 31 March 2015; and iv) reviewed intra-group management fees.

The AC held 3 committee meetings during the year under review and the record of attendance of its members is as follows:

Name of member	Attendance/Number of meetings
Mr. Li Kit Chee *(Independent non-executive Director and Chairman of Audit Committee)*	3/3
Mr. Mak Wah Chi *(Non-executive Director)*	3/3
Mr. Chan Kam Man *(Independent non-executive Director)*	3/3

Nomination Committee

The Company has established the NC and adopted written terms of reference on 19 March 2012. The NC now comprises a non-executive Director and two independent non-executive Directors, namely, Mr. Mak Wah Chi, Mr. Chan Kam Man (Committee Chairman) and Mr. Chu Tak Sum.

The principal duties of the NC include, among other things, i) to review the structure, size and composition of the board at least annually; ii) to make recommendations to the Board on the appointment and re-appointment of directors of the Company; and iii) to assess the independence of independent non-executive Directors of the Company.

During the year under review, the NC reviewed the composition and rotation of the Board.

The Company has adopted a board diversity policy ("Board Diversity Policy") in September 2013 which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company recognises the benefits of Board diversity and endeavours to ensure that the Board has the appropriate balance and level of skills, experience and perspectives required to support the execution of its business strategies. The Company seeks to achieve Board diversity through the consideration of a number of factors, including professional qualifications and experience, cultural and educational background, gender, age and length of service. The Company will also take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Board has set measurable objectives (in terms of gender, skills and experience) to implement the Board Diversity Policy and review such objects from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Board will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

The Company considers that the current composition of the Board is characterised by diversity, whether considered in terms of professional background and skills.

The NC held one committee meeting during the year under review and the record at attendance of its members is as follows:

Name of member	Attendance/Number of meetings
Mr. Chan Kam Man *(Independent non-executive Director and Chairman of Nomination Committee)*	1/1
Mr. Mak Wah Chi *(Non-executive Director)*	1/1
Mr. Chu Tak Sun *(Independent non-executive Director)*	1/1

EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

The accounts for the year were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting.

The reporting responsibilities of HLB Hodgson Imply Cheng Limited are stated in the Independent Auditors' Report on pages 30 to 31 of the annual report.

The amount of fees charged by the auditors generally depends on the scope and volume of the auditors' work. For the year under review, the remuneration charged to the Group for audit services and non-audit services provided by the auditors amounted to approximately HK$650,000.

INTERNAL CONTROL

Internal control system, being an integral part of the Group's operations, is a process effected by the Board and management team to provide reasonable assurance on the effectiveness and efficiency of operations in achieving the established corporate objectives, safeguarding assets of the Group, enabling reliable financial reporting, and complying with applicable laws and regulations.

The Board is responsible for making appropriate recommendations on the adequacy of internal controls over financial reporting and the effectiveness of disclosure controls and procedures. Through the AC, it regularly reviews the effectiveness of the system.

COMPANY SECRETARY

Mr. Lee Pui Lam, the company secretary appointed by the Board and an employee of the Company, in the opinion of the Board, possesses the necessary qualification and experience, and is capable of performance of the functions of the company secretary. The Company will provide fund for Mr. Lee to take not less than 15 hours of appropriate professional training in each financial year as required under Rule 3.29 of the Listing Rules.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Board shall maintain an on-going dialogue with shareholders, investors and other stakeholders of the Company and shall ensure effective and timely dissemination of information to shareholders and encourage their participation at general meetings of the Company.

The Company established a Shareholders' Communication Policy on 19 March 2012. The Company communication channels include the annual general meeting, special general meeting, the annual and interim reports, notices, announcements and circulars, the Company's website (www.henrygroup.hk) and meetings with investors and analysts.

SHAREHOLDERS' RIGHTS

As one of the measures to safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting.

All resolutions put forward at shareholders' meeting of listed issuers shall be voted by poll pursuant to the Listing Rules. The poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.henrygroup.hk) after each shareholders' meeting.

Convening a Special General Meeting by Shareholders

Pursuant to Bye-law 58, a special general meeting may be convened by the Board upon requisition by any shareholder(s) holding at the date of deposit of the written 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. The shareholder(s) shall make a written requisition to the Board or the Company Secretary of the Company at the head office address of the Company, specifying the shareholding information of the shareholder(s), his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two months after the receipt of such written requisition. Pursuant to Bye-law 59, the Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business.

If within 21 days of the receipt of such written requisition, the Board fails to proceed to convene such special general meeting, the shareholder(s) may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda (the "Companies Act").

Put Forward Proposals at a General Meeting by Shareholders

Pursuant to the Companies Act, either any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered 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 receive notice of the next general meeting 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 may consist of several documents in like form, each signed by one or more of the requisitionists; and it must be deposited at the Registered Office with a sum reasonably sufficient to meet the Company's relevant expenses, 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 the case of any other requisition. Provided that if an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required by the Companies Act shall be deemed to have been properly deposited for the purposes thereof.

Putting Forward Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's head office in Hong Kong at Suite 1711, Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

Independent Auditors' Report

國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF
HENRY GROUP HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Henry Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 113, which comprise the consolidated statement 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 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 and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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 as to 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' judgment, 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 state of affairs of the Company and of the Group as at 31 March 2015 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Wong Sze Wai, Basilia
Practising Certificate Number: P05806

Hong Kong, 12 June 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Turnover	5	51,270	53,555
Other income and gains	7	20,450	7,817
Net gain/(loss) in fair value of investment properties		488,000	(22,367)
Staff costs	8	(32,489)	(48,739)
Depreciation of property, plant and equipment	14	(141)	(386)
Loss on disposal of available-for-sale financial assets		—	(3)
Gain on disposal of subsidiaries	31	—	297,739
Other operating expenses		(13,159)	(20,586)
Profit from operations	8	513,931	267,030
Finance costs	9	(26,070)	(32,457)
Profit before taxation		487,861	234,573
Taxation	12	(1,692)	3,431
Profit for the year		486,169	238,004
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Recognition of hedge reserve of derivative financial instruments		—	4,203
Exchange difference arising on translating foreign operations		—	8,767
Other comprehensive income for the year		—	12,970
Total comprehensive income for the year		486,169	250,974
Profit for the year attributable to:			
Owners of the Company		486,169	123,600
Non-controlling interests		—	114,404
		486,169	238,004
Total comprehensive income attributable to:			
Owners of the Company		486,169	130,433
Non-controlling interests		—	120,541
		486,169	250,974
			(Restated)
EARNINGS PER SHARE			
— Basic (in HK cents)	13	56.52	16.99
— Diluted (in HK cents)	13	55.93	16.01

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	14	128	267
Investment properties	15	2,494,800	2,006,800
Deferred tax assets	23	1,027	1,137
		2,495,955	2,008,204
CURRENT ASSETS			
Trade and other receivables	17	4,939	4,067
Available-for-sale financial assets	18	74	74
Pledged bank deposits	19	15,004	15,004
Cash and bank balances	19	1,146,096	964,792
		1,166,113	983,937
CURRENT LIABILITIES			
Other payables, rental deposits received and accruals, current portion	20	11,016	6,843
Bank borrowings, current portion (secured)	21	26,750	26,750
Derivative financial instruments, current portion	22	1,732	—
Tax payable		640	600
		40,138	34,193
NET CURRENT ASSETS		1,125,975	949,744
TOTAL ASSETS LESS CURRENT LIABILITIES		3,621,930	2,957,948
NON-CURRENT LIABILITIES			
Other payable and rental deposits received, non-current portion	20	9,933	10,207
Bank borrowings, non-current portion (secured)	21	981,374	973,124
Derivative financial instruments, non-current portion	22	—	4,883
Deferred tax liabilities	23	11,531	10,296
		1,002,838	998,510
NET ASSETS		2,619,092	1,959,438

Consolidated Statement of Financial Position

As at 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
CAPITAL AND RESERVES			
Share capital	24	**95,088**	74,302
Reserves		**2,524,004**	1,885,136
TOTAL EQUITY		**2,619,092**	1,959,438

These consolidated financial statements were approved and authorised for issue by the board of directors on 12 June 2015 and signed on its behalf by:

Ng Ian	**Chan Kwok Hung**
Director	*Director*

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Attributable to owners of the Company								
	Share capital HK$'000	**Share premium** HK$'000	**Special reserve** HK$'000 (note 25(b))	**Capital reserve** HK$'000 (note 25(b))	**Share-based payment reserve** HK$'000 (note 25(b))	**Contributions from shareholders** HK$'000	**Other reserve** HK$'000	**Retained profits** HK$'000	**Total** HK$'000
At 31 March 2014 and 1 April 2014	74,302	558,303	9,628	926	21,719	250,139	1,119	1,043,302	1,959,438
Profit and total comprehensive income for the year	—	—	—	—	—	—	—	486,169	486,169
Recognition of share-based payment (note 28)	—	—	—	—	11,535	—	—	—	11,535
Exercise of share options (note 24)	5,926	51,519	—	—	(19,082)	—	—	—	38,363
Issue of shares pursuant to open offer	14,860	111,453	—	—	—	—	—	—	126,313
Transaction costs in relation to issue of shares pursuant to open offer	—	(2,726)	—	—	—	—	—	—	(2,726)
At 31 March 2015	95,088	718,549	9,628	926	14,172	250,139	1,119	1,529,471	2,619,092

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Attributable to owners of the Company											
	Share capital	Share premium	Hedging reserve	Special reserve	Capital reserve	Share-based payment reserve	Exchange reserve	Contributions from shareholders	Other reserve	Retained profits	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000 (note 25(b))	HK$'000 (note 25(b))	HK$'000 (note 25(b))	HK$'000 (note 25(b))	HK$'000 (note 25(b))	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2013	71,642	537,866	(8,278)	9,628	926	23,383	17,142	250,139	29,166	917,733	635,671	2,485,018
Recognition of hedge reserve of derivative financial instruments	—	—	4,203	—	—	—	—	—	—	—	—	4,203
Exchange difference arising from translation of financial statements of overseas subsidiaries	—	—	—	—	—	—	2,630	—	—	—	6,137	8,767
Other comprehensive income for the year	—	—	4,203	—	—	—	2,630	—	—	—	6,137	12,970
Profit for the year	—	—	—	—	—	—	—	—	—	123,600	114,404	238,004
Total comprehensive income for the year	—	—	4,203	—	—	—	2,630	—	—	123,600	120,541	250,974
Recognition of share-based payment (note 28)	—	—	—	—	—	8,695	—	—	—	—	—	8,695
Lapse of share options	—	—	—	—	—	(1,969)	—	—	—	1,969	—	—
Exercise of share options (note 24)	2,660	20,437	—	—	—	(8,390)	—	—	—	—	—	14,707
Gain on discharge of loans due to a non-controlling shareholder (note 40)	—	—	—	—	—	—	—	—	—	—	287,469	287,469
Release upon cessation of hedge accounting	—	—	4,075	—	—	—	—	—	—	—	—	4,075
Release upon disposal of subsidiaries	—	—	—	—	—	—	(19,772)	—	(28,047)	—	(550,066)	(597,885)
Dividend paid to a non-controlling shareholder	—	—	—	—	—	—	—	—	—	—	(493,615)	(493,615)
At 31 March 2014	74,302	558,303	—	9,628	926	21,719	—	250,139	1,119	1,043,302	—	1,959,438

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		487,861	234,573
Adjustments for:			
Depreciation for property, plant and equipment		141	386
Net (gain)/loss in fair value of investment properties	15	(488,000)	22,367
Written off of amount due from a non-controlling shareholder		—	35
Written off of property, plant and equipment		4	—
Loss on disposal of available-for-sale financial assets		—	3
Gain on disposal of subsidiaries		—	(297,739)
Share-based payment expenses		11,535	8,695
Interest income		(15,662)	(7,675)
Interest expenses		26,070	32,457
Fair value (gain)/loss of derivative financial instruments		(3,151)	4,883
Exchange gain, net		(1,290)	—
Operating cash flows before changes in working capital		17,508	(2,015)
(Increase)/decrease in trade and other receivables		(872)	51,636
Increase in other payables, rental deposits received and accruals		3,899	39,641
CASH GENERATED FROM OPERATIONS		20,535	89,262
Interest paid		(26,070)	(56,993)
Income tax paid		(307)	(65)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		(5,842)	32,204
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(6)	(49)
Additions to investment properties		—	(104,456)
Net cash inflow from disposal of subsidiaries		—	479,936
Proceeds of sale loan		—	565,756
Net cash outflow from acquisition of a subsidiary		—	(12,763)
Interest received		15,662	5,694
NET CASH GENERATED FROM INVESTING ACTIVITIES		15,656	934,118

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		**(91,750)**	(108,967)
Increase in pledged bank deposits		**—**	(4)
Advance from non-controlling shareholders		**—**	23,488
Repayment of loans from related parties		**—**	(100,903)
Repayment of loans from shareholders		**—**	(33,783)
Issue of shares pursuant to open offer		**126,313**	—
Expenses in relation to issue of shares pursuant to open offer		**(2,726)**	—
Issue of shares pursuant to exercise of share options		**38,363**	14,707
Dividend paid to a non-controlling shareholder of High Fly		**—**	(493,615)
New bank loans raised		**100,000**	200,000
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES		**170,200**	(499,077)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**180,014**	467,245
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**1,290**	(293)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**964,792**	497,840
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	19	**1,146,096**	964,792

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

1. GENERAL

The Company was incorporated in Bermuda on 16 December 1999 as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended).

The Company acts as an investment holding company and the principal activities of the Group are property leasing and development.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

At 31 March 2015, the ultimate holding company of the Company is Golden Tool International Limited, a company incorporated in the British Virgin Islands.

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

In the current year, the Group has adopted all of the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods on or after 1 April 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) — Int 21	Levies

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

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

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 April 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

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

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurement.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

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

HK(IFRIC) — Int 21 Levies

The Group has applied HK(IFRIC) — Int 21 Levies for the first time in the current year. HK(IFRIC) — Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC) — Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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

HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[1]
HKFRS 9	Financial Instruments[1]
HKFRS 10 (Amendments), HKFRS 12 (Amendments) and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception[5]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interest in Joint Operations[5]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
HKAS 1 (Amendments)	Presentation of Financial Statements — Disclosure Initiative[5]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[5]
HKAS 19 (2011) (Amendments)	Defined Benefit Plans: Employee Contributions[6]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[5]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle[6]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle[4]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with early application permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
6 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

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

New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrecoverable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

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

New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 9 Financial Instruments (Continued)

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that HKFRS 9 that will be adopted in the Group's consolidate financial statements for the annual period beginning 1 January 2018 and that the application of new standard may have a significant impact on amounts reported in respect of Group's financial assets. However, it is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group's consolidated financial statements.

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

New and revised HKFRSs in issue but not yet effective (Continued)

HKFRS 14 Regulatory Deferral Accounts

HKFRS 14 Regulatory Deferral Accounts, describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with HKFRS 14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate regulated goods or services.

The amendments to HKFRS 14 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKFRS 14 will have a material impact on the Group's consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidate financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

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

New and revised HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Method of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to HKAS 19 (2011) Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 (2011) clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments to HKAS 19 (2011) will have a significant impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans.

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

New and revised HKFRSs in issue but not yet effective (Continued)

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statement:

- At cost;
- In accordance with HKFRS 9 Financial Instruments (or HKAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted HKFRS 9), or
- Using the equity method as described in HKAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 Consolidated Financial Statements and to HKFRS 1 First time Adoption of Hong Kong Financial Reporting Standards.

The directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

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

New and revised HKFRSs in issue but not yet effective (Continued)

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Continued)

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.
- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 2010–2012 Cycle

The Annual Improvements to HKFRSs 2010–2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

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

New and revised HKFRSs in issue but not yet effective (Continued)

Annual Improvement to HKFRSs 2010–2012 Cycle (Continued)

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel service to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 2011–2013 Cycle

The Annual Improvements to HKFRSs 2011–2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

a) the property meets the definition of investment property in terms of HKAS 40; and

b) the transaction meets the definition of business combination under HKFRS 3.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

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

New and revised HKFRSs in issue but not yet effective (Continued)

Annual Improvement to HKFRSs 2012–2014 Cycle

The Annual Improvements to HKFRSs 2012–2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 Disclosure — Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for postemployment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable HKFRSs, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

(ii) Basis of preparation of financial statements

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of investment properties and certain financial instruments which are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(iv) Subsidiaries

Subsidiaries are entities in which the Group has the power to govern the financial and operating policies, so as to obtain benefits from their activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Investments in subsidiaries are included in the Company's statement of financial position at cost less any impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Business combinations

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

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

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

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date (see the accounting policy below); and

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

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

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

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Business combinations (Continued)

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

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

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

(vi) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The principal annual rates used for the current year are as follows:

Leasehold improvements	50% or over the terms of the leases, if higher
Furniture, fixtures and equipment	20% to 25%

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(vii) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Construction costs incurred for investment properties under construction are capitalized as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(viii) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ix) Impairment of assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(x) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(a) Financial assets

The Group's financial assets are classified into two categories: loans and receivables or available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Financial instruments (Continued)

(a) Financial assets (Continued)

Loans and receivables

Loans and receivables (including trade and other receivables, pledged deposits and cash and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment loss.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss or loans and receivables or held-to-maturity investments.

At the end of each reporting period subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale financial assets are recognised in profit or loss when the Group’s right to receive the dividends is established.

The fair value of available-for-sale financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Financial instruments (Continued)

(a) Financial assets (Continued)

Impairment of financial assets

Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment loss on financial assets below).

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

If any such evidence exists, any impairment loss is determined and recognised as follows:

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Financial instruments (Continued)

(a) Financial assets (Continued)

Impairment of financial assets (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which have been determined had no impairment loss been recognised in prior years.

— For available-for-sale securities, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in profit or loss for the period. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cos5 and current fair value, less any impairment loss on that asset previously recognised in statement of profit or loss and other comprehensive income.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss in subsequent periods. Any subsequent increase in the fair value of such assets is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses recognised in respect of trade and other receivables whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and other receivables directly and any amount held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are credited to comprehensive income.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Financial instruments (Continued)

(b) Financial liabilities and equity instrument

Classification as debt or equity

Debt and equity instruments are classified according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. All financial liabilities of the Group are classified as other financial liabilities.

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities designated as at fair value through profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Financial instruments (Continued)

(c) Derivative financial instruments

The Group enters into certain derivative financial instruments to hedge its exposure to interest rate risk. Such derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedge is recognised in other comprehensive income and accumulated under the heading of hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the other income and gains or other operating expenses line item.

Amounts previously recognised in other comprehensive income and accumulated in the hedging reserve are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in the hedging reserve are transferred from equity and included in the initial measurement of the cost of the non-financial asset or nonfinancial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in the hedging reserve at that time remains in the hedging reserve and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedging reserve is recognised immediately profit or loss.

(xi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an in significant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xii) Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(xiii) Employees' benefits

(a) Short term benefits

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

(b) Pension obligations

Contributions to the Mandatory Provident Fund scheme as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are charged to profit or loss when incurred. The Group has no further payment obligations once the contribution has been made.

(c) Share option granted to certain directors and employees

The Group issues share options to certain directors, employees and other parties. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in the share-based payment reserve, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. The equity amount is recognised in the revenue until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to accumulated losses).

Fair value is measured using the Binomial Option Pricing Model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xiv) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interests in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of exchange reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xv) Provisions

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

The amount recognised for a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(xvi) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(xvii) Taxation

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'loss before income tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xvii) Taxation (Continued)

(b) Deferred tax (Continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(xviii) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other borrowing costs are expensed in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xix) Related parties

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

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

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the Group or of a parent of the reporting entity.

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

(a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(xx) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or to provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xxi) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and returns.

Rental income under operating lease is recognised on a straight line basis over the relevant lease term.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key sources of estimation uncertainty

The followings are 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 material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Useful lives of property, plant and equipment

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

(b) Impairment of trade and other receivables

As explained in note 17, the Group makes provision for impairment of trade and other receivables based on an estimate of the recoverability of these receivables. Provisions are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of trade and other receivables requires the use of estimates. Where the expectation is different from the original estimates, such difference will impact carrying value of receivables and provision for impairment losses in the period in which such estimate has been changed.

(c) Assessment of impairment of assets

Management periodically reviews each asset for possible impairment or reversal of previously recognised impairment. Recoverability of assets is measured by a comparison of the carrying amount of an asset to its fair value less costs to sell. If such assets are considered by management to be impaired or no longer be impaired, the impairment or reversal of impairment previously recognised is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets less costs to sell. Management performs their analysis of fair value, based on various assumptions and estimates.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(d) Valuation of share options

As explained in note 28, share option expense is subject to the limitations of the option pricing models adopted and the uncertainty in estimates used by management in the assumptions. Should the estimates including limited early exercise behavior, expected interval and frequency of open exercise periods in the share option life and the relevant parameters of the share option model be changed, there would be material changes in the amount of share option benefits recognised in the profit or loss and share-based payment reserve.

(e) Fair value of investment properties

As set out in note 15, investment properties were revalued as at 31 March 2015 on an open market value existing use basis by a firm of independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each of reporting period.

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 contract), adjusted to reflect those differences; and

(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 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 flow.

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.

(f) Fair value of derivatives and other financial instruments

As explained in note 22, the directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(g) Income taxes and deferred taxation

The Group is subject to income taxes in Hong Kong. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5. TURNOVER

The Group's turnover comprises:

	2015 **HK$'000**	2014 HK$'000
Gross rental income from investment properties	**51,270**	53,555

6. SEGMENT INFORMATION

The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. For the year ended 31 March 2015 and 2014, the Group only engaged operating segment in property leasing and development. No analysis of the Group's results, assets and liabilities of other reportable segment is presented.

Geographical information

As all of the Group's turnover are derived from Hong Kong and all the Group's identifiable assets and liabilities are located in Hong Kong, no geographical segment information is presented in accordance with HKFRS 8 Operating Segments.

Information about major customers

Turnover for the year ended 31 March 2015 and 2014 represented gross income from leasing of investment properties. Included in turnover of approximately HK$51,270,000 (2014: HK$53,555,000) are turnover of approximately HK$12,967,000 (2014: HK$16,689,000) which arose from the Group's largest two (2014: two) customers with whom transactions in aggregate have exceeded 10% of the Group's turnover during the year.

Revenue from major customers, each of them amounted to 10% or more of the Group's revenue, are set out below:

	2015 **HK$'000**	2014 HK$'000
Customer A	**7,740**	8,801
Customer B	**5,227**	7,888

7. OTHER INCOME AND GAINS

	The Group	
	2015	2014
	HK$'000	HK$'000
Bank interest income	**15,662**	5,694
Fair value gain of derivative financial instruments	**3,151**	—
Imputed interest income (note 32(a))	**—**	1,981
Net exchange gain	**1,290**	—
Sundry income	**347**	142
	20,450	7,817

8. PROFIT FROM OPERATIONS

	The Group	
	2015	2014
	HK$'000	HK$'000
Profit from operations is arrived at after charging/(crediting):		
Directors' emoluments (note 10(a))	**24,334**	34,449
Other staff costs		
Salaries and allowances	**3,573**	10,639
Retirement benefit scheme contributions	**95**	106
Social security contributions	**—**	306
Other benefits in kind	**4,487**	3,239
	8,155	14,290
Total staff costs	**32,489**	48,739
Net exchange (gain)/loss	**(1,290)**	1,779
Auditors' remuneration	**650**	650
Depreciation for property, plant and equipment	**141**	386
Share-based payment expenses	**11,535**	8,695
Written off of property, plant and equipment	**4**	—
Fair value (gain)/loss of derivative financial instruments	**(3,151)**	4,883
Gross rental income from investment properties	**(51,270)**	(53,555)
Less: Direct operating expenses from investment properties that generated rental income during the year	**2,351**	1,640
	(48,919)	(51,915)

9. FINANCE COSTS

	The Group	
	2015	2014
	HK$'000	HK$'000
Interest on bank borrowings		
— wholly repayable within five years	**9,612**	40,432
— wholly repayable after five years	**16,458**	16,561
Interest on loans from shareholders	**—**	262
Interest on loan from a related party	**—**	1,195
Imputed interest on interest-free loan from a related party	**—**	2,662
	26,070	61,112
Less: Amounts capitalised into investment properties under construction	**—**	(28,655)
Total	**26,070**	32,457

There were no finance costs capitalised into investment properties under construction during the year ended 31 March 2015. For the year ended 31 March 2014, the finance costs have been capitalised at the average rate of ranging from 5–6% per annum.

10. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

Year ended 31 March 2015

	Directors' fees HK$'000	Basic salaries, allowances and other benefits HK$'000	Contributions to retirement benefit schemes HK$'000 (note 29)	Share options HK$'000	Special bonus and tax provision HK$'000	Total HK$'000
Executive directors						
Ng Ian (note (a))	4	6,863	17	2,496	3,450	12,830
Chan Kwok Hung (note (b))	—	1,240	17	3,023	—	4,280
	4	8,103	34	5,519	3,450	17,110
Non-executive directors						
Mak Wah Chi	520	—	—	—	—	520
Ng Chun For, Henry (note (c))	8	450	—	2,496	3,450	6,404
	528	450	—	2,496	3,450	6,924
Independent non-executive directors						
Li Kit Chee	100	—	—	—	—	100
Chan Kam Man	100	—	—	—	—	100
Chu Tak Sum	100	—	—	—	—	100
	300	—	—	—	—	300
Total	832	8,553	34	8,015	6,900	24,334

Notes:

(a) Mr. Ng Ian has no service contract with the Company and the total emoluments of Mr. Ng Ian amounted to approximately HK$12,830,000 has been revised to include special bonus and tax provision amounted to HK$3,450,000.

(b) Mr. Chan Kwok Hung has no service contract with the Company and the total emoluments of Mr. Chan Kwok Hung approximately HK$4,280,000 has been revised to include approximately HK$96,000 salaries tax provision made for his basic salaries on a pro rata basis.

(c) Mr. Ng Chun For, Henry has no service contract with the Company and the total emoluments of Mr. Ng Chun For, Henry amounted to approximately HK$6,404,000 has been revised to include special bonus and tax provision amounted to HK$3,450,000.

10. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

Year ended 31 March 2014

	Directors' fees HK$'000	Basic salaries, allowances and other benefits HK$'000	Contributions to retirement benefits schemes HK$'000 (note 29)	Share options HK$'000	Special bonus HK$'000	Total HK$'000
Executive directors						
Ng Ian	4	3,271	15	2,735	20,400	26,425
Lee Kwan Yee, Herrick (note (b))	—	757	7	140	—	904
Chan Kwok Hung (note (a))	—	546	11	—	—	557
	4	4,574	33	2,875	20,400	27,886
Non-executive directors						
Mak Wah Chi	520	—	—	—	—	520
Ng Chun For, Henry	8	—	—	2,735	3,000	5,743
	528	—	—	2,735	3,000	6,263
Independent non-executive directors						
Li Kit Chee	100	—	—	—	—	100
Chan Kam Man	100	—	—	—	—	100
Chu Tak Sum	100	—	—	—	—	100
	300	—	—	—	—	300
Total	832	4,574	33	5,610	23,400	34,449

Notes:

(a) Appointed on 4 July 2013.

(b) Retired on 3 September 2013 (being the date of annual general meeting).

There were no arrangements under which any director waived or agreed to waive any emoluments in respect of each of the two years ended 31 March 2015 and 2014.

10. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS (Continued)

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, three (2014: two) are directors of the Company whose emoluments are reflected in the analysis presented above. The emoluments of the remaining two (2014: three) individuals are as follows:

	2015 HK$'000	2014 HK$'000
Salaries, allowances and other benefits	2,046	6,968
Pension contributions	35	45
	2,081	7,013

The emoluments of these individuals are within the following bands:

	No. of individuals	
	2015	2014
HK$ Nil–HK$1,000,000	1	1
HK$1,000,001–HK$1,500,000	1	1
HK$4,500,001–HK$5,000,000	—	1
	2	3

The emoluments of senior management (excluding the Directors as disclosed in 10(a) are within the following bands:

	No. of senior management	
	2015	2014
HK$ Nil–HK$1,000,000	1	1
HK$1,000,001–HK$1,500,000	1	1
	2	2

(c)

No emoluments were paid or payable to any directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 March 2015 and 2014.

11. DIVIDEND

On 31 March 2015, the board of directors has resolved to make the distribution of an aggregate payment of approximately HK$550,000,000 to the shareholders (the "Distribution"). The Distribution was approved by the shareholders of the company at a special general meeting held on 13 May 2015 and it was paid in cash out of the credit standing in the contributed surplus account of the Company on 27 May 2015.

Save as the above, no dividend was paid or proposed during the year ended 31 March 2015, nor has any dividend been proposed since the end of reporting period (2014: Nil).

12. TAXATION

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2015 HK$'000	2014 HK$'000
Current tax — Hong Kong		
— Provision for the year	902	795
— (Over)/under provision in prior years	(555)	99
	347	894
Deferred taxation		
— Charged/(credited) to the consolidated statement of profit or loss and other comprehensive income (note 23)	1,345	(4,325)
	1,692	(3,431)

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the year ended 31 March 2015.

Pursuant to the income tax rules and regulation of the PRC, provision for the PRC Enterprise Income Tax is calculated based on a statutory rate of 25% on the assessable profits of the PRC subsidiary. No provision for the PRC Enterprise Income Tax for the year has been made as the PRC subsidiary incurred a loss during the year ended 31 March 2014. For the year ended 31 March 2015, the Group did not have any PRC subsidiary.

(b) The taxation charge for the year can be reconciled to the profit in consolidated statement of profit or loss and other comprehensive income as follows:

	2015 HK$'000	%	2014 HK$'000	%
Profit before taxation	487,861		234,573	
Tax at Hong Kong profits tax rate of 16.5% (2014: 16.5%)	80,497	16.5	38,704	16.5
Tax effect of expenses not deductible for tax purpose	2,311	0.4	5,743	2.4
Tax effect of income not taxable for tax purpose	(76,481)	(15.7)	(49,728)	(21.2)
Effect of different tax rate of subsidiaries operating in other jurisdictions	—	—	(637)	(0.3)
Tax effect of unused tax losses not recognised	—	—	2,496	1.1
(Over)/under-provision in respect of prior years	(555)	(0.1)	99	0.1
Utilisation of tax losses previously not recognised	(4,080)	(0.8)	(108)	(0.1)
Taxation charge/(refund) for the year	1,692	0.3	(3,431)	(1.5)

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2015 HK$'000	2014 HK$'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share	**486,169**	123,600

	2015 '000	2014 '000 (Restated)
Number of shares (Note)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**860,109**	727,332
Effect of dilutive potential ordinary shares:		
Share options	**9,061**	44,809
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**869,170**	772,141

Note:

The weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share for the year ended 31 March 2015 and 2014 has been adjusted to reflect the open offer completed during the year ended 31 March 2015.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements HK$'000	Furniture fixtures and equipment HK$'000	Total HK$'000
COST			
At 1 April 2013	1,426	1,868	3,294
Additions	—	49	49
Disposals	—	(44)	(44)
At 31 March 2014 and 1 April 2014	1,426	1,873	3,299
Additions	—	6	6
Written-off	—	(17)	(17)
At 31 March 2015	1,426	1,862	3,288
ACCUMULATED DEPRECIATION			
At 1 April 2013	1,266	1,424	2,690
Provided for the year	139	247	386
Disposals	—	(44)	(44)
At 31 March 2014 and 1 April 2014	1,405	1,627	3,032
Provided for the year	14	127	141
Written-off	—	(13)	(13)
At 31 March 2015	1,419	1,741	3,160
CARRYING VALUE			
At 31 March 2015	7	121	128
At 31 March 2014	21	246	267

The above items of property, plant and equipment are depreciated on a straight-line basis at the followings rates per annum:

Leasehold improvements	50% or over the terms of the leases, if higher
Furniture, fixtures and equipment	20% to 25%

15. INVESTMENT PROPERTIES

	The Group	
	2015	2014
	HK$'000	HK$'000
FAIR VALUE:		
Completed investment properties, in Hong Kong	**2,494,800**	2,006,800

	The Group Completed investment properties, in Hong Kong
	HK$'000
FAIR VALUE:	
At 1 April 2013	1,904,000
Acquisition during the year (note 30)	12,800
Reclassified from held-for-sale (note (c))	90,000
At 31 March 2014 and 1 April 2014	2,006,800
Net gain in fair value recognised in consolidated statement of profit or loss and other comprehensive income	488,000
At 31 March 2015	2,494,800

(a) The analysis of the carrying amount of investment properties is as follows:

	The Group	
	2015	2014
	HK$'000	HK$'000
In Hong Kong		
— long-term leases	**2,494,800**	2,006,800

(b) Pledge of investment properties

Investment properties with a carrying amount in aggregate of HK$2,482,000,000 (2014: HK$1,994,000,000) are pledged to several banks for Group's borrowings, details of which set out in note 21.

(c) Reclassification of assets classified as held-for-sale as investment properties in Hong Kong

As at 31 March 2014, the management of the Company considered to revise the business plan for the properties held for sale to long term in purpose. Therefore, the properties were reclassified from assets classified as held for sale to investment properties.

(d) Fair value measurement of the Group investment properties

The fair value of the Group's investment properties as at 31 March 2015 has been arrived at on the basis of a valuation carried out by CBRE Limited (2014: Savills Valuation and Professional Services Limited), independent qualified professional valuers not connected to the Group.

15. INVESTMENT PROPERTIES (Continued)

(d) Fair value measurement of the Group investment properties (Continued)

CBRE Limited is a member of the Institute of Valuers in Hong Kong, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on i) direct comparison approach which involves an analysis of sales transactions of comparable properties within the neighbourhood area of the property; and ii) income capitalisation approach, which involves estimating the rental incomes of the property and capitalising them all on appropriate rate to produce a capital value respectively.

At each financial year end, the management of the Group will (i) verify all major inputs to the independent valuation report; (ii) assess property valuations movements when compared to the prior year valuation report; and (iii) holds discussion with the independent valuer.

Changes in level 2 and 3 fair values are analysed at each reporting date by the management of the Group.

The Group's policy is to recognise transfers into and transfer out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the year ended 31 March 2015, the valuation technique of certain investment properties, were changed from income capitalisation approach to direct comparison approach because of the new market information becomes available for those particular investment properties. The fair value of certain investment properties of approximately HK$1,214,800,000 categorised into Level 3 fair value hierarchy was changed to Level 2 of the fair value hierarchy.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2015 and 2014 are as follows:

	Level 2 HK$'000	**Level 3 HK$'000**	**Fair values as at 31 March 2015 HK$'000**
Residential units located in Hong Kong	**12,800**	**—**	**12,800**
Commercial units located in Hong Kong	**1,202,000**	**1,280,000**	**2,482,000**
Total	**1,214,800**	**1,280,000**	**2,494,800**

	Level 2 HK$'000	Level 3 HK$'000	Fair values as at 31 March 2014 HK$'000
Residential units located in Hong Kong	—	12,800	12,800
Commercial units located in Hong Kong	—	1,994,000	1,994,000
Total	—	2,006,800	2,006,800

For all residential units and certain commercial units located in Hong Kong with Level 2 fair value hierarchy, the fair value was derived using the direct comparison approach based on recent market prices without any significant adjustments being made to the market observable data.

15. INVESTMENT PROPERTIES (Continued)

(d) Fair value measurement of the Group investment properties (Continued)

For investment properties categorised into Level 3 of the fair value hierarchy, the following information is relevant:

	Fair value 2015 HK$'000	Fair value 2014 HK$'000	Valuation technique	Significant unobservable inputs	Capitalisation rate range	Relationship to unobservable inputs to fair value
Investment properties located in Hong Kong	**1,280,000**	2,006,800	Income capitalisation approach	Reversionary yield; and Market rent per square foot	2.2% to 3.5% (2014: 2.4% to 3.3%)	The higher the capitalisation rate, the lower the fair value

Reversionary yield is the rate taking into account the capitalisation of rental income potential, nature of the property and prevailing market condition. Market rent per square foot is the market rent taking into account the direct comparable market transactions to the related properties.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

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

	Residential properties in Hong Kong HK$'000	Commercial properties in Hong Kong HK$'000
Carrying amount at 1 April 2013	—	1,904,000
Acquisition during the year	12,800	—
Reclassified from held-for-sale	—	90,000
Carrying amount at 31 March 2014 and 1 April 2014	12,800	1,994,000
Fair value changes	—	488,000
Transfer to Level 2 fair value hierarchy	(12,800)	(1,202,000)
Carrying amount at 31 March 2015	**—**	**1,280,000**

The Group believes that any possible changes in the input values would not cause significant change in fair value of the investment properties.

16. INTERESTS IN SUBSIDIARIES

	The Company	
	2015	2014
	HK$'000	HK$'000
Unlisted shares, at cost	**—**	—
Amounts due from subsidiaries	**373,163**	890,535
Less: Impairment loss	**(3,319)**	(62,130)
	369,844	828,405
Amounts due to subsidiaries	**—**	25,488

Details of the Company's subsidiaries as at 31 March 2015 are set out in note 41.

Amounts due from subsidiaries are unsecured, interest free and have no fixed repayment term. The amounts are not expected to be settled within the next twelve months.

The carrying amounts of interests in subsidiaries are reduced to the recoverable amounts which are determined by reference to the value in use.

Amounts due to subsidiaries are unsecured, interest free and have no fixed repayment term.

17. TRADE AND OTHER RECEIVABLES

	The Group	
	2015	2014
	HK$'000	HK$'000
Trade receivables	**1,773**	2,077
Less: Impairment loss on trade receivables	**—**	—
	1,773	2,077
Other receivables and prepayments	**3,166**	1,990
	4,939	4,067

	The Company	
	2015	2014
	HK$'000	HK$'000
Other receivables	**914**	220

(i) Rentals and deposits are receivable in advance from tenants pursuant to the Group's lease agreements entered into with all tenants.

The Group maintains a defined and restricted credit policy to assess the credit quality of each counterparty or tenant. The collection is closely monitored to minimise any credit risk associated with these trade receivables. The trade receivables mainly consist rental receivables. The rental receivables are payable in advance by tenants.

17. TRADE AND OTHER RECEIVABLES (Continued)

(ii) The ageing analysis of trade receivables are as follows:

The trade receivables included in trade and other receivables mainly consist of rental receivables. Rentals and deposits are payable in advance by tenants. The ageing analysis of the Group's trade receivables based on the respective revenue recognition dates at the end of the reporting period are as follows:

	The Group 2015 HK$'000	The Group 2014 HK$'000
Up to 30 days	1,773	1,907
31–60 days	—	1
61–90 days	—	110
More than 90 days	—	59
	1,773	2,077

(iii) The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	The Group 2015 HK$'000	The Group 2014 HK$'000
Neither past due nor impaired	1,585	1,552
Less than 1 month past due	188	355
1 to 3 months past due	—	111
More than 3 months past due	—	59
	188	525
	1,773	2,077

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there have not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group 2015 HK$'000	The Group 2014 HK$'000
Unlisted bond	74	74

The bond bears interest at 0.25% per annum.

19. CASH AND BANK BALANCES/PLEDGED BANK DEPOSITS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash and bank balances, net of outstanding bank overdraft. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash and bank balances	**44,582**	227,035	**20,782**	21,854
Time deposits	**1,101,514**	737,757	**637,598**	—
	1,146,096	964,792	**658,380**	21,854

Cash and bank balances comprise cash held by the Group and bank balances that bear interest at prevailing market rates ranging from 0.01% to 4.6% (2014: 0.01% to 1.53%) per annum and have original maturity of three months or less.

The Group

As at 31 March 2015, the cash and bank balances of the Group included currencies denominated in Renminbi amounted to approximately HK$739,300,000 (2014: HK$248,984,000).

As at 31 March 2015, pledged bank deposits of approximately HK$15,004,000 (2014: HK$15,004,000) represents deposits pledged to bank to secure banking facilities granted to the Group.

The Company

As at 31 March 2015, the cash and bank balances of the Company included currencies denominated in Renminbi amounted to approximately HK$275,188,000 (2014: HK$Nil).

20. OTHER PAYABLES, RENTAL DEPOSITS RECEIVED AND ACCRUALS

	The Group		The Company	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Rental deposits received	**16,532**	14,581	**—**	—
Accruals	**3,950**	1,325	**1,769**	42
	20,482	15,906	**1,769**	42
Advanced rental received	**467**	1,144	**—**	—
	20,949	17,050	**1,769**	42
Less: Other payables and rental deposits received — non-current portion	**(9,933)**	(10,207)	**—**	—
	11,016	6,843	**1,769**	42

21. BANK BORROWINGS — SECURED

	The Group	
	2015	2014
	HK$'000	HK$'000
Bank loans	**1,008,124**	999,874
Less: Current portion	**(26,750)**	(26,750)
Non-current portion	**981,374**	973,124

The bank borrowings are repayable as follows:

	The Group	
	2015	2014
	HK$'000	HK$'000
On demand or within one year	**26,750**	26,750
After one year but within two years	**26,750**	26,750
After two year but within five years	**98,501**	354,251
After five years	**856,123**	592,123
	981,374	973,124
	1,008,124	999,874

Bank borrowings with total principal amounts of approximately HK$1,008,124,000 (2014: HK$999,874,000) bearing floating interest rate at HIBOR plus under banking facilities granted to the Company's several wholly-owned subsidiaries provided by several banks in Hong Kong. These bank borrowings are secured by the Group's investment properties in Hong Kong of approximately HK$2,482,000,000 (2014: approximately HK$1,994,000,000), rent assignments in respect the investment properties, share mortgage of several wholly-owned subsidiaries of the Company and corporate guarantees to the extent of approximately HK$1,575,000,000 (2014: HK$1,266,000,000) given by the Company.

22. DERIVATIVE FINANCIAL INSTRUMENTS

	The Group	
	2015	2014
	HK$'000	HK$'000
Current liabilities:		
Interest rate swap	**1,732**	—
Non-current liabilities:		
Interest rate swap	**—**	4,883

The Group entered into an interest rate swap agreement thereby to minimise the exposure to movements in interest rates fluctuation in relation to its floating rate bank loans by swapping from floating rates to fixed rates. The interest rate swap is measured and recognised at fair value.

As at 31 March 2015 and 2014, major terms of the interest swap are set out below:

Notional amount	Maturity	Swap
HK$120,000,000	2015	From HIBOR to a fixed rate 3.29%

The interest rate swap agreement is secured by the Group's pledged bank deposited of approximately HK$15,004,000 (2014: approximately HK$15,004,000) and a corporate guarantee to the extent of HK$30,000,000 (2014: HK$30,000,000) given by the Company.

23. DEFERRED TAX

	The Group	
	2015	2014
	HK$'000	HK$'000
At 1 April	**9,159**	6,254
Credited to equity	**—**	830
Charged/(credited) to consolidated statement of profit or loss and other comprehensive income (note 12)	**1,345**	(4,325)
Release upon cessation of hedge accounting	**—**	808
Credited to assets classified as held for sale	**—**	5,592
At 31 March	**10,504**	9,159

23. DEFERRED TAX (Continued)

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year were as follows:

	Deferred tax liabilities			Deferred tax assets	
	Depreciation allowances in excess of the related depreciation HK$'000	Assets classified as held for sale HK$'000	Hedging instruments HK$'000	Tax loss HK$'000	Total HK$'000
THE GROUP					
At 1 April 2013	9,135	434,064	(1,638)	(1,243)	440,318
Charged/(credited) to the consolidated statement of profit or loss and other comprehensive income (note 12)	1,161	(5,592)	—	106	(4,325)
Debited to equity	—	—	830	—	830
Disposal of subsidiaries (note 31)	—	(428,472)	—	—	(428,472)
Release upon cessation of hedge accounting	—	—	808	—	808
At 31 March 2014 and 1 April 2014	10,296	—	—	(1,137)	9,159
Charged to the consolidated statement of profit or loss and other comprehensive income (note 12)	1,235	—	—	110	1,345
At 31 March 2015	11,531	—	—	(1,027)	10,504

As at 31 March 2015, the Group had unused tax losses of approximately HK$10,682,000 (2014: HK$9,174,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses of approximately HK$4,458,000 (2014: HK$2,285,000) due to the unpredictability of future profit streams.

24. SHARE CAPITAL

	Number of shares		Amount	
	2015	2014	**2015**	2014
	Number	Number		
	'000	'000	**HK$'000**	HK$'000
Authorised:				
Ordinary of shares of HK$0.10 each				
At 1 April and 31 March	**1,000,000**	1,000,000	**100,000**	100,000
Increase in authorised share capital (note (a))	**1,000,000**	—	**100,000**	—
At 31 March	**2,000,000**	1,000,000	**200,000**	100,000
Issued and full paid:				
Ordinary shares of HK$0.10 each				
At 1 April	**743,019**	716,419	**74,302**	71,642
Issue of shares pursuant to open offer (note (b))	**148,604**	—	**14,860**	—
Issue of shares upon exercise of the share options (note (c) and (d))	**59,253**	26,600	**5,926**	2,660
At 31 March	**950,876**	743,019	**95,088**	74,302

Notes:

(a) Pursuant to the ordinary resolution passed by the shareholders of the Company on 5 September 2014, the authorised share capital of the Company was increased from HK$100,000,000 divided into 1,000,000,000 ordinary shares of HK$0.10 each to HK$200,000,000 divided into 2,000,000,000 ordinary shares of HK$0.10 each by the creation of additional 1,000,000,000 new ordinary shares of HK$0.10 each.

(b) On 4 September 2014, 148,603,879 ordinary shares of HK$0.10 each were issued by way of open offer at a price of HK$0.85 per share for cash consideration of approximately HK$126,313,000. The excess of the open offer over the par value of the shares issued was credited to the share premium of the Company. The Company intends to apply the net proceeds from the open offer for commercial property investment and development in Hong Kong.

(c) During the year ended 31 March 2015, 9,334,338 and 49,918,948 ordinary shares of HK$0.10 each were issued as a result of exercise of share options under the 2013 Scheme and 2003 Scheme respectively.

(d) During the year ended 31 March 2014, 26,600,000 ordinary shares of HK$0.1 each were issued as a result of exercise of share options under the 2003 Scheme.

25. RESERVES

(a) Reserves of the Company

	Share premium HK$'000	Share-based payment reserve HK$'000	Contributed surplus HK$'000	(Accumulated losses)/ retained profits HK$'000	Total HK$'000
The Company					
At 1 April 2013	537,866	23,383	39,258	(247,730)	352,777
Profit and total comprehensive income for the year	—	—	—	377,128	377,128
Exercise of share options	20,437	(8,390)	—	—	12,047
Lapse of share options	—	(1,969)	—	1,969	—
Recognition of share-based payments	—	8,695	—	—	8,695
At 31 March 2014 and at 1 April 2014	558,303	21,719	39,258	131,367	750,647
Profit and total comprehensive income for the year	—	—	—	28,935	28,935
Issue of shares pursuant to open offer	111,453	—	—	—	111,453
Transaction costs attributable to issue of shares pursuant to open offer	(2,726)	—	—	—	(2,726)
Exercise of share options	51,519	(19,082)	—	—	32,437
Recognition of share-based payments	—	11,535	—	—	11,535
At 31 March 2015	718,549	14,172	39,258	160,302	932,281

The contributed surplus of the Company represents the difference between the book value of the underlying net assets of the subsidiaries acquired by the Company under the group reorganisation in April 2000 and the nominal value of the Company's shares issued for the acquisition. In addition to retained profits, under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is also available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

(i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

In the opinion of the directors, the Group had distributable reserve of approximately HK$199,560,000 at the end of reporting period (2014: HK$170,625,000).

25. RESERVES (Continued)

(b) Nature of reserves

Capital reserve

The capital reserve represents capital contribution from a related company, a shareholder, and a non-controlling shareholder in the form of interest free loans. The amounts are estimated by discounting the nominal value of their non-interest bearing loans to the Group at current market interest rate for similar financial instruments.

Special reserve

The special reserve represents the offsetting of the share premium of the subsidiary acquired against the excess of the nominal value of that subsidiary's shares and the nominal value of the shares issued by the Company in exchange thereof under the group reorganisation in April 2000.

Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors or employees of the Company recognised in accordance with the accounting policy adopted for share based payment set out in note 3(xiii)(c).

Exchange reserve

Exchange reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 3(xiv).

Hedging reserve

The hedging reserve represents gains/losses arising on recognising hedging instruments at fair value in a qualifying cash flow hedge. The reserve is dealt with in accordance with accounting policy set out in note 3(x)(c).

26. COMMITMENTS

The Group has no material capital commitment as at 31 March 2015 (2014: Nil).

27. OPERATING LEASE COMMITMENTS

The Group as lessee

	The Group	
	2015	2014
	HK$'000	HK$'000
Minimum lease payments paid under operating leases for premises recognised in consolidated statement of profit or loss and other comprehensive income for the year	**1,084**	1,444

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases for premises which fall due as follows:

	The Group	
	2015	2014
	HK$'000	HK$'000
Within one year	**1,028**	1,084
In the second to fifth year inclusive	**534**	1,562
	1,562	2,646

Operating lease payments represent rentals payable by the Group for certain of its office and warehouse premises. Leases are negotiated for an average term of 3 years and rentals are fixed during the lease period.

The Group as lessor

At the end of the reporting period, the Group had contracted with the tenants for the following future minimum lease receivables:

	The Group	
	2015	2014
	HK$'000	HK$'000
Within one year	**37,466**	37,064
In the second to fifth year inclusive	**27,281**	21,046
	64,747	58,110

The properties are expected to generate rental yields of 2.07% (2014: 2.69%) per annum on an ongoing basis. All the properties held have committed tenants for the next year.

28. SHARE-BASED PAYMENT TRANSACTIONS

The Company has adopted a share option scheme which was approved by the shareholders of the Company at the Annual General Meeting ("AGM") held on 3 September 2013 (the "2013 Scheme") upon the share option scheme previously adopted on 3 September 2003 and lapsed on 2 September 2013 (the "2003 Scheme"). Upon the expiration of the 2003 Scheme, no further option could be granted under the 2003 Scheme, but the provisions of the 2003 Scheme applicable for outstanding 23,985,444 share options as at 31 March 2015 shall remain in full force in all respects.

The primary purpose of 2013 Scheme is to provide incentives to participants (as defined including but not limited to (a) any employees; (b) any supplier of goods or services to any member of the Group; (c) any customer of the Group; and (d) any director or independent non-executive director and/or shareholder of the Company and/or any member of the Group) who has contribution to the Group and to enable the Group to recruit and retain high caliber employees.

Pursuant to Note (2) to Rule (2) to Rule 17.03(3) of the Listing Rules, the limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercise under the 2013 Scheme and any other share option schemes of the Company must not exceed 30% of the number of the Company's shares in issue from time to time. No options may be granted under any scheme of the Company if this will result in this 30% limit being exceeded.

The number of shares in respect of which options may be granted to any employee in any 12-month period is not permitted to exceed 1% of the total number of the Company's shares in issue, subject to approval from shareholders of the Company. The Company may seek approval from shareholders of the Company in general meeting to refresh the 10% limit. The scheme mandate limit was refreshed and renewed by an ordinary resolution passed by the shareholders at the AGM held on 5 September 2014, the share of the Company (the "Share") in issue at the AGM held on 5 September 2014 was 891,623,278 Shares and thus the maximum number of Shares allowed to be issued upon exercise of all options to be granted under the 2013 Scheme and any other share option scheme of the Company shall not exceed 89,162,327 Shares which represented 10% of the issued share capital of the Company as at the AGM held on 5 September 2014.

Options granted must be taken within 28 days of the date of grant or such longer or shorter period as the board of directors of the Company may think fit. An option may be exercised at any time, during a period determined and notified by the Board of Directors by each grantee, to the 10th anniversary of the date of grant. The exercise price is determined by the board of directors of the Company and will be at least the highest of the following:

(a) the closing price of shares at the date of grant of a share option;

(b) the average closing price of the shares for the five business days immediately preceding the date of grant; and

(c) the nominal value of a share.

No share option was granted under the 2013 Scheme from 3 September 2013 to 31 March 2014.

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Movements in the share options granted to the directors, employees of the Company and other eligible participants under the 2003 Scheme during the year were as follows:

2015

	Date of grant	Exercise price HK$	Exercise price after adjustments HK$	Number of share options: Outstanding at 1 April 2014 '000	Granted during the year '000	Adjusted during the year '000 (Note)	Exercised during the year '000	Outstanding at 31 March 2015 '000
Directors	28 October 2005	0.676	0.6663	4,000	—	58	(4,058)	—
	2 April 2007	0.686	0.6761	6,000	—	87	(4,058)	2,029
	31 August 2007	1.156	1.1394	2,000	—	31	(2,031)	—
	24 March 2010	0.450	0.4435	12,600	—	184	(12,784)	—
	30 March 2011	0.560	0.5519	12,600	—	184	(12,784)	—
	12 April 2012	0.550	0.5421	14,000	—	204	(7,102)	7,102
	25 April 2013	0.642	0.6328	14,000	—	204	(7,102)	7,102
				65,200	—	952	(49,919)	16,233
Eligible participants	28 October 2005	0.676	0.6663	640	—	9	—	649
	2 April 2007	0.686	0.6761	2,000	—	29	—	2,029
	31 August 2007	1.156	1.1394	1,000	—	15	—	1,015
				3,640	—	53	—	3,693
Employee	2 April 2007	0.686	0.6761	500	—	7	—	507
	18 April 2011	0.660	0.6505	3,500	—	51	—	3,551
				4,000	—	58	—	4,058
				72,840	—	1,063	(49,919)	23,984

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Movements in the share options granted to the directors, employees of the Company and other eligible participants under the 2013 Scheme during the year were as follows:

2015

	Date of grant	Exercise price HK$	Exercise price after adjustments HK$	Number of share options: Outstanding at 1 April 2014 '000	Granted during the year '000	Adjusted during the year '000 (Note)	Exercised during the year '000	Outstanding at 31 March 2015 '000
Directors	30 April 2014	1.036	1.0211	—	10,200	149	(9,334)	1,015
	5 September 2014	0.910	0.9100	—	4,350	—	—	4,350
				—	14,550	149	(9,334)	5,365
Eligible participants	30 April 2014	1.036	1.0211	—	7,000	102	—	7,102
				—	7,000	102	—	7,102
				—	21,550	251	(9,334)	12,467

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Movements in the share options granted to the directors, employees of the Company and other eligible participants under the 2003 Scheme during the year were as follows:

2014

			Number of share options				
	Date of grant	Exercise price HK$	Outstanding at 1 April 2013 '000	Granted during the year '000	Exercised during the year '000	Lapsed/ cancelled during the year '000	Outstanding at 31 March 2014 '000
Directors	28 October 2005	0.676	4,000	—	—	—	4,000
	2 April 2007	0.686	6,000	—	—	—	6,000
	31 August 2007	1.156	2,000	—	—	—	2,000
	24 March 2010	0.450	12,600	—	—	—	12,600
	13 April 2010	0.480	4,770	—	—	(4,770)	—
	30 March 2011	0.560	12,600	—	—	—	12,600
	18 April 2011	0.660	3,280	—	—	(3,280)	—
	12 April 2012	0.550	14,000	—	—	—	14,000
	25 April 2013	0.642	—	14,000	—	—	14,000
			59,250	14,000	—	(8,050)	65,200
Eligible participants	28 October 2005	0.676	640	—	—	—	640
	2 April 2007	0.686	2,000	—	—	—	2,000
	31 August 2007	1.156	1,000	—	—	—	1,000
	24 March 2010	0.450	6,300	—	(6,300)	—	—
	30 March 2011	0.560	6,300	—	(6,300)	—	—
	12 April 2012	0.550	7,000	—	(7,000)	—	—
			23,240	—	(19,600)	—	3,640
Employee	2 April 2007	0.686	500	—	—	—	500
	18 April 2011	0.660	3,500	—	—	—	3,500
	25 April 2011	0.642	—	7,000	(7,000)	—	—
			4,000	7,000	(7,000)	—	4,000
			86,490	21,000	(26,600)	(8,050)	72,840

28. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Details of specific categories of options are as follows:

Date of grant	Vesting period	Exercise period	Exercise price	Exercise price after adjustments (note)
28 October 2005	Vested upon granted	28 October 2005 to 27 October 2015	HK$0.676	HK$0.6663
2 April 2007	Vested upon granted	2 April 2007 to 1 April 2017	HK$0.686	HK$0.6761
31 August 2007	Vested upon granted	31 August 2007 to 30 August 2017	HK$1.156	HK$1.1394
24 March 2010	Vested upon granted	24 March 2010 to 23 March 2020	HK$0.450	HK$0.4435
13 April 2010	Vested upon granted	13 April 2010 to 12 April 2020	HK$0.480	N/A
30 March 2011	Vested upon granted	30 March 2011 to 12 April 2020	HK$0.560	HK$0.5519
18 April 2011	Vested on 18 April 2016	18 April 2016 to 17 April 2021	HK$0.660	HK$0.6505
12 April 2012	Vested upon granted	12 April 2012 to 11 April 2022	HK$0.550	HK$0.5421
25 April 2013	Vested upon granted	25 April 2013 to 24 April 2023	HK$0.642	HK$0.6328
30 April 2014	Vested upon granted	30 April 2014 to 29 April 2024	HK$1.036	HK$1.0211
5 September 2014	Vested upon granted	5 September 2014 to 4 September 2024	HK$0.910	N/A

Note: The exercise price of share options was adjusted subsequent to the completion of open offer on 4 September 2014.

The options outstanding at the end of the year have a weighted average remaining contractual life of 7 years (2014: 6 years).

These fair values were calculated using the Binomial Option Pricing Model. The inputs into the model were as follows:

	2015	2014
Weighted average share price	HK$0.87–0.91	HK$0.64
Weighted average exercise price	HK$0.91–1.036	HK$0.642
Expected volatility	77.89–77.86%	80.86%
Expected life	10 years	10 years
Risk free rate	1.916–2.173%	0.89%
Expected dividend yield	0%	0%

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 10 years. The expected life of the options was the contractual life of the options. Expected dividends are based on historical dividends.

The Group recognised total expenses of approximately HK$11,535,000 (2014: approximately HK$8,695,000) related to equity-settled share-based payment transactions during the year.

29. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF") for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes HK$1,250 or 5% of the relevant payroll costs, whichever is lower for each employee, to the scheme, which contribution is matched by employees. With effect from 1 June 2014, the Group contributes HK$1,500 or 5% of the relevant payroll costs, whichever is lower for each employee to the scheme.

The Group's contribution to retirement benefits schemes for the year ended 31 March 2015 amounted to approximately HK$129,000 (2014: approximately HK$445,000).

30. ACQUISITION OF A SUBSIDIARY

On 28 February 2014, Joy Depot Limited, an indirect wholly-owned subsidiary of the Company and Harvest Long Investments Limited ("Harvest Long") (being a company incorporated in the British Virgin Islands solely owned and controlled by Mr. Ng Ian, the chairman of the Company) entered into a sale and purchase agreement ("S&P") to acquire 100% equity interests in Bond Victory Limited ("Bond Victory") and assignment of loan owed by Bond Victory to Harvest Long for an aggregate consideration of HK$12,800,000 (subject to post completion adjustment). The transaction has been reported by an announcement dated 28 February 2014. The S&P was completed on 26 March 2014. Summary of the assets acquired and liabilities assumed as at the acquisition date were as follows:

	Acquiree's carry amount HK$'000	Fair value adjustments HK$'000	Acquiree's fair value HK$'000
Net assets acquired:			
Investment properties	12,061	739	12,800
Trade and other receivables	2		2
Cash and bank balances	37		37
Other payables	(1)		(1)
Loan from a shareholder	(9,971)		(9,971)
	2,128	739	2,867
Satisfied by:			
Net assets acquired			2,867
Less: post completion adjustment			(38)
			2,829
Assignment of loan			9,971
Cash consideration			12,800

30. ACQUISITION OF A SUBSIDIARY (Continued)

	HK$'000
Net cash outflow arising on acquisition	
Consideration paid in cash	12,800
Less: cash and cash equivalent balances acquired	(37)
Net cash outflow from acquisition of subsidiaries	12,763

31. GAIN ON DISPOSAL OF SUBSIDIARIES

On 14 November 2012, High Fly Investments Limited ("High Fly") and Premium Assets Development Limited ("Premium Assets") entered into the sale and purchase agreement ("SPA") with Double Favour Limited ("Double Favour") in relation to the disposal of the entire equity interests in High Luck International Limited ("High Luck") in a way to dispose of 100% interests in the JV Project, pursuant to which High Fly and Premium Assets agreed to dispose of their respective 55% and 45% attributable equity interests in High Luck and to assign their respective pro rata shareholders' loans owed by High Luck to High Fly and Premium Assets at a total cash consideration of RMB2,970,000,000 (equivalent to approximately HK$3,757,096,000) less outstanding construction loan liabilities of the Disposal Group approximately RMB710,000,000 (equivalent to approximately HK$900,990,000) and which was subjected to a post completion adjustment with a maximum amount not exceeding RMB150,000,000 deducted from total cash consideration ("Disposal Consideration"). Upon the completion of the SPA took place on 4 October 2013 ("Disposal Completion"), Double Favour exercised a deferral payment option under the SPA for deferral settlement of the Disposal Consideration from the Disposal Completion up to 25 November 2013 being payment date ("Deferral Period"). By virtue of the Deed of Confirmation dated 25 November 2013, the post completion adjustment was irrecoverably and unconditionally confirmed to its maximum amount approximately RMB70,310,000 (equivalent to approximately HK$89,222,000) deducted from the Disposal Consideration and accrued deferral payment interest income for the Deferral Period was also confirmed as to approximately RMB1,358,000 (equivalent to approximately HK$1,723,000). Accordingly, the Disposal Consideration, pursuant to the Deed of Confirmation, was eventually adjusted from approximately RMB2,970,000,000 to approximately RMB2,189,690,000 (equivalent to approximately HK$2,766,884,000). In terms of High Fly, being one of the vendors of the SPA sharing of 55% of the Disposal Consideration was approximately HK$1,521,786,000 which comprised underlying comprised sale share consideration of approximately HK$956,030,000 and the assignment of pro rata shareholders' loan consideration approximately HK$565,756,000 ("High Fly Disposal Consideration").

31. GAIN ON DISPOSAL OF SUBSIDIARIES (Continued)

Summary of the effects of the disposal is as follows:

	HK$'000
Net assets disposed of:	
Plant and equipment	45
Investment properties	3,756,240
Trade and other receivable	10,210
Cash and bank balances	69,075
Other payables, rental deposits received and accruals	(191,953)
Amount due to a non-controlling shareholder	(462,892)
Amount due to a related company	(63,140)
Deferred tax liabilities	(428,472)
Bank borrowings	(900,990)
Amounts due to the Group	(565,756)
Net assets disposed of	1,222,367
Less: Share proportion of non-controlling interests	(550,066)
Net assets disposal of attributable to High Fly	672,301
Add: Sale loan	565,756
Amount due from a non-controlling shareholder (note 32(a))	34,756
Release of other reserve	(28,047)
Release of exchange reserve	(19,772)
Gain on disposal of subsidiaries	297,739
Proceeds attributable to High Fly	1,522,733

	HK$'000
Consideration received in cash and cash equivalents:	
Sales share consideration	956,030
Sale loan	565,756
High Fly's Disposal Consideration	1,521,786
Deferred interest income	947
Proceeds attributable to High Fly	1,522,733

31. GAIN ON DISPOSAL OF SUBSIDIARIES (Continued)

	HK$'000
Net cash inflow from disposal of subsidiaries	
Net consideration received	956,977
Less: Cash and cash equivalent balances disposed of	(69,075)
Deposit from disposal of subsidiaries	(407,966)
Net cash inflow from disposal of subsidiaries	479,936

For the period from 1 April 2013 to date of completion, turnover of HK$Nil and loss of approximately HK$38,842,000 contributed by Disposal Group was recognised in the Group's profit for the year ended 31 March 2014.

32. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group has the following material related party transactions:

(a) Amount due from a non-controlling shareholder, Premium Assets, is interest free and not repayable within the next twelve months. The amount was stated at fair value as at the end of the reporting period which was estimated by discounting the nominal value of the loan at current market interest rate of similar financial instruments. For the year ended 31 March 2014, the imputed interest on the loan for the year was amounted to approximately HK$1,981,000. The amount due from a non-controlling shareholder was disposed during the year ended 31 March 2014.

(b) Key management personnel remuneration represents amounts paid to the Company's directors and the highest paid employees as disclosed in note 10.

(c) For connected transaction occurred during the year, please refer to "Connected transaction" of the "Report of the Directors" on page 13 of the annual report.

33. CORPORATE GUARANTEES

As of 31 March 2015, the Company had given several guarantees of approximately HK$1,575,000,000 (2014: HK$1,266,000,000) for securing banking facilities granted to their subsidiaries and cross guarantee executed by certain of the Company's subsidiaries.

34. PLEDGED OF ASSETS

At of 31 March 2015, the Group has pledged the following assets:

(1) Investment properties in Hong Kong with an aggregate carrying amount of approximately HK$2,482,000,000 (2014: HK$1,994,000,000) for securing certain bank borrowings granted from several banks to its wholly-owned subsidiaries;

(2) Pledged deposits of approximately HK$15,004,000 (2014: HK$15,004,000) for securing an interest rate swap contract; and

(3) Share mortgage of several wholly-owned subsidiaries for securing their respective bank borrowings.

35. EVENTS AFTER THE REPORTING PERIOD

(1) On 31 March 2015, the board of directors of the Company (the "Board") proposed to make the Distribution. The payment of the Distribution is conditional upon (i) the approval of the Distribution by the shareholders by way of an ordinary resolution at the special general meeting; (ii) compliance with section 54 of the Companies Act; and (iii) the share premium reduction (the "Share Premium Reduction") becoming unconditional and effective in accordance with its terms.

In connection with the payment of the Distribution, the Board also proposed the Share Premium Reduction to reduce the entire amount standing to the credit of the share premium account of the Company immediately prior to such reduction and to transfer the credit arising from the said reduction to the contributed surplus account of the Company. The Distribution will be paid out of the credit standing in the contributed surplus account of the Company as enlarged after the Share Premium Reduction. The Share Premium Reduction is conditional upon (i) the approval of the Share Premium Reduction by the shareholders by way of a special resolution at the special general meeting; (ii) compliance with section 46 of the Companies Act; and (iii) compliance of the applicable procedures and requirements under the laws of Bermuda and the Bye-laws to effect the Share Premium Reduction.

The Distribution and Share Premium Reduction was approved by the shareholders at the special general meeting on 13 May 2015.

On 20 May 2015, the Company obtained a Memorandum of Reduction of Share Premium issued by the Registrar of Companies in Bermuda for approval of Share Premium Reduction of approximately HK$720,600,000 with effect from 14 May 2015.

On 27 May 2015, the Company paid the Distribution to the shareholders of the Company of approximately HK$550,000,000 which is determined on the total number of 953,555,241 shares and final amount of the Distribution per Share HK$0.5767 per Share.

For details, please refer to the Company's circular dated 20 April 2015 and announcements dated 31 March 2015, 13 May 2015 and 19 May 2015 respectively.

(2) On 31 March 2015, Joyfield Global Holdings Limited (the "First Purchaser"), an indirectly wholly-owned subsidiary of the Company, Ms. Li Yuen Ting (the "First Vendor") and Mr. Ng Ian ("Mr. Ng") entered into the acquisition agreement, pursuant to which the parties thereto conditionally agreed that (i) the First Purchaser will acquire the entire issued share capital of South Shine Limited (the "First Target Company") from the First Vendor; (ii) the First Purchaser will acquire from Mr. Ng Ian the two outstanding unsecured and interest-free loans without any fixed terms of repayment owed by Sunny Cost Limited ("Sunny Cost"), a company wholly-owned by the First Target Company and Asia Goal International Limited ("Asia Goal"), a company wholly-owned by Sunny Cost; and (iii) the First Purchaser or its nominee will repay the bank loan and related early repayment penalty for the release of the relevant security documents, for an aggregate consideration of HK$197,960,000 (subject to adjustments). Pursuant to ordinary resolutions passed at a special general meeting held on 13 May 2015, the acquisition has been approved by independent shareholders of the Company and were completed in 20 May 2015. For details, please refer to the Company's announcement dated 31 March 2015 and 13 May 2015 respectively.

The transactions is to be accounted for as a business combination in accordance with HKFRS 3 Business Combination. Up to the date of the approval of the financial statements, the directors of the Company are still in process of determining the fair value of the net identifiable assets and the relevant disclosures of the transactions.

35. EVENTS AFTER THE REPORTING PERIOD (Continued)

(3) On 31 March 2015, Crystal City Global Limited (the "Second Purchaser"), Trade Icon Holdings Limited (the "Second Vendors") and Mr. Ng Ian entered into the acquisition agreement, pursuant to which the parties thereto conditionally agreed that the Second Purchaser will (i) acquire the entire issued share capital of Pioneer Delight Limited (the "Second Target Company") from the Vendors; and (ii) acquire the outstanding unsecured and interest free loan without any fixed terms of repayment owed by the Second Target Company from Mr. Ng Ian, for an aggregate consideration of HK$56,154,000 (subject to adjustments). Pursuant to ordinary resolutions passed at a special general meeting held on 13 May 2015, the acquisition has been approved by independent shareholders of the Company and were completed in 28 May 2015. For details, please refer to the Company's announcement dated 31 March 2015 and 13 May 2015 respectively.

The transactions is to be accounted for as a business combination in accordance with HKFRS 3 Business Combination. Up to the date of the approval of the financial statements, the directors of the Company are still in process of determining the fair value of the net identifiable assets and the relevant disclosures of the transactions.

36. CONTINGENT LIABILITIES

High Fly, an indirect non-wholly owned subsidiary of the Company which were dissolved by virtue of voluntary liquidation with the British Virgin Islands ("BVI") Registry of Corporate Affairs approved on 24 January 2014 and Premium Assets Development Limited ("Premium Assets") (collectively the "Indemnifiers") had signed Deed of Indemnity (the "Deed") on 4 October 2013 (being date of completion of the SPA). Pursuant to the Deed, each of indemnifiers hereby severally, pro rata to their respective shareholdings in the High Luck immediately before completion of the SPA (i.e. 45% as to Premium Assets and 55% as to High Fly) (the "Relevant Proportion") undertakes to Double Favour (for itself and as trustee of the Disposal Group) to pay them an amount or amounts equal to each of the following:

(a) any liability to taxation in connection with any claim in respect of all taxation falling on any member of the Disposal Group resulting from or by reference to any transaction, event, matters or thing occurred or effected during the period from 1 September 2007 to 4 October 2013 (being date of completion of the SPA) (the "Relevant Period"), or in respect of any gross receipts, income, profits or gains earned, accrued or received, or alleged or deemed to have been earned, accrued, or received by any member of the Disposal Group during the Relevant Period, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company; and

(b) all action, claims, losses, damages, cost (including all legal costs), charges, expenses, interests, penalties or any other liabilities to which any member of the Disposal Group is or may be subject or which any member of the Disposal Group or Double Favour may reasonably and properly incur in connection with:

    (i) any investigation, assessment or the contesting of any claim or any of the matter referred to in (a) above;

    (ii) the settlement of any claim or any of the matters referred to in (a) above;

    (iii) any legal proceedings or actions in which the Purchaser or any member of the Disposal Group claims under or in respect of the Deed and in which judgment is given in favour of the Double Favour or any member to the Disposal Group; or

    (iv) the enforcement of any such settlement or judgment,

36. CONTINGENT LIABILITIES (Continued)

and each of the Indemnifiers severally in the Relevant Proportion undertakes to indemnify an hold harmless or demand any member of the Disposal Group and Double Favour in respect of the matters referred to (a) to (b) (inclusive) above.

Notwithstanding anything to the contrary herein provided and the guarantee provided in the SPA, Double Favour further agrees and acknowledges to High Fly acting as trustee for the benefit of Uptodate and Best Task Limited that their respective obligations under the guarantee in respect of any obligations arising from any claims against High Fly under the Deed and/or the SPA (the "Relevant Claims"), the obligations of Uptodate under the guarantee for such Relevant Claims should only be limited to 54.55% of the said claims (i.e. not more than 30% of total claims).

Pursuant to the Deed, the Board is of the opinion that it would be unlikely for the Group through Uptodate to suffer any material financial loss as a result of giving the aforesaid indemnity on several basis limited to 30% of the Relevant Claims.

37. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of debts (which includes bank borrowings), cash and bank balances and equity attributable to equity holders of the Company.

The Group's risk management actively and regularly reviews the capital structure. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio, expressed as total liabilities over total assets, at the end of the reporting period was as follows:

	2015 HK$'000	2014 HK$'000
Total assets	3,662,068	2,992,141
Total liabilities	1,042,976	1,032,703
Gearing ratio	28.5%	34.5%

38. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments in the normal course of the Group's business are credit risk, liquidity risk, interest rate risk and currency risk. These risks are limited by the Group's financial management policies and practices described below. Generally, the Group introduces conservative strategies on its risk management.

(i) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of trade customers.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Further quantitative disclosure of the Group's exposure to credit risk arising from trade and other receivables are set out in note 17.

The credit risk for cash and bank balances, time deposits and pledged bank deposits exposed is considered minimal as such amounts are placed in banks with good credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid fund which are deposited with several banks with high credit ratings and save as disclose elsewhere in the financial statements, the Group does not have any other significant concentration of credit risk.

38. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk

The Group and the Company will consistently maintain a prudent financial policy and ensure that it maintains sufficient cash to meet its liquidity requirements.

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority.

The following tables detail the remaining contractual maturities at the end of reporting period of the Group's and the Company's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates, or if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay.

The Group	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-derivative financial liabilities						
2015						
Bank borrowings	**1,008,124**	**1,264,619**	**51,327**	**50,715**	**510,947**	**651,630**
Other payables, rental deposits and accruals	**20,949**	**20,949**	**11,016**	**9,933**	**—**	**—**
	1,029,073	**1,285,568**	**62,343**	**60,648**	**510,947**	**651,630**
2014						
Bank borrowings	999,874	1,181,828	49,337	48,733	393,289	690,469
Other payables, rental deposits and accruals	17,050	17,050	6,843	10,207	—	—
	1,016,924	1,198,878	56,180	58,940	393,289	690,469

38. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk (Continued)

The Group	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Derivative						
2015						
Interest rate swap	**1,732**	**1,732**	**1,732**	**—**	**—**	**—**
2014						
Interest rate swap	4,883	4,883	—	4,883	—	—

The Company	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2015						
Other payables	**1,769**	**1,769**	**1,769**	**—**	**—**	**—**
2014						
Other payables	42	42	42	—	—	—
Amounts due to subsidiaries	25,488	25,488	25,488	—	—	—
	25,530	25,530	25,530	—	—	—

38. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings which are at floating rates which expose the Group to cash flow interest rate risk. The Group's policy to keep at borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The following table details the interest rate profile of the Group's net borrowings at the end of reporting period:

	The Group				The Company			
	2015		2014		**2015**		2014	
	Effective interest rate	**HK$'000**	Effective interest rate	HK$'000	**Effective interest rate**	**HK$'000**	Effective interest rate	HK$'000
Net variable rate borrowings								
Bank borrowings	**(Note 1)**	**1,008,124**	(Note 1)	999,874	**—**	**—**	—	—
Bank balances (included pledged deposits)	**0.01% to 4.6%**	**(1,161,000)**	0.01% to 1.53%	(979,796)	**1.05% to 4.6%**	**(658,380)**	0.01%	(21,854)
		(152,976)		20,078		**(658,380)**		(21,854)
Fixed rate borrowings as a percentage of total net borrowings	**—**		4%		**—**	**—**	—	

Note 1: Details of the Group's bank borrowings are set out in note 21 to the consolidated financial statements.

At 31 March 2015, it was estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit after taxation by approximately HK$1,529,760 (2014: decrease/increase profit by approximately HK$200,780). Retained profits will increase/decrease by the same amount.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2014.

38. FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign exchange risk

The Group and the Company have foreign currency denominated monetary assets, which exposed the Group and the Company to foreign currency risk.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

The Group

	Assets		Liabilities	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Renminbi ("RMB")	**739,300**	248,984	**—**	—
United States Dollars ("USD")	**513**	61,034	**—**	—

The Company

	Assets		Liabilities	
	2015	2014	**2015**	2014
	HK$'000	HK$'000	**HK$'000**	HK$'000
Renminbi ("RMB")	**275,188**	—	**—**	—
United States Dollars ("USD")	**—**	—	**—**	—

Foreign currency sensitivity analysis

As Hong Kong Dollars are pegged to USD, the Group does not expect any significant foreign currency exposure arising from the fluctuation of the Hong Kong Dollars to USD exchange rates. As a result, the Directors consider that the sensitivity of the Group's and the Company's exposure towards the change in foreign exchange rates between Hong Kong Dollars to USD is minimal.

The Group and the Company is mainly exposed to the effects of fluctuation in RMB.

The following table details the Group's and the Company's sensitivity to a 5% (2014: 5%) increase and decrease in Hong Kong Dollars against RMB. The sensitivity analysis includes outstanding foreign currency denominated monetary items. A positive number below indicates an increase in profit or equity where the Hong Kong Dollars strengthen 5% (2014: 5%) against RMB. For a 5% (2014: 5%) weakening of the Hong Kong Dollars against RMB, there would be an equal and opposite impact on the profit or equity, and the balances below would be negative.

38. FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign exchange risk (Continued)

The Group

	Impact of RMB	
	2015	2014
	HK$'000	HK$'000
Profit or loss (note)	**36,965**	12,449

The Company

	Impact of RMB	
	2015	2014
	HK$'000	HK$'000
Profit or loss (note)	**13,759**	—

Note:

This is mainly attributable to the exposure outstanding on monetary items denominated in RMB not subject to cash flow hedge at the end of the reporting period.

(v) Fair values

The fair values of financial assets and financial liabilities are determined as follows:

i) the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and

ii) the fair value of interest rate swaps is determined based on discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their respective fair values.

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable as at 31 March 2015 and 2014.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

38. FINANCIAL RISK MANAGEMENT (Continued)

(v) Fair values (Continued)

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial liabilities				
2015				
Derivative financial instruments				
— interest rate swap	**—**	**1,732**	**—**	**1,732**
2014				
Derivative financial instruments				
— interest rate swap	—	4,883	—	4,883

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique used).

Financial liabilities	Fair value as at 31 March 2015 HK$'000	Fair value as at 31 March 2014 HK$'000	Fair value hierarchy	Valuation techniques
Derivative financial instruments	**1,732**	4,883	Level 2	Discounted cash flow method

There were no transfer between level 1, 2 and 3 in both years.

39. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 March 2015 and 2014 are categorised as follows:

	The Group 2015 HK$'000	The Group 2014 HK$'000
Financial assets		
Loan and receivables (including cash and bank balances)	**1,166,039**	983,863
Available-for-sale financial assets	**74**	74
Financial liabilities		
Financial liabilities measured at amortised cost	**1,029,073**	1,016,924
Financial liabilities measured at fair value	**1,732**	4,883

39. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

	The Company	
	2015	2014
	HK$'000	HK$'000
Financial assets		
Loan and receivables (including cash and bank balances)	**1,029,138**	850,479
Financial liabilities		
Financial liabilities measured at amortised cost	**1,769**	25,530

40. NON-CASH TRANSACTIONS

Best Task Limited, being an indirect non-controlling shareholder of High Fly, pursuant to the Deed of Arrangements dated 26 November 2012, waived entire outstanding interest-free proportional shareholder loan owned by High Fly amounted to approximately HK$287,469,000 during the year ended 31 March 2014. The gain arose from the waiver has been dealt with in the consolidated statement of changes in equity set out in page 35 of annual report.

41. SUBSIDIARIES

Details of the Company's principal subsidiaries at 31 March 2015 were as follows:

Name of subsidiaries	Place of incorporation/ establishment/ operations	Issued and paid-up share capital/ registered capital	Percentage of equity attributable to the Company/ proportion of voting power held by the Company		Principal activities
			Direct	Indirect	
Henry Group Assets Management Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	100%	—	Investment holding
New Treasure Group Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	100%	—	Investment holding
Henry Group Holdings Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Gold Matrix Holdings Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	100%	—	Investment holding
Henry Group Property Management Limited	Hong Kong	Ordinary HK$1	—	100%	Securities investment and time deposit
Henry Group Management Limited	Hong Kong	Ordinary HK$1	100%	—	Provision of administration service to group companies
Rose City Group Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding

41. SUBSIDIARIES (Continued)

Name of subsidiaries	Place of incorporation/ establishment/ operations	Issued and paid-up share capital/ registered capital	Percentage of equity attributable to the Company/ proportion of voting power held by the Company		Principal activities
			Direct	Indirect	
Max Act Enterprises Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Sharp Wonder Investments Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Top Bright Properties Limited ("Top Bright")	Hong Kong	Ordinary HK$9,999 Deferred share HK$1	—	100% (note 1)	Property investment
Wingplace Investments Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Smart Land Properties Limited	Hong Kong	Ordinary HK$1	—	100%	Property investment
Seedtime International Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Land Base Limited ("LBL")	Hong Kong	Ordinary HK$2	—	100%	Property investment
Maxwing Investment Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Winning Pride Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Joy Depot Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Bond Victory Limited	Hong Kong	Ordinary HK$5,000	—	100%	Property investment
New Headland Holdings Limited (Note 2)	The British Virgin Islands/ Hong Kong	Ordinary US$1	100%	—	Investment holding
Joyfield Global Holdings Limited (Note 2)	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Crystal City Global Limited (Note 3)	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding

Note 1: One non-voting deferred share of Top Bright is held by an outside party. Pursuant to the Article of Association of Top Bright, on a winding up, the holder of the deferred share shall be entitled out of the surplus assets of Top Bright to a return of the capital paid up on the one non-voting share but only after a holder of ordinary share has received in full the return of capital paid on them and, in aggregate, a total sum of HK$100,000,000,000,000.

Note 2: New Headland Holdings Limited, Joyfield Global Holdings Limited and Crystal City Global Limited were acquired on 27 March 2015.

The above table lists the subsidiaries of the Group, which in the opinion of directors, principally attached the results or assets of the Group. To give details of other subsidiaries would, in to opinion of directors, result in particulars of excessive lengths.

42. LITIGATION

On 21 November 2014, LBL, a wholly owned subsidiary of the Company, the owner of a building named “L’hart” located at Nos. 487 and 489 Lockhart Road Hong Kong, which is built upon certain pieces of land including The Remaining Portion of Subsection 14 of Section A of Inland Lot No. 2836 (“Subsection 14”), received an originating summons issued by Tierra Trading Limited and Keep Forever Development Limited (as Plaintiffs), the owners of a building named “Kyoto Plaza” located at Nos. 491, 493, 495, 497 and 499 Lockhart Road, Hong Kong, which is built upon certain pieces of land, including Subsection 15 of Section A of Inland Lot No. 2836 (“Subsection 15”) against LBL (as defendant) and filed with the High Court of the Hong Kong Special Administrative Region Court of First Instance.

The litigation relates to a dispute regarding the ownership of a strip of land (the “Disputed Area”) which is the common staircase located on Subsection 15, in between L’hart and Kyoto Plaza, which the Plaintiffs had not used since 1992. It is LBL’s case that, since, the demolition of the old building on Subsection 14 and the construction of Kyoto Plaza which has been in use since 1992, LBL’s predecessors in title had been in exclusive possession, management and control of the Disputed Area by using the common staircase and other parts of the Disputed Area for various purposes. Since LBL became the registered owner of Subsection 14, it continued in exclusive possession, management and control of the Disputed Areas without interruption. Since the development of the L’hart building, LBL have, for safety, hygiene and aesthetic reasons, sealed off the Disputed Area by erecting a façade over the entrance to the Disputed Area from Lockhart Road forming part of L’hart.

According to the originating summons, the hearing will be convened on 13 August 2015. LBL have engaged senior counsel and to appear at hearing on 13 August 2015.

43. COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been reclassified to conform with current year presentation.

44. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Interests in subsidiaries	16	**369,844**	828,405
CURRENT ASSETS			
Other receivables	17	**914**	220
Cash and bank balances	19	**658,380**	21,854
		659,294	22,074
CURRENT LIABILITIES			
Other payables	20	**1,769**	42
Amounts due to subsidiaries	16	**—**	25,488
		1,769	25,530
NET CURRENT ASSETS/(LIABILITIES)		**657,525**	(3,456)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,027,369**	824,949
NET ASSETS		**1,027,369**	824,949
CAPITAL AND RESERVES			
Share capital	24	**95,088**	74,302
Reserves	25	**932,281**	750,647
TOTAL EQUITY		**1,027,369**	824,949

45. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 12 June 2015.

Five-year Financial Summary

For the year ended 31 March 2015

	Year ended 31 March				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
		(restated)			
	(note b)	(note a)			
Turnover	33,461	39,330	49,977	53,555	**51,270**
Other income and gains	4,683	5,421	4,618	7,817	**20,450**
(Decrease)/increase in fair value of investment properties	119,985	339,794	652,650	(22,367)	**488,000**
Loss on disposal of financial asset held for sale	—	—	—	(3)	**—**
Gain on disposal of subsidiaries	—	—	—	297,739	**—**
Staff costs	(18,610)	(12,641)	(21,667)	(48,739)	**(32,489)**
Depreciation on properties, plant and equipment	(613)	(655)	(635)	(400)	**(141)**
Other operating expenses	(15,613)	(12,957)	(22,699)	(20,572)	**(13,159)**
Profit from operations	123,293	358,292	662,244	267,030	**513,931**
Finance costs	(37,622)	(38,103)	(31,544)	(32,457)	**(26,070)**
Profit before tax	85,671	320,189	630,700	234,573	**487,861**
Taxation credit/(charge)	(12,921)	4,334	(87,391)	3,431	**(1,692)**
Profit for the year	72,750	324,523	543,309	238,004	**486,169**
Profit/(loss) for the year attributable to:					
Equity holders of the Company	147,709	377,623	354,080	123,600	**486,169**
Non-controlling interests	(74,959)	(53,100)	189,229	114,404	**—**
	72,750	324,523	543,309	238,004	**486,169**
Dividend	—	—	—	—	**—**

For the year ended 31 March 2015

	Year ended 31 March				
	2011	2012	2013	2014	**2015**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
		(restated)		(restated)	
	(note b)	(note a)		(note c)	
EARNINGS PER SHARE					
— Basic (in HK cents)	23.21	55.70	49.42	16.99	**56.52**
— Diluted (in HK cents)	19.87	55.54	48.91	16.01	**55.93**
ASSETS AND LIABILITIES					
Total assets	4,110,867	4,752,018	6,234,883	2,992,141	**3,662,068**
Total liabilities	2,748,452	2,835,347	3,749,865	1,032,703	**1,042,876**
	1,362,415	1,916,671	2,485,018	1,959,438	**2,619,092**

Notes:

(a) Figures for year 2012 have been adjusted to changes in accounting policies related to HKAS 12.

(b) The financial summary of the Group for the year ended 31 March 2011 have not been restated upon changes in accounting policies as the directors of the Company are of the opinion that they would involve costs not in proposition to the benefit of the Group.

(c) The basic and diluted earnings per share for the year ended 31 March 2014 has been adjusted to reflect the open offer completed during the year ended 31 March 2015.

Schedule of Properties Held by the Group

For the year ended 31 March 2015

MAJOR PROPERTIES

Particulars of major properties held by the Group at 31 March 2015 were as follows:

Investment properties

Location	Use	Group interest	Approximate gross area
Jardine Center No. 50 Jardine's Bazaar Causeway Bay Hong Kong	Commercial	100%	58,522 (sq. ft)
L'hart No. 487–489 Lockhart Road Causeway Bay Hong Kong	Commercial	100%	33,600 (sq. ft)
Ground Floor and Cockloft Floor No. 38 Jardine's Bazaar Causeway Bay Hong Kong	Commercial	100%	1,400 (sq. ft)
First Floor of No. 38 Jardine's Bazaar and No. 40 Jardine's Bazaar Causeway Bay Hong Kong	Residential	100%	838 (sq. ft)