WANG ON GROUP LIMITED
宏安集團有限公司

Incorporated in Bermuda with limited liability
Stock Code: 1222

2016
ANNUAL REPORT

MIX
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

INVESTMENT COMMITTEE

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

EXECUTIVE COMMITTEE

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

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

AUDITORS

Ernst & Young

LEGAL ADVISERS

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

PRINCIPAL BANKERS

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

BOARD LOT

20,000 shares

INVESTOR RELATIONS

Email: pr@wangon.com

HOMEPAGE

www.wangon.com

STOCK CODE

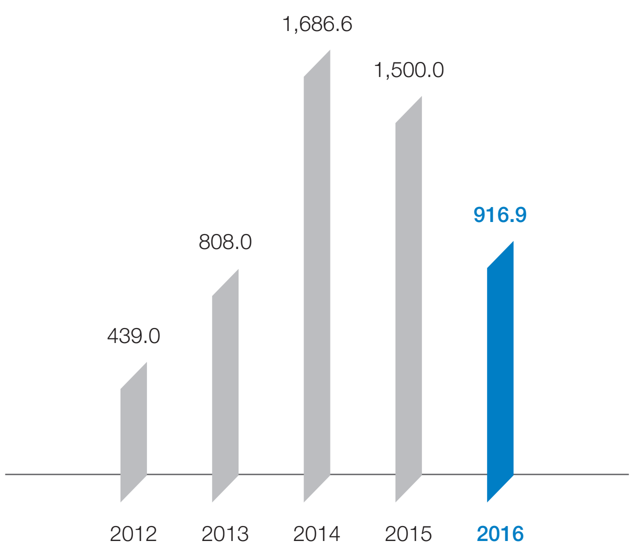
1222

FINANCIAL HIGHLIGHTS

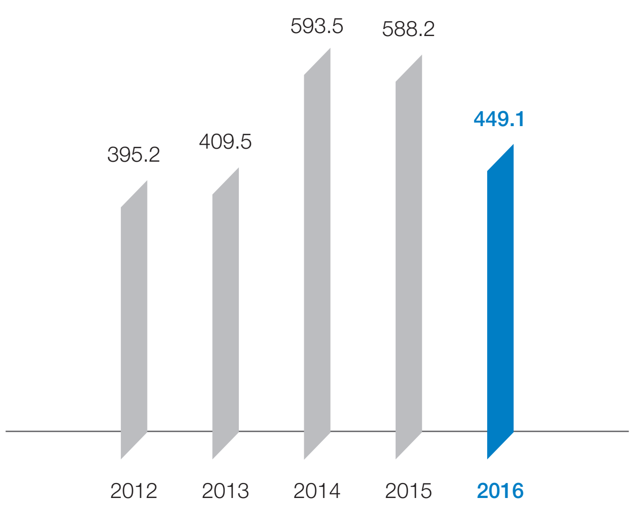
	YEAR ENDED 31 MARCH			
	2016	2015		Change
Turnover	**HK$916.9 million**	HK$1,500.0 million	↓	38.9%
Profit attributable to owners of the parent	**HK$449.1 million**	HK$588.2 million	↓	23.6%
Basic earnings per share	**HK2.3 cents**	HK3.00 cents	↓	23.3%
Total dividends per share	**HK0.6 cents**	HK4.00 cents	↓	85%

	AT 31 MARCH			
	2016	2015		Change
Total assets	**HK$7.04 billion**	HK$7.34 billion	↓	4.1%
Net assets	**HK$4.56 billion**	HK$4.19 billion	↑	8.8%
Net asset value per share	**HK$0.23**	HK$0.21	↑	9.5%
Gearing ratio	**20.2%**	37.7%	↓	17.5%

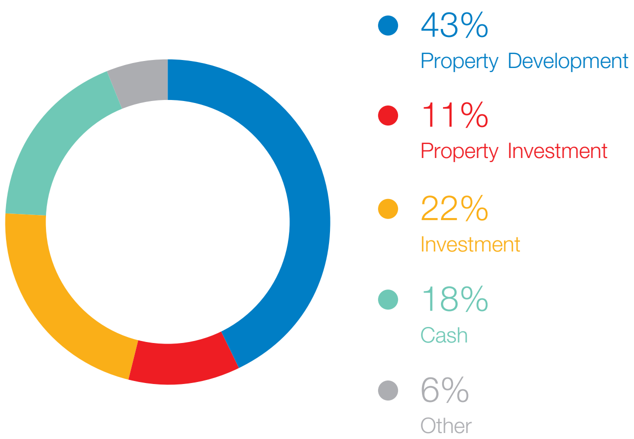
TURNOVER
HK$ million



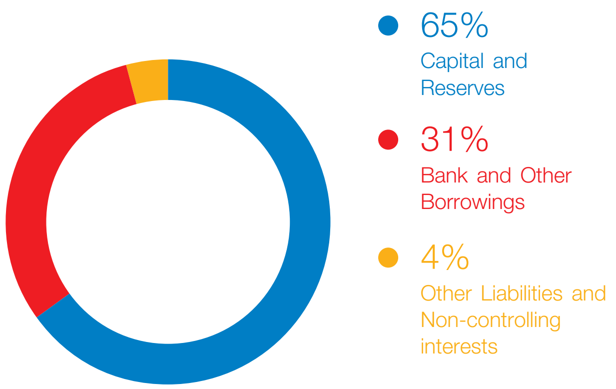
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT
HK$ million



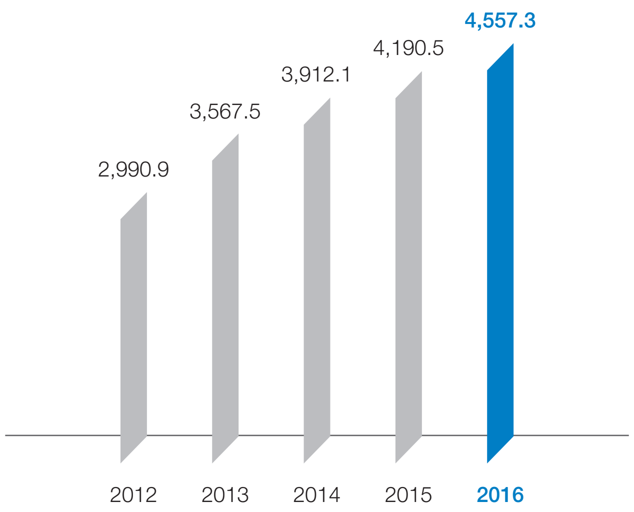
ASSETS EMPLOYED
As at 31 March 2016



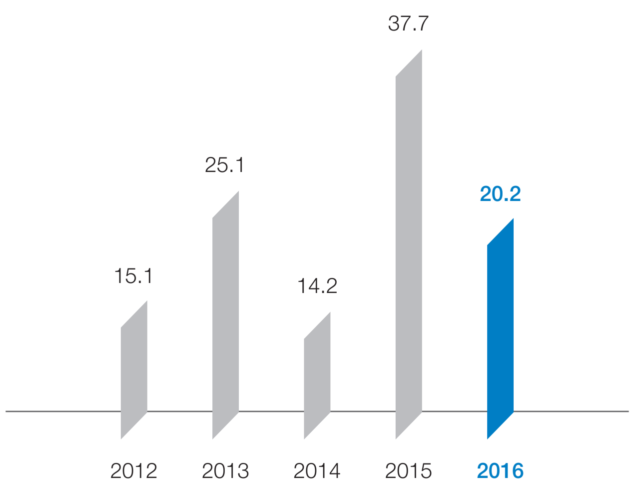
CAPITAL AND LIABILITIES
As at 31 March 2016



EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT
HK$ million



GEARING RATIO
Percentage



CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "***Board***" or the "***Directors***") of Wang On Group Limited (the "***Company***"), I am pleased to announce the annual results of the Company and its subsidiaries (collectively the "***Group***") for the year ended 31 March 2016 (the "***year under review***").

Dear Shareholders,

During the year under review, the Company spun off the Group's residential and commercial property development and commercial and industrial property investment business (the "**Spin-off Business**") by way of a separate listing of Wang On Properties Limited ("**WOP**"). WOP was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 April 2016 (Stock Code: 1243). Following the spin-off, WOP (a subsidiary of the Company) together with its subsidiaries (the "**WOP Group**") are principally engaged in the Spin-off Business and the Company and its other subsidiaries, other than the WOP Group, (the "**Remaining Group**") remains principally engaged in the management and sub-licensing of Chinese wet markets and provision of finance, while also holding investments in other businesses.

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

BUSINESS REVIEW

I have been engaging in the real estate sector for more than 30 years. The Hong Kong Government actively promoted the development of public rental housing and Home Ownership Scheme flats back then, creating business opportunities for us. We have accumulated some experience by contracting renovation and repair works of the housing projects of the government. In my opinion, Hong Kong's high population density and scarce land resources entail sustainable development in the real estate sector. Therefore, I began to set up a dedicated and professional property department within the Group, which commenced its active participation in Hong Kong's real estate sector.

Now, I am very pleased to report that WOP under the Group was spun off successfully from the Company in April this year, as a separate listed property developer. I believe that the spin-off not only provides WOP with a separate platform to raise fund for future business expansion independent from the Company, but also enables the Company and WOP to enhance their fund-raising by effectively targeting their respective investors with increased competitive edge, and to improve the capital allocation, thus facilitating long term growth of the Company and WOP. I would like to express my gratitude to every shareholder for your support to the successful spin-off of WOP.

As one of the largest leasing operators of Chinese wet markets in Hong Kong, the Group managed a portfolio of 12 "Allmart" branded and 17 "Huimin" branded Chinese wet markets in various districts in Hong Kong and Shenzhen, Guangdong Province of Mainland China, respectively during the year under review. To bring new shopping experience to Hong Kong and the Mainland China residents, the Group has introduced various new elements to the Chinese wet markets under its management, with an aim to not only increase foot traffic to the wet markets, but also improve the shopping environment for our customers.

During the year under review, following the completion of its renovation, Choi Ming wet market in Tseung Kwan O re-opened on 5 December 2015 to serve Tseung Kwan O residents and offer a more comfortable and hygienic shopping environment for the public. The wet market at Lei Tung Estate in Ap Lei Chau has already completed its renovation and put into operation. Besides, subsequent to the end of the reporting period, the Allmart wet market in Shui Chuen O Estate in Sha Tin is going to commence trial operation.

The upgrade work has created a more organised interior layout and better shop distribution of the wet market, which is anticipated to enhance its operating efficiency and further attract spending by residents with a view to strengthening the competitiveness of the Group's wet markets. For efficient management and better environmental hygiene, our wet markets are sub-divided into different areas according to goods categories it offers, like vegetables, poultry, fish and cooked food. Shops are thus systematically organised. In addition, certain advanced equipment has also been upgraded for residents in the neighborhood to enjoy their shopping with quality and comfortable shopping experience. We are committed to providing convenient, hygienic and quality shopping experience for residents, and strive to meet the requirements of merchants and the public. The Group will continue to make its best effort to expand its market share and improve the operating environment by leveraging its expertise and experience.

The Chinese wet market still has enormous development potential in the Mainland China. Through "Huimin", we have established a prominent brand in the wet market operation sector in the Mainland China by introducing the modernised operation model that Wang On adopts in Hong Kong and delineated marketplace layouts according to the needs of contemporary consumers. The Group will closely monitor the market trend and look for appropriate projects in the Mainland China.

Apart from the abovementioned businesses, the Group has strengthened its business to money lending and mortgage segment, which generated revenue for the Group during the year. During the reporting period, the Group provided further credit facilities to other corporations and individuals. Given the higher borrowing costs in neighbouring areas and the tightened mortgage lending policy in Hong Kong, our expert team's ability to provide comprehensive mortgage service and tailored one-stop solutions for the public to achieve their goal of home ownership has enabled the Group to further expand the amount and scale of lending.

GIVING BACK TO COMMUNITY

During the year under review, the Group made charity donations to organisations including Yan Oi Tong, Hong Kong Culture Association Charitable Foundation Limited, Hong Kong New Arrivals Services Foundation and Chi Lin Nunnery to show our care to society. In light of the ever greater disparity between rich and poor in the Hong Kong society in recent years, the grassroots face escalating pressure in making a living. Apart from tangible resources and financial support, this group of people yearns for care and respect from the general public as well.

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

FUTURE OUTLOOK

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

The recent significant depreciation in currencies of neighboring countries has caused a drop in inbound Mainland China visitors. It is inevitable for the business of retailers targeting such visitors to take a hit. Consequently, rental rates of commercial properties in certain districts are expected to be temporarily affected.

As the government will accelerate the construction of public rental housing and home ownership scheme projects, more Chinese wet markets under the supervision of the Housing Department will be completed in future. We will leverage our experience in managing Chinese wet markets in order to fortify and reinforce the business. In response to competition from supermarkets and chain stores, we will work diligently towards enhancement of operation and management of our wet markets, with a view to presenting a 4th generation modern wet market model that will offer more comfortable and convenient shopping experience for customers.

On the other hand, in addition to the Group's interest in property related business through WOP, it is expected that the money lending businesses will become a driving force for our profit growth. Local policies to cool down the property market have been consistently implemented, which has helped boost property transactions. To assist Hong Kong residents to achieve their home ownership goal, we will leverage our professional and comprehensive mortgage expertise to provide customised one-stop mortgage services. We will spare no effort to capture market opportunities and maintain competitiveness.

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

APPRECIATION

I am most proud to be able to participate in the growth of the Group alongside with our management team over the past 20 years, and would like to express my heartfelt gratitude to our colleagues, venture partners and shareholders, who have always rendered their support and trust to us throughout the journey. I am confident that the unremitting efforts of the Group and unwavering support from you, shall continue to drive the Group forward and achieve optimal returns for all of us.

Tang Ching Ho
Chairman

Hong Kong, 8 June 2016

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the financial year ended 31 March 2016, the Group's revenue and profit attributable to owners of the parent amounted to approximately HK$916.9 million (2015: approximately HK$1,500.0 million) and approximately HK$449.1 million (2015: approximately HK$588.2 million) respectively.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK0.5 cent (2015: HK1.0 cent) per ordinary share for the year ended 31 March 2016 to shareholders on the register of members of the Company as of Wednesday, 17 August 2016. The final dividend will be paid on or around Thursday, 25 August 2016, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Tuesday, 9 August 2016. Together with the interim dividend of HK0.1 cent (2015: (i) a cash dividend of HK1.0 cent; (ii) distribution in specie of shares in a listed issuer, namely Easy One Financial Group Limited ("**EOF**") (formerly known as PNG Resources Holdings Limited), in the proportion of three (3) shares of HK$0.01 each of EOF for every multiple of 125 shares in the Company held of approximately HK0.5 cent; and (iii) a special dividend of HK1.5 cents) per ordinary share, the total dividends for the year ended 31 March 2016 will be HK0.6 cent (2015: HK4.0 cents) per ordinary share.

CLOSURE OF REGISTER OF MEMBERS

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

(a) *for determining eligibility to attend and vote at the 2016 annual general meeting:*

Latest time and date to lodge transfer documents for registration:	4:30 p.m., Wednesday, 3 August 2016
Closure of register of members:	Thursday, 4 August 2016 to Tuesday, 9 August 2016 (both days inclusive)
Record date:	Tuesday, 9 August 2016

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

Latest time and date to lodge transfer documents for registration:	4:30 p.m., Monday, 15 August 2016
Closure of register of members:	Tuesday, 16 August 2016 to Wednesday, 17 August 2016 (both days inclusive)
Record date:	Wednesday, 17 August 2016

In order to be eligible to attend and vote at the 2016 annual general meeting and to qualify for the proposed final dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than the respective latest time and date set out above.

BUSINESS REVIEW

The Group's revenue for the year ended 31 March 2016 amounted to approximately HK$916.9 million (2015: approximately HK$1,500.0 million), which represented a notable decrease of approximately HK$583.1 million compared with last year. This year, the Group had fewer completion of sale of property development projects. Profit attributable to owners of the parent for the year under review was approximately HK$449.1 million (2015: approximately HK$588.2 million), which represented only a moderate decrease from last year. In summary, the Group continued to achieve favourable results this year. Apart from the recurring rental and Chinese wet market sub-licensing income, it was contributed mainly by the completion and delivery of the residential project, "The Met. Delight", as well as the remaining units of "The Met. Sublime". Besides, the Group also disposed of a number of investment properties during the year including the shopping mall, Riviera Plaza in Tsuen Wan. The business of provision of finance had generated satisfactory results for the Group.

Property Development

Revenue recognised in this business segment during the year amounted to approximately HK$567.5 million (2015: approximately HK$1,210.2 million) which was contributed mainly by the completion and delivery of the residential project, "The Met. Delight" at Camp Street in Cheung Sha Wan and the remaining units of "The Met. Sublime" at Kwai Heung Street in Sai Ying Pun. The decrease in revenue for the reporting year was mainly attributable to fewer delivery of completed projects compared with last year. A general summary and update of the current property development projects of the Group are listed below.

One of the two unsold upper floor units in "726 Nathan Road" was disposed of in February 2016, while the other unsold upper floor unit was successfully leased out. The shop on ground floor continued to generate rental income to the Group.

The site at 575-575A Nathan Road, Mong Kok has completed foundation work, construction of superstructure will soon begin. This site will be developed into another versatile Ginza type commercial complex in the crowded Nathan Road area after the previous successful "726 Nathan Road" project. Targeted completion date of this development is expected to be in late 2017.

The site at Ma Kam Street, Ma On Shan in Sha Tin (Sha Tin Town Lot No. 599) was acquired in July 2014 through a tender of Hong Kong Government land sale. It is a residential development site with flat number restrictions with a required minimum of 310 units to be built. Foundation works will soon complete and superstructure will immediately follow. Expected completion of this project will be in 2018. The Group owns 60% equity interest in this development and the results and financial position of this site are consolidated into the financial statements of the Group.

Another site in Sha Tin district located at Hang Kwong Street, Ma On Shan (Sha Tin Town Lot No. 598) was also acquired by the Group through a tender of the Hong Kong Government land sale in September 2014. It is also a residential development site with flat number restrictions with minimum of 180 units to be built. Again, foundation works will also complete soon. Construction works of the site is expected to be completed in late 2017. The Group also owns 60% equity interest in this development and the results and financial position of this site are consolidated into the financial statements of the Group.

The Group's third residential land piece in Sha Tin district, the site at Tai Po Road – Tai Wai section (Sha Tin Town Lot No. 587) was also acquired in the same way as the previous two in February 2015. General building plan has been approved, slope and site formation works is progressing smoothly. The site is situated at an area of traditionally prime residential zone neighboring the Sha Tin Heights Road and Lower Shing Mun Road, which is highly favourable for premium residential development. The Group solely owns this development and it is expected the project will be delivered to purchasers in early 2019.

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

As at 31 May 2016, the Group had a development land portfolio as follows:

Location	**Approximate site area** (square feet)	**Intended usage**	**Anticipated year of completion**
575-575A Nathan Road, Mong Kok	**2,100**	Commercial	**2017**
Hang Kwong Street, Ma On Shan (Sha Tin Town Lot No. 598)	**33,300**	Residential	**2017**
Ma Kam Street, Ma On Shan (Sha Tin Town Lot No. 599)	**33,300**	Residential	**2018**
Tai Po Road – Tai Wai section in Sha Tin (Sha Tin Town Lot No. 587)	**71,000**	Residential	**2019**
13 and 15 Sze Shan Street, Yau Tong	**41,000**	Residential and Commercial	**2020**

Having a sufficient development land reserve is crucial to the sustainable operation of the Group in the long run, the Group has never ceased its proactive participation in the search and tender for land reserve. The Group has also explored other ways of collaboration with external parties for development opportunities. On the other hand, the management of the Group has employed various cost saving exercises to control the soaring cost of construction which it considers one of the most instrumental risk factors in its property development business, alongside with general economic sentiment and land supply. The Group will also dedicate further resources in its brand building for its property development business and residential and commercial projects.

Property Investment

As at 31 March 2016, the Group's portfolio of investment properties comprised of commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK$795.3 million (31 March 2015: approximately HK$1,569.6 million).

During the year, the Group received gross rental income of approximately HK$40.8 million (2015: approximately HK$34.0 million), representing an increase of approximately HK$6.8 million over last year. The increase in gross rental income was primarily attributable to the additional rental income generated from the shop unit at Percival Street, Causeway Bay which was acquired by the Group in February 2015. Tenancy agreement was entered into thereon with a gross monthly rental of HK$0.9 million.

Besides, during the year, the Group had disposed of a number of properties at an aggregate consideration of approximately HK$1,175 million. Impact on rental income of the Group for the year by these investment properties is considered moderate. The major disposals during the year are listed in the following paragraphs.

In August 2015, the Group entered into a provisional sale and purchase agreement for the disposal of a subsidiary which held a shop unit at Mong Kok Road, Mong Kok at a consideration of HK$158 million, details of which had been set out in the announcement of the Company dated 12 August 2015. The transaction was completed on 11 November 2015.

In November 2015, the Group entered into a sale and purchase agreement with WYTH for the disposal of the Group's two indirect wholly-owned subsidiaries which held two shops at Tsuen Wan and Sham Shui Po for an aggregate consideration of HK$70 million. The transaction was completed on 23 December 2015.

Further, in December 2015 the Group entered into an agreement for the disposal of an indirect wholly-owned subsidiary of the Group which indirectly held Riviera Plaza, the shopping mall in Tsuen Wan, at a consideration of HK$823 million, details of which were set out in the announcement of the Company dated 1 December 2015. The transaction was completed on 15 February 2016. This property was acquired by the Group in July 2013 with an intention of holding as long-term investment property which was expected to strengthen the rental income stream of the Group. Since then the Group had devoted various effort and resources in designing the layout and marketing plan for the shopping mall. The Group intended to revamp the mall into a trendy neighborhood mall providing great variety of shopping choices and exciting experiences, hoping it would be a new iconic landmark in the district. To provide for the planned renovation works, the mall had been vacated since 2014 and during the current financial year, the Group was in the process of finalising the general building plan and applying for alteration and enhancement approval. Renovation works were expected to be carried out after then. However, the management of the Group is of the view that the disposal serves to realise the discounted long-term potential of the property at a time of poor general retail market sentiment and pessimistic economic expectations of the near future.

Furthermore, in November 2015, the Group had also acquired a number of car parking spaces in Shatin Centre at a consideration of HK$96.8 million with a view for trading gain. Some of which had been resold before the year end with an aggregate gross revenue contribution of HK$53.3 million. The remaining car parking spaces will be scheduled for resale and as well as for rental income.

As at 31 March 2016, within the Group's portfolio of investment properties, the Group held a lot of 48 second-hand residential properties of approximately HK$216.1 million (2015: 62 second-hand residential properties of approximately HK$305.7 million) previously acquired from the market, which was scheduled to be kept and held by the Remaining Group after the spin-off of WOP. As disclosed in the announced documents of WOP in respect of the spin-off exercise, the Remaining Group expected that it will not engage in any business activities that compete with those of WOP, the Remaining Group will actively pursue the disposal of such portfolio of properties in the coming financial year. The Group had disposed of two out of the above mentioned 48 properties as of 8 June 2016, one of them was delivered in April 2016, while the other will be delivered in July 2016.

The management of the Group is of the view that the various disposals would benefit the Group by indirectly realising these long-term investments and strengthen the liquidity and overall financial position.

Spin-off of the property development and investment division

For the past years, although the Group also engaged in the business of management of Chinese wet markets and provision of finance, the major business of the Group had been property development and investment in Hong Kong, focusing on developing residential and commercial properties for sale and investing in commercial and industrial properties for capital appreciation. The major driving force of revenue increment of the Group had proven to be the sale of properties, and the recurring rental income from investment properties formed the basic support for the Group's general operation.

The sale of properties and related businesses of the Group is dependent on the economic conditions and particularly property market performance in Hong Kong. Acquiring the required development land reserve is of paramount importance for the Group to sustain its development, however in recent years, there emerged a number of small to medium sized developers, coupled with active participations by the developers from Mainland China, the competition for securing development land pieces has been fierce. Further, the soaring construction cost is also one of the commonly faced problems of local developers in Hong Kong.

Nevertheless, the Group has demonstrated its competitive edges in sales of properties and related businesses in recent years through its strong financial performance. The Group has successfully established "The Met." brand in boutique residential housing market, and also has a broad range of properties for development and investment. The Group has also had an established and defined model of property investment and development strategy which is responsive to market changes. Further, the management team of the property business is experienced, stable and understands market well.

Given the above background and considering that, among other things, the Spin-off Business has grown to a sufficient size to warrant a separate listing, and that the new listed entity will have its own separate management structure focusing on the Spin-off Business whilst management of the Remaining Group will be able to focus on the other business engagements, the Board had decided to spin off the Spin-off Business under a separately listed company, WOP, and submitted application to the Stock Exchange on 28 December 2015. The Board believed that such arrangement will enable investors to better appraise the strategies, exposure, risks and returns of the separated groups. Investors will have the opportunity to invest in any or both the business models of the separated groups. At the same time, it unlocks the value of the individual groups and allow their market values to be better reflected and the separate businesses and financing platform are expected to enable the entities to raise funds more effectively at their own without reliance on each other. The clear delineation of business models also allow better and functional diversification of businesses. The Company indirectly holds 75% equity interest in WOP upon the listing of WOP and continue to benefit from the subsidiary's property related business model. The spin-off exercise was completed on 12 April 2016, and WOP became a separately listed company in the Stock Exchange. Details of the whole spin-off exercise were disclosed in the announcements of the Company dated 28 December 2015, 4 March 2016, 24 March 2016, 30 March 2016, 11 April 2016 and 12 April 2016, respectively.

Management and Sub-licensing of Chinese Wet Markets

For the year ended 31 March 2016, revenue recorded for this segment amounted to approximately HK$181.4 million (2015: approximately HK$173.6 million), representing an increase of approximately HK$7.8 million over last year. The improvement was mainly attributable to the increased licensing income arising from the renewal of license agreements with stall operators in a number of Chinese wet markets.

During the year, the Group managed substantially a portfolio of approximately 920 stalls in 12 "Allmart" brand of Chinese wet markets in Hong Kong with a total gross floor area of over 262,000 square feet. The Group secured management licence of three wet markets during the year, namely Lei Tung Estate in Ap Lei Chau, Shui Chuen O Estate in Sha Tin and Lee On Estate in Ma On Shan. The wet market in Lei Tung Estate has already completed renovation and is under operation. The wet market in Shui Chuen O Estate is currently under renovation and will officially commence operation in mid 2016. The wet market at Lee On Estate was an operating market acquired from the landlord. On 29 February 2016, the licence for the wet market at Fu Tung Estate in Tung Chung had expired and returned to the landlord.

The Group has continued its enhancement works in its managed Chinese wet markets as well as upgrading its management and improvement of the general environment. Besides, as operating cost continues to increase, the Group has devised various cost saving and efficiency enhancement exercises with a view to control cost and maximise profit.

In Mainland China, the Group continued to manage a portfolio of approximately 1,000 stalls in 17 Chinese wet markets with a total gross floor area of over 283,000 square feet under "Huimin" brand in various districts of Shenzhen, Guangdong Province of Mainland China. The operation in Mainland China has generated a stable income for the Group. As management and sub-licensing of Chinese wet markets will remain a major segment of business in the Remaining Group, the Remaining Group is committed to expand further in both in Hong Kong and Mainland China and is currently actively looking for other opportunities in this segment.

Provision of finance

The Group had designated provision of finance as an additional business line of the Group in the last financial year. This line of business had provided the Group the opportunities to better utilise its excess financial resources and earn a relatively higher return compared with deposits and securities investments. It also reflects the Group's strategy for business diversification.

During the year, the Group had further expanded this line of business and extended further credit facilities to individuals and other corporations. Revenue generated from this segment of business amounted to approximately HK$76.1 million (2015: approximately HK$82.3 million). Given the higher borrowing costs in neighboring areas and the expected and continuous tightening mortgage lending policy in Hong Kong, the Group expects this segment of business will have further room for expansion in the coming year. Provision of finance will remain as a segment of business in the Remaining Group.

Investment in Pharmaceutical and Health Products Related Business

As at 31 March 2016, the Group held 22.08% interest in WYTH, a company listed on the Main Board of the Stock Exchange, which represents an increase of approximately 1.58% from 31 March 2015, following the rights issue of WYTH shares by WYTH completed on 19 May 2015. The Group had full acceptance of its provisional entitlement of shares and applied for excess shares in the subject rights issue.

For the year ended 31 March 2016, WYTH recorded a turnover of approximately HK$825.3 million (2015: approximately HK$831.1 million) and profit attributable to equity holders of approximately HK$25.4 million (2015: approximately HK$121.0 million). The significant decrease in its results was mainly attributable to, among other things, the fair value losses on investment properties, decrease in gain from changes in fair value of equity investments of fair value through profit or loss, despite the increase in share of profits and losses of associates. The Group's share of profit of WYTH for the year ended 31 March 2016 amounted to approximately HK$31.7 million (2015: approximately HK$135.7 million), included a gain on bargain purchase from the acquisition of additional interest in WYTH amounted to approximately HK$26.3 million (2015: approximately HK$112.1 million).

A number of economic and political factors continued to shadow the general retail market in Hong Kong, coupled with an apparent shift of visitors' spending focus and amount by Mainland China customers in Hong Kong recently, it had exerted moderate hit on the performance of WYTH. For the sake of prudence, the Group had made a provision for impairment of its investment in WYTH amounted to approximately HK$19.8 million (2015: Nil). The Group is of the opinion that the effect would be temporary only and given the solid foundation and recognised quality and brand value of WYTH both locally and in the Greater China region, the Group is of the view that the business of WYTH should grow steadily thereafter, especially in the local market in China. The Group regards its investment in WYTH as long term and is confident that it will enhance the Group's shareholders' value in the long run.

Loan Facility Granted to China Agri-Products Exchange Limited ("CAP")

On 4 October 2014, the Group entered into a subscription agreement with CAP, pursuant to which the Group had subscribed up to a maximum principal amount of HK$200.0 million two-year 8.5% coupon interest bonds and HK$330.0 million five-year 10.0% coupon interest bonds to be issued by CAP (collectively "**CAP Bonds**"), details of which were set out in the Company's announcement and circular dated 4 October 2014 and 24 October 2014, respectively. As at 31 March 2016, the fair value of CAP Bonds held by the Group amounted to approximately HK$503.5 million (2015: approximately HK$465.7 million).

Besides, as at 31 March 2016, CAP was indebted to the Group in the principal amount of HK$70.0 million (2015: approximately HK$50.0 million) pursuant to the loan agreements entered into between the Group and CAP on 21 July 2015 and 17 August 2015.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2016, the Group's total assets less current liabilities were approximately HK$6,199.7 million (2015: approximately HK$6,013.1 million) and the current ratio from approximately 3.2 times as at 31 March 2015 to approximately 6.0 times as at 31 March 2016.

As at 31 March 2016, the Group had cash resources and short-term investments of approximately HK$1,631.0 million (2015: approximately HK$1,256.9 million). Aggregate borrowings as at 31 March 2016 amounted to approximately HK$2,208.8 million (2015: approximately HK$2,628.6 million). The gearing ratio was approximately 20.2% (2015: approximately 37.7%), calculated by reference to the Group's total bank and other borrowings net of cash and cash equivalents and the equity attributable to owners of the parent.

As at 31 March 2016, the Group's land and buildings, investment properties (including assets held for sale), properties under development and properties held for sale, with carrying value of approximately HK$60.1 million, HK$654.0 million, HK$2,910.5 million and Nil (2015: approximately HK$62.0 million, HK$1,516.7 million, HK$2,655.2 million and HK$359.1 million) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 31 March 2016 amounted to approximately HK$127.5 million (2015: approximately HK$49.7 million). The Group had no significant contingent liabilities as at the end of the reporting year.

The Group strives to strengthen and improve its financial risk control on a continual basis and had consistently adopted a prudent approach in financial management. Financial resources and movements are under close monitor to ensure the Group's efficient and effective operation, as well as flexibility to respond to opportunities and uncertainties. The management of the Group is of the opinion that the Group's existing financial structure is healthy and related resources are sufficient to cater for the Group's operation needs in the foreseeable future.

FOREIGN EXCHANGE

The management of the Group is of the opinion that the Group has no material foreign exchange exposure. As at 31 March 2016, the Group held limited amount of foreign currency deposits, while all bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, also being mostly denominated in Hong Kong dollar, matches the currency requirements of the Group's operating expenses. Therefore, the Group does not engage in any hedging activities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2016, the Group had 198 (2015: 182) employees, of whom approximately 98.0% (2015: 98.4%) were located in Hong Kong and the rest were located in Mainland China. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's as well as the individual's performances. The Group had a defined scheme of remuneration and promotion review to accommodate the above purpose and review is normally carried out annually or biannually. Other forms of benefits such as medical and retirement benefits and structured training programs are also provided.

POSSIBLE RISKS AND UNCERTAINTIES

The Group has reviewed the possible risks and uncertainties which may affect its businesses, financial condition, operations and prospects based on its risk management system and considered that the major risks and uncertainties that may affect the Group included (i) Hong Kong economic conditions which may directly affect the property market; (ii) availability of suitable land bank for future development; (iii) the continuous escalation of construction cost in Hong Kong in recent years; (iv) business cycle for property under development may be influenced by a number of factors and the Group's revenue will be directly affected by the mix of properties available for sale and delivery; (v) all construction works were outsourced to independent third parties that they may fail to provide satisfactory services adhering to our quality and safety standards or within the timeline required by the Group; (vi) fluctuations of fair value gain or loss incurred on financial assets and investment properties; (vii) credit risk and recoverability of provision of loans which may incur bad debts during the downturn of economy; and (viii) loss of management contracts for Chinese wet markets which may arise in light of severe competition with existing market players and entry of new participants into the market.

In response to the abovementioned possible risks, the Group has a series of internal control and risk management policies to cope with the possible risks and has serious scrutiny over the selection of quality customers and suppliers. The Group has formed various committees to develop and review strategies, policies and guidelines on risk control; which enable the Group to monitor and response to risk effectively and promptly. For possible risks, the Group also actively proposes solutions to lower the impact of the possible risks on the businesses of the Group.

PROSPECTS

With the cooling measures continued to be in force and a prolonged signs of slowdown of economies both locally in Hong Kong and worldwide, sentiment in the market have remained poor. Since the second half of 2015, property prices in Hong Kong has turned direction, resulting in a notable downward adjustments first time since 2009. Small to medium sized units have experienced the most significant slide. This has caused transactions at the start of 2016 to become active, though still at a relatively low level. Later, newly launched residential units like those supplied in Tseung Kwan O received favourable responses, and many of them are sold for at or even below the prevailing second hand market prices. This reflects that demand from new home buyers are still strong, especially those that are excluded from the cooling measure.

At recent months, the slide in property prices apparently ceased and data shows that it is becoming stable and even with some signs of upward trend. Besides, the number of residential units pending pre-sale consent had reached a high level this year, implying that supply of residential units in the coming years is expected to increase gradually. This may exert pressure on the recovery of property price level, and it also means competition amongst developers for buyers of residential units will become fiercer. Further, the ever increasing cost of construction remains a headache for developers and has lead to a constant squeeze on profit margin. While property related business will remain a major invested business of the Remaining Group through its subsidiary operation of WOP, the Group will devote the greatest effort in arranging and completing the pre-sale of the projects in progress, hoping to grasp the best timing of marketing while reducing risks and maintaining a high standard of quality. The Group expects the subtle and ever increasing population of Hong Kong and the strong home starter demand should continue to be the booster for the property market in Hong Kong and therefore the Group continues to keep its cautious optimistic view of the market.

The strategic spin-off of WOP has demonstrated the Group's commitment in the property development and investment industry. Coupled with corporate and product brand building strategies, the Group expect this arm of business will extend its desirable track record and continue to flourish. While the Remaining Group itself will focus mainly on its Chinese wet market operation as well as provision of finance, it will also provide full support to its subsidiary operation. Besides, the Remaining Group will take up an additional role of a strategic investment flagship, which will actively explore different market opportunities and develop or invest in new businesses whenever it generates attractive return to the Group and its shareholders.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, *JP*, aged 54, is a co-founder of the Group, which was established in 1987, and the Chairman of the Company since November 1993. He is also an authorised representative, a member of the remuneration committee, the nomination committee, the investment committee and the executive committee of the Company. Mr. Tang is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of WYTH. Mr. Tang is the committee member of the 12th National Committee of the Chinese People's Political Consultative Conference ("**CPPCC**") and is also appointed as a standing committee member and convener of the tenth CPPCC Guangxi Zhuang Autonomous Region Committee and the president of Federation of Hong Kong Guangxi Community Organisations Limited and a standing committee member of the third CPPCC Guangxi Yulin City Committee. He is the husband of Ms. Yau Yuk Yin, the Deputy Chairman of the Company.

Ms. Yau Yuk Yin, aged 54, is a co-founder of the Group and the Deputy Chairman of the Company since November 1993. She is also a member of the remuneration committee, the nomination committee and the executive committee of the Company. Ms. Yau is responsible for the overall human resources and administration of the Group. She has over 23 years of experience in human resources and administration management. Ms. Yau is the wife of Mr. Tang Ching Ho, the Chairman of the Company.

Mr. Chan Chun Hong, Thomas, aged 52, joined the Group in March 1997 as an executive Director and was redesignated as the managing Director in September 2005. He is also an authorised representative and a member of the remuneration committee, the nomination committee, the investment committee and the executive committee of the Company. Mr. Chan is currently responsible for managing the overall operations of the Group. He is also the managing director of WYTH, the chairman and managing director of EOF, the chairman and chief executive officer of CAP, all of which are companies listed on the Main Board of the Stock Exchange. Mr. Chan was appointed as the non-executive chairman of WOP on 23 December 2015, the shares of which are listed on the Main Board of the Stock Exchange on 12 April 2016. Mr. Chan resigned as an independent non-executive director of Shanghai Prime Machinery Company Limited, a company listed on the Main Board of the Stock Exchange, on 27 June, 2014. He graduated from The Hong Kong Polytechnic University with a Bachelor degree in Accountancy and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Independent Non-Executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*, aged 76, joined the Group in November 1993 as an independent non-executive Director. He is a member of the remuneration committee and the chairman of the nomination committee of the Company. Dr. Lee holds an honorary doctoral degree in engineering from The Hong Kong Polytechnic University and an honorary doctoral degree in laws from The Chinese University of Hong Kong. He is currently an independent non-executive director of AMS Public Transport Holdings Limited, ITE (Holdings) Limited and Playmates Holdings Limited, all of which are companies listed on the Stock Exchange. He resigned as an independent non-executive director of Giordano International Limited on 14 June 2013.

Mr. Wong Chun, Justein, *BBS, MBE, JP*, aged 62, joined the Group in November 1993 as an independent non-executive Director. He is a member of the audit committee and the nomination committee of the Company and the chairman of the remuneration committee of the Company. Mr. Wong holds a bachelor's degree in Commerce and Computing Science from Simon Fraser University, Canada. He is a Fellow of Institute of Canadian Bankers. He was a member of the Fight Crime Committee, the Independent Police Complaints Council, the Legal Aid Services Council, chairman of Quality Education Fund Assessment and Monitoring Committee. He is ex-official member of New Territories Heung Yee Kuk and is currently a member of Solicitors Disciplinary Tribunal Panel, a member of Council on Professional Conduct in Education and a member of other government advisory bodies.

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*, aged 69, joined the Group in November 1993 as an independent non-executive Director. He is the chairman of the audit committee of the Company and a member of the nomination committee and the remuneration committee of the Company. Mr. Siu is also an executive member of a number of charitable organisations and sports associations and an independent non-executive director of Easy Repay Finance & Investment Limited (formerly known as Unlimited Creativity Holdings Limited), a listed company in Hong Kong.

Mr. Siu Kam Chau, aged 51, joined the Group in September 2004 as an independent non-executive Director. He is a member of the audit committee, the nomination committee, the remuneration committee and the investment committee of the Company. Mr. Siu holds a Bachelor degree in Accountancy from The City University of Hong Kong. Mr. Siu is a Certified Public Accountant (Practising) and a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Siu has over 26 years of working experience in auditing, accounting, company secretarial and corporate finance. He is currently an independent non-executive director of Deson Development International Holdings Limited, a company listed on the Main Board of the Stock Exchange. Mr. Siu resigned as executive director of Jun Yang Financial Holdings Limited (formerly known as Jun Yang Solar Power Investments Limited) and an independent non-executive director of China New Economy Fund Limited, both companies listed on the Main Board of the Stock Exchange, on 1 February 2016 and 22 October 2014, respectively. He also resigned as an independent non-executive director of China Demeter Investments Limited (formerly known as Oriental Unicorn Agricultural Group Limited), a company listed on the GEM Board of the Stock Exchange, on 27 October 2014.

SENIOR MANAGEMENT

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

Mr. Chan Sai Yan joined the Group in November 2012 as the financial controller of the Group. Mr. Chan holds a Bachelor degree in Accountancy from The Hong Kong Polytechnic University, a Master degree in Business Administration and a Master of Arts degree in Philosophy from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountant, and fellow member of both the Association of Chartered Certified Accountants and The Taxation Institute of Hong Kong, and a Certified Tax Advisor (Hong Kong). He has over 19 years of experience in professional accounting and financial management. Prior to joining the Group, he has worked in several Hong Kong listed groups and served senior executive roles in finance and company secretarial functions.

Mr, Wu Ka Chung, Ken joined the Group in July 2015 as the Senior IT Manager of the Group. Mr. Wu is responsible for the overall IT management of the Group in Hong Kong. Mr. Wu holds a Master degree in Corporate Governance & Directorship, Bachelor degree in Information Technology. He has over 20 years of experience in IT management. Prior to joining the Group, he has worked in several Hong Kong listed groups and served senior management roles in IT.

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita joined the Group in March 2007 as the Company Secretary of the Company. Ms. Mak is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and holds a Master degree in Business Administration from University of Lincolnshire and Humberside. Ms. Mak has over 20 years of experience in company secretarial field. Prior to joining the Group, she has served in a few Hong Kong listed groups.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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

The Company continued to take steps to apply the principles and comply with the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Board has reviewed periodically the compliance of the CG Code and is in the view that throughout the year ended 31 March 2016, the Company has complied with the code provisions of the CG Code.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

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

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

BUSINESS MODEL AND STRATEGY

The Group is principally engaged in the businesses of management of Chinese wet markets and the provision of finance, while also, through the WOP Group, holding businesses in property development and property investment and has managed to maintain a steady business development. Management of Chinese wet markets provides another stable source of income stream to the Group, the Group continues to devote resources to enhance the facilities and image of existing market to increase rental yield, whilst the Group continues to strengthen its resources in the provision of finance which generates a higher return to the Group. Furthermore, the Group's strategy for generating and preserving shareholders' value in the long run is, through the WOP Group, to invest prudently in projects and opportunities which maximise return to the shareholders. With respect to property development, it actively explores opportunities and increases its land portfolio which forms the basis for generating gain in the property development. To cope with the varying and uncertain market conditions, the WOP Group mainly focuses on projects with shorter development cycle in order to provide greater turnover cycle, flexibility and reduction of business risk. On the other hand, the WOP Group continues to maintain a balanced portfolio of property investments, regularly review its tenant mix, with an aim to maximise rental yield and secure a stable stream of income to support the recurring operations of the Group. Overall, the Group adopts a proactive and prudent approach in developing its business.

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

THE BOARD

Composition

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

Executive Directors

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

Independent non-executive Directors

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

Ms. Yau Yuk Yin is the spouse of Mr. Tang Ching Ho and the biographical details of all Directors are set out on pages 20 to 21 of this report.

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

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

Roles and Responsibilities of the Board and the Senior Management

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

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

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

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

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

Chairman and Chief Executive

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

Appointment and Re-election of the Directors

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

Independence of INEDs

The INEDs are required to confirm their independence upon their appointment and on an annual basis. The Company has received from each INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules for the year ended 31 March 2016. The Company continues to consider all the INEDs to be independent for the year under review and up to the date of this report.

Corporate Governance

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

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

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

Board Diversity

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

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

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

Having reviewed the Board Diversity Policy and the Board's composition, the Nomination Committee is satisfied that the requirements set out in the Diversity Policy had been met.

Continuous Professional Development

All Directors are encouraged to participate in continuous professional development so as to develop and refresh Directors' knowledge and skills and to ensure that their contribution to the Board remains informed and relevant. The Company regularly circulates training materials or briefings to all Directors in respect of the updates on, among other things, the Listing Rules, the Securities and Futures Ordinance or guidelines, the Companies Ordinance and financial or accounting standards which may be of the interest to Directors.

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

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

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

Liability Insurance for the Directors

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

BOARD COMMITTEES

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

Executive Committee

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

Audit Committee

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

The functions of the Audit Committee is, among others, to assist the Board to review the financial reporting, including interim and final results, to supervise over the Group's internal controls, risk management and to monitor the internal and external audit functions and to make relevant recommendations to the Board to ensure effective and efficient operation and reliable reporting. The functions of the Audit Committee will be reviewed regularly by the Board and amended from time to time, as and when appropriate, in order to be in compliance with the code provision of the CG Code (as amended from time to time). Its terms of reference were reviewed and updated in December 2015 so as to ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff to implement the Group's accounting and financial reporting function.

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

During the year under review, the Audit Committee members met twice with the Group senior management and the external auditors to discuss and review, *inter alia,* the following matters:

(a) the interim results for the six-month ended 30 September 2015 and the annual results for the year ended 31 March 2016 to ensure the full, complete and accurate disclosure in the aforesaid financial statements pursuant to the accounting standards and other legal requirement for presenting the same to the Board for approval;

(b) the term and remuneration for the appointment of Ernst & Young as external auditors to perform the agreed-upon procedures on the interim results for the six-month ended 30 September 2015 and the audit of final results for the year ended 31 March 2016;

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

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

(e) the overall effectiveness of internal controls; and

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

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

Remuneration Committee

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

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

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

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

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

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

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

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

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

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

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

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

Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements. In addition, pursuant to the code provision B.1.5 of the CG Code, the annual remuneration of other members of the senior management by bands for the year ended 31 March 2016 is set out below:

Remuneration to the senior management by bands	**Number of individual**
HK$500,000 to HK$1,000,000	1
HK$1,000,001 to HK$1,500,000	2
Over HK$1,500,000	1

Nomination Committee

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

The role and function of the Nomination Committee are as follows:

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

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

(c) to assess the independence of INEDs;

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

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

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

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

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

During the year under review, the Nomination Committee held one meeting, in which it determined the criteria and procedures for retirement by rotation and recommended to the Board for re-appointment of Mr. Chan Chun Hong, Thomas, Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney at the forthcoming annual general meeting. The Nomination Committee also reviewed the Diversity Policy and evaluated the Board performance and succession planning.

Investment Committee

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

ATTENDANCE OF DIRECTORS AT VARIOUS MEETINGS

Details of the attendance of individual Directors at Board meetings, committee meetings and shareholder meetings held during the year ended 31 March 2016 are as follows:

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

EXTERNAL AUDITORS' REMUNERATION

The remuneration paid/payable to the Company's external auditors, Ernst & Young for the year ended 31 March 2016, are set out as follows:

Services rendered for the Group	Fees paid/ payable to Ernst & Young *HK$'000*
Audit services	
– annual financial statements	**3,200**
Non-audit services:	
– agreed-upon procedures	**250**
– taxation and professional services	**4,164**
– professional services fee in relation to the spin-off of WOP	**3,365**
– other professional services	**700**
Total:	**11,679**

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for timely preparation and publication of the financial statements and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. In preparing the accounts for the year ended 31 March 2016, the Directors have adopted suitable accounting policies which are pertinent to the Group's operations and relevant to the financial statements and have presented an understandable assessment of the Group's position and prospects.

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

INTERNAL CONTROLS

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

The internal control system is designed to provide reasonable, but not absolute, assurance against material loss; and to manage rather than completely eliminate the risk of system failure. In addition, it should provide a basis for the maintenance of proper and fair accounting records and assist in the compliance with relevant rules and regulations. During the financial year ended 31 March 2016, the Board reviewed all material internal control, including financial, operational and compliance control and risk management function. It also reviewed with Audit Committee and the reports from business analysis & control department the effectiveness of the Group's internal control system, adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and satisfied that they were effective and in compliance with our policies.

INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

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

Disclosures in Corporate Website

Extensive information on the Group's activities and financial position will be disclosed in the annual reports, interim reports, announcements, circulars and other corporate communications which will be sent to shareholders and/or published on the website of the Stock Exchange (*www.hkex.com.hk*) and the Company (*www.wangon.com*). Other inside information is released by way of formal public announcements as required by the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (the "**SFO**") (Chapter 571 of the Laws of Hong Kong).

General Meeting with Shareholders

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

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

Investor Relations

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

Shareholders' Rights Convening a Special General Meeting

Pursuant to Section 74 of the Bermuda Companies Act 1981 (the "**Companies Act**") and Bye-law 58 of the Bye-laws, the Board whenever it thinks fit call special general meetings and shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the company secretary of the Company to require a special general meeting (the "**SGM**") to be called by the Board. The written requisition (i) must state the purposes of the SGM; and (ii) must be signed by the requisitionists and deposited at the principal place of business of the Company in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong for attention of the Board or the company secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such meeting shall be held within two (2) months after the deposit of such requisition.

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

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

Putting Forward Proposals at General Meetings

Pursuant to Sections 79 and 80 of the Companies Act, either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the principal place of business in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong or the Company's branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

Proposing a Person for Election as a Director

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

Enquiries to the Board

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

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

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

WHISTLEBLOWING POLICY

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

COMPANY SECRETARY

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

During the year ended 31 March 2016, Ms. Mak has complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training.

FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements which give a true and fair view and are in compliance with Hong Kong Financial Reporting Standards, statutory requirements and other regulatory requirements. As at 31 March 2016, the Board was not aware of any material misstatement or uncertainties that might put doubt on the Group's financial position or continue as a going concern. The Board endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting.

A statement by the auditors about their reporting responsibilities is set out on pages 49 to 50 of this report. There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

CORPORATE SOCIAL RESPONSIBILITY

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

CONSTITUTIONAL DOCUMENT

During the year ended 31 March 2016, there was no change in the constitutional document. The Memorandum of Association and the amended and restated Bye-laws are available on the websites of the Stock Exchange and the Company at (*www.hkex.com.hk*) and (*www.wangon.com*), respectively.

CONCLUSION

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

REPORT OF THE DIRECTORS

The Directors present their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Principal activities of the principal subsidiaries comprise property development, property investment, management and sub-licensing of Chinese wet markets and provision of finance in Hong Kong and the PRC, details of which are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2016 and the financial position of the Group at that date are set out in the consolidated financial statements on pages 51 to 153.

The Group's revenue and profit attributable to owners of the parent for the year ended 31 March 2016 amounted to approximately HK$916.9 million (2015: approximately HK$1,500.0 million) and approximately HK$449.1 million (2015: approximately HK$588.2 million), respectively.

Subsequent to the end of the reporting period, the Board has recommended the payment of a final dividend of HK0.5 cent (2015: HK1.0 cent) per ordinary share for the year ended 31 March 2016 to shareholders on the register of members of the Company as of Wednesday, 17 August 2016. The final dividend will be paid on or around Thursday, 25 August 2016, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Tuesday, 9 August 2016. Together with the interim dividend of HK0.1 cent (2015: (i) a cash dividend of HK1.0 cent; (ii) distribution in specie of shares in a listed issuer, namely EOF, in the proportion of three (3) shares of HK$0.01 each of EOF for every multiple of 125 shares in the Company held of approximately HK0.5 cent; and (iii) a special dividend of HK1.5 cents) per ordinary share, the total dividends for the year ended 31 March 2016 will be HK0.6 cent (2015: HK4.0 cents) per ordinary share.

BUSINESS REVIEW AND ANALYSIS OF KEY FINANCIAL PERFORMANCE INDICATORS

The business review and the key financial performance indicators to the businesses of the Group, including, among other things, the information set out below, are disclosed in the "Management Discussion and Analysis" on pages 10 to 19 of this report:-

(a) a fair review of the Group's business;

(b) principal risk factors;

(c) an analysis using financial key performance indicators; and

(d) future development in the Group's business.

As far as the Board is concerned, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 March 2016.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements as restated as appropriate, is set out on page 156 of this report. This summary does not form part of the audited financial statements.

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

Details of movements in the property, plant and equipment, the investment properties and properties under development of the Group during the year are set out in notes 13, 14 and 15 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

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

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year, together with the reasons therefor, are set out in notes 31 and 32 to the financial statements, respectively.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased a total of 287 million shares of HK$0.01 each of the Company on the Stock Exchange. All the repurchased shares were subsequently cancelled by the Company.

Details of the share repurchases during the year are as follows:

Month of repurchase	Number of share repurchased	Purchase price per share		Aggregate amount (before expenses)
		Highest	Lowest	
		HK$	*HK$*	*HK$*
	(in million)			*(in million)*
January 2016	156.0	0.121	0.100	16.2
February 2016	131.0	0.106	0.101	13.6
	287.0			29.8

The repurchases of the Company's shares during the year were effected by the Directors, pursuant to the mandate granted by the shareholders at the last annual general meeting of the Company, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company. As at 31 March 2016 and up to the date of this report, the total number of issued shares of the Company was 19,288,520,047 shares.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 33 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2016, the Company's reserves available for distribution to equity holders of the parent, calculated in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to approximately HK$1,303.5 million (2015: approximately HK$1,261.1 million), of which approximately HK$96.4 million has been proposed as a final dividend for the year ended 31 March 2016.

PERMITTED INDEMNITY PROVISION

The Bye-laws provides that for the time being acting in relation to any of the affairs of the Company, every Director and other officers shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, losses, damages and expenses which they may incur or sustain by or by reason of any act done about the execution of the duties of their respective office or otherwise in relation thereto. The Company had arranged appropriate directors' and officers' liability insurance coverage for the directors and other officers of the Group for the year under review.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2016, sales to the Group's five largest customers accounted for less than 14.8% (2015: 26.7%) of the total sales for the year and the sales to the largest customer included therein accounted to approximately 4.7%. Purchases from the Group's five largest suppliers accounted for approximately 82.0% (2015: approximately 82.2%) of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 26.0% of the total purchases for the year.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers.

PLEDGE OF ASSETS

Aggregate bank borrowings as at 31 March 2016 amounted to approximately HK$2,208.8 million (2015: approximately HK$2,628.6 million). As at 31 March 2016, the Group's land and buildings, investment properties (including assets held for sales), properties under development and properties held for sale, with carrying value of approximately HK$60.1 million, HK$654.0 million, HK$2,910.5 million and Nil (2015: approximately HK$62.0 million, HK$1,516.7 million, HK$2,655.2 million and HK$359.1 million) were pledged to secure the Group's general banking facilities.

DIRECTORS

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

Executive Directors

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

Independent Non-Executive Directors

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

In accordance with Bye-law 87 of the Bye-laws, Mr. Chan Chun Hong, Thomas, Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

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

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 20 to 21 of this report.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in notes 8 and 41 to the financial statements, no Directors nor a connected entity of a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTOR'S INTERESTS IN COMPETING BUSINESS

Mr. Chan Chun Hong, Thomas, the managing Director and also the chairman and managing director of EOF, which has been principally engaged in, among others, financing business since November 2015, was considered to have an interest in business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group. Save as disclosed herein, none of the Directors nor their respective associates had an interest in a business, apart from the businesses of the Group, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules during the year.

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

As at 31 March 2016, the interests and short positions of the Directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules, were as follows:

Long positions in the ordinary shares of the Company:

Name of Director	Number of ordinary shares held, capacity and nature of interest					Approximate percentage of the Company's total issued share capital
	Personal interest	Family interest	Corporate interest	Other interest	Total	*(Note f)* %
Mr. Tang Ching Ho ("**Mr. Tang**")	28,026,339	28,026,300 *(Note a)*	4,938,375,306 *(Note b)*	4,989,928,827 *(Note c)*	9,984,356,772	51.76
Ms. Yau Yuk Yin ("**Ms. Yau**")	28,026,300	4,996,401,645 *(Note d)*	–	4,989,928,827 *(Note e)*	9,984,356,772	51.76

Notes:

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

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

(c) Mr. Tang was taken to be interested in those shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.

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

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

(f) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2016 of 19,288,520,047 shares.

Save as disclosed above, as at 31 March 2016, none of the Directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Directors' interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations" above, "Share Option Scheme" below and in the share option scheme disclosures in note 32 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares or shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

On 3 May 2002, the Company adopted a share option scheme (the "**2002 Scheme**") for the primary purpose of providing incentives to eligible participants who contribute to the success of the Group. The 2002 Scheme expired at the close of business on 2 May 2012, no further share option had been granted under it since then and the outstanding share options of 238,328 were exercised during the year under review.

The Company adopted a new share option scheme at the annual general meeting of the Company held on 21 August 2012 (the "**2012 Scheme**") for the primary purpose of providing incentives or rewards for the eligible persons for their contribution or potential contribution to the development and the growth of the Group. During the year under review, no share options were granted, exercised, lapsed or cancelled under the 2012 Scheme.

Under the 2012 Scheme, share options may be granted to any Director or proposed Director (whether executive or non-executive, including INEDs), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants (the "**Participants**").

The 2012 Scheme became effective on 21 August 2012 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date. Under the 2012 Scheme, the Board may grant share options to the Participants to subscribe for shares of the Company for a consideration of HK$1.00 for each lot of share options granted which must be accepted within 30 days from the date offer. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

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

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

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

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

Details of the movements of the share options under the 2002 Scheme during the year ended 31 March 2016 were as follows:

Name or Category	Date of grant	Outstanding as at 1 April 2015	Granted during the year	Exercised during the year	Expired/ forfeited during the year#	Outstanding as at 31 March 2016	Exercise period of share options	Exercise price per share *HK$*	Price of the Company's shares at exercise date of share option
Other employees	8-1-2009	20,803	–	(20,803)	–	–	8/1/2010 – 7/1/2019*	0.3893	0.435
	12-5-2010	217,525	–	(217,525)	–	–	12/5/2011 – 11/5/2020*	0.2234	0.435
TOTAL		238,328	–	(238,328)	–	–			

Note:

* The options granted under the Scheme vest as follows:

On 1st Anniversary of the date of grant:	30% vest
On 2nd Anniversary of the date of grant:	further 30% vest
On 3rd Anniversary of the date of grant:	further 40% vest

At the end of the reporting period, the Company had no outstanding share options under the 2002 Scheme and the 2012 Scheme.

As at the date of this report, the total number of shares available for issue under the 2012 Scheme is 652,493,502 shares, representing 3.4% of the share capital of the Company in issue at the date of this report.

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

Other details of the 2012 Scheme are set out in note 32 to the financial statements.

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

As at 31 March 2016, to the best knowledge of the Directors, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders, had notified the Company and the Stock Exchange of relevant interests and short positions in the shares and underlying shares of the Company:

Long positions in the ordinary shares of the Company:

Name of shareholder	*Notes*	Capacity	Number of shares	Approximate percentage of the Company's total issued share capital *(Note 5)* %
Caister	*(1)*	Beneficial owner	4,938,375,306	25.60
Accord Power Limited ("**Accord Power**")	*(2)*	Beneficial owner – Tang's Family Trust	4,989,928,827	25.87
Fiducia Suisse SA	*(3)*	Interest of controlled corporation – Trustee	4,989,928,827	25.87
David Henry Christopher Hill	*(3)*	Interest of controlled corporation	4,989,928,827	25.87
Rebecca Ann Hill	*(4)*	Family interest	4,989,928,827	25.87

Notes:

(1) Caister, a company wholly owned by Mr. Tang Ching Ho, beneficially owned 4,938,375,306 shares.

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

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

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

(5) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2016 of 19,288,520,047 shares.

Save as disclosed above, as at 31 March 2016, no persons, other than Directors, had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

CORPORATE SOCIAL RESPONSIBILITY

While the Group endeavours to promote business development and strive for greater rewards for its stakeholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. In the past years, the Group made charity donations to organisations included Yan Oi Tong, Hong Kong New Arrivals Services Foundation Limited, Live In Harmony Fund Limited and Chi Lin Nunnery and various non-government and not for profit organisations. In light of the ever greater disparity between rich and poor in Hong Kong society developed in recent years, people from the lower class face escalating pressure in making a living. Yearns of this group of people are not only on tangible resources and financial support, but also care and respect from the general public. The Group will continue to devote further resources and effort towards achieving the goal of a socially responsible business.

ENVIRONMENTAL MATTERS

The Group has taken measures to promote environmental-friendliness of the workplace by encouraging paper-recycling culture and energy-saving culture within our Group. The Group also participated in the BEAM Plus assessment scheme, a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council, for the development of some of our properties, including The Met. Delight, the Hang Kwong street Project and the Ma Kam Street Project in Ma On Shan, the Tai Po Road-Tai Wai section Project in Sha Tin, by engaging a third-party consultancy companies for the provision of services in respect of BEAM Plus Certification and other environmental assessments.

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

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Group recognised enhancing and maintaining good relationships with suppliers and customers are essential for the Group's overall growth and development. The Group placed specific caution on selection of quality suppliers and customers and encourages fair and open competition to foster long-term relationships with of quality suppliers on the basis of mutual trust. The Group has kept good communications and shared business updates with them when appropriate.

CONNECTED TRANSACTION

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

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

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

Further details of other related party transactions undertaken by the Group in the ordinary course of business, which fell under Rule 14A.73 of the Listing Rules, during the year are set out in note 41 to the financial statements.

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

DISCLOSURES PURSUANT TO RULE 13.20 OF THE LISTING RULES

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

(a) by way of subscription of (i) up to an aggregate principal amount of HK$200.0 million two-year 8.5% coupon bonds (the "**2016 Bonds**"); and (ii) up to an aggregate principal amount of HK$330.0 million five-year 10.0% coupon bonds (the "**2019 Bonds**") issued by CAP (the "**Bonds Subscription**") pursuant to the subscription agreement dated 4 October 2014 (as supplemented on 28 November 2014);

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

(c) a loan agreement dated 13 February 2015 entered into between Double Leads and CAP, under which Double Leads agreed to provide an unsecured revolving loan facility of HK$110.0 million to CAP at an interest rate of 12.0% per annum for a term up to 12 February 2016, out of which HK$50.0 million was drawn down on 24 February 2015 and HK$60.0 million was drawn down on 24 April 2015. The loan has been repaid and terminated on 17 August 2015;

(d) a loan agreement dated 21 July 2015 entered into between Double Leads and CAP, under which Double Leads agreed to provide an unsecured revolving loan facility of HK$30.0 million to CAP at an interest rate of 12.0% per annum for a term up to 20 July 2016, out of which HK$20.0 million was drawn down on 23 July 2015. The outstanding loan was repaid in February 2016; and

(e) a loan agreement dated 17 August 2015 entered into between Double Leads and CAP, under which Double Leads agreed to provide an unsecured revolving loan facility of HK$100.0 million to CAP at an interest rate of 12.0% per annum for a term up to 16 August 2018, out of which HK$50.0 million was drawn down on 26 August 2015 and HK$20.0 million was drawn down on 29 September 2015.

Therefore, at the end of the reporting period, CAP was indebted to the Group an aggregate outstanding principal amount of approximately HK$600.0 million.

CHARITABLE DONATIONS

During the year, the Group made charitable and other donations totaling approximately HK$12 million (2015: approximately HK$12 million).

EMOLUMENT POLICY

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

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

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the share option scheme are set out in note 32 to the financial statements.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 22 to 35 of this report.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

The Company has established an Audit Committee with specific terms of reference in compliance with Rule 3.21 of the Listing Rules. During the year, the Audit Committee met twice with the management and the external auditors to review and consider, among other things, the accounting principles and practices adopted by the Group, the financial report matters (including the review of consolidated interim results for the six-month ended 30 September 2015), the statutory compliance, internal controls, continuing connected transaction(s) and the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function as well as their training programmes and budget. The consolidated financial statements for the year ended 31 March 2016 have been reviewed by the Audit Committee with the management and external auditors of the Company.

The Audit Committee, comprising three independent non-executive Directors, namely Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, has reviewed with the management and the auditors the consolidated financial statements for the year ended 31 March 2016. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events after the reporting period of the Group are set out in note 45 to the financial statements.

AUDITORS

The consolidated financial statements for the year ended 31 March 2016 have been audited by Ernst & Young, who retire and, being eligible, offer themselves for re-appointment. A resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Tang Ching Ho
Chairman

Hong Kong, 8 June 2016

INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of Wang On Group Limited (the "Company") and its subsidiaries set out on pages 51 to 153, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2016, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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

8 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
REVENUE	5	**916,947**	1,500,023
Cost of sales		**(569,046)**	(802,976)
Gross profit		**347,901**	697,047
Other income and gains, net	5	**338,638**	45,622
Selling and distribution expenses		**(49,882)**	(64,580)
Administrative expenses		**(190,956)**	(152,270)
Other expenses		**(34,106)**	(239,103)
Finance costs	7	**(23,993)**	(18,765)
Fair value gains/(losses) of financial assets at fair value through profit or loss, net		**(29,656)**	71,615
Fair value gains on investment properties, net	14	**5,098**	111,701
Fair value gain upon transfer of a property held for sale to an investment property	14	**–**	107,929
Reversal of write-down of properties under development	15	**49,564**	–
Share of profits and losses of:			
A joint venture		**514**	4,788
An associate		**31,695**	135,658
PROFIT BEFORE TAX	6	**444,817**	699,642
Income tax credit/(expense)	10	**3,641**	(111,629)
PROFIT FOR THE YEAR		**448,458**	588,013
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value	18	**33,437**	(126,625)
Reclassification adjustment for an impairment loss included in profit or loss	18	**–**	74,236
		33,437	(52,389)
Exchange differences on translation of foreign operations		**1,951**	(278)
Other reserves:			
Release upon deemed partial disposal of an associate		**–**	69
Share of other comprehensive loss of a joint venture		**(4,134)**	(1,047)
Share of other comprehensive income/(loss) of an associate		**1,195**	(21,298)
		(2,939)	(22,276)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2016

	Note	**2016** **HK$'000**	2015 HK$'000
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**32,449**	(74,943)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**480,907**	513,070
Profit attributable to:			
Owners of the parent		**449,077**	588,188
Non-controlling interests		**(619)**	(175)
		448,458	588,013
Total comprehensive income attributable to:			
Owners of the parent		**481,526**	513,245
Non-controlling interests		**(619)**	(175)
		480,907	513,070
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		(Restated)
Basic		**HK2.30 cents**	HK3.00 cents
Diluted		**HK2.30 cents**	HK3.00 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**92,554**	66,973
Investment properties	14	**579,200**	1,569,570
Properties under development	15	**350,000**	300,273
Investment in a joint venture	16	**88,253**	95,082
Investment in an associate	17	**571,469**	504,702
Available-for-sale investments	18	**313,996**	478,104
Loans and interest receivables	21	**7,196**	371
Deposits paid	22	**1,896**	3,499
Deferred tax assets	30	**1,577**	3,649
Total non-current assets		**2,006,141**	3,022,223
CURRENT ASSETS			
Properties under development	15	**2,560,519**	2,354,889
Properties held for sale	19	**91,981**	438,149
Available-for-sale investments	18	**201,424**	–
Trade receivables	20	**9,438**	3,120
Loans and interest receivables	21	**279,622**	84,978
Prepayments, deposits and other receivables	22	**37,425**	180,805
Financial assets at fair value through profit or loss	23	**343,639**	209,933
Tax recoverable		**906**	4,102
Cash and cash equivalents	24	**1,287,315**	1,046,987
		4,812,269	4,322,963
Assets classified as held for sale	25	**226,059**	–
Total current assets		**5,038,328**	4,322,963
CURRENT LIABILITIES			
Trade payables	26	**52,444**	87,730
Other payables and accruals	27	**57,355**	65,357
Deposits received and receipts in advance		**82,254**	209,320
Interest-bearing bank and other loans	28	**600,047**	820,816
Provisions for onerous contracts	29	**–**	1,651
Tax payable		**51,247**	147,211
		843,347	1,332,085
Liabilities directly associated with the assets classified as held for sale	25	**1,471**	–
Total current liabilities		**844,818**	1,332,085
NET CURRENT ASSETS		**4,193,510**	2,990,878
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,199,651**	6,013,101

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,199,651**	6,013,101
NON-CURRENT LIABILITIES			
Interest-bearing bank and other loans	28	**1,608,741**	1,807,781
Deferred tax liabilities	30	**12,970**	7,307
Other payables	27	**21,973**	7,581
Total non-current liabilities		**1,643,684**	1,822,669
Net assets		**4,555,967**	4,190,432
EQUITY			
Equity attributable to owners of the parent			
Issued capital	31	**192,885**	65,249
Reserves	33	**4,364,385**	4,125,205
		4,557,270	4,190,454
Non-controlling interests		**(1,303)**	(22)
Total equity		**4,555,967**	4,190,432

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

		Attributable to owners of the parent										
	Notes	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000 Note 33(a)	Available-for-sale investment revaluation reserve HK$'000	Share option reserve HK$'000 Note 33(b)	Exchange fluctuation reserve HK$'000	Other reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2014		65,249	1,462,363	306,353	(585)	5,933	637	16,159	2,055,945	3,912,054	153	3,912,207
Profit for the year		–	–	–	–	–	–	–	588,188	588,188	(175)	588,013
Other comprehensive income/(loss) for the year:												
Available-for-sale investments:												
Change in fair value of available-for-sale investments	18	–	–	–	(126,625)	–	–	–	–	(126,625)	–	(126,625)
Reclassification adjustment for an impairment loss included in profit or loss	18	–	–	–	74,236	–	–	–	–	74,236	–	74,236
Exchange differences on translation of foreign operations		–	–	–	–	–	(278)	–	–	(278)	–	(278)
Release upon deemed partial disposal of an associate		–	–	–	–	–	–	69	–	69	–	69
Share of other comprehensive loss of a joint venture		–	–	–	–	–	–	(1,047)	–	(1,047)	–	(1,047)
Share of other comprehensive loss of an associate		–	–	–	–	–	–	(21,298)	–	(21,298)	–	(21,298)
Total comprehensive income for the year		–	–	–	(52,389)	–	(278)	(22,276)	588,188	513,245	(175)	513,070
Transfer of share option reserve upon the forfeiture and cancellation of share options		–	–	–	–	(5,899)	–	–	5,899	–	–	–
Final 2014 dividend		–	–	–	–	–	–	–	(39,150)	(39,150)	–	(39,150)
Interim 2015 dividend	11	–	–	–	–	–	–	–	(65,249)	(65,249)	–	(65,249)
Special interim 2015 dividend by way of distribution in specie	11	–	–	–	–	–	–	–	(32,572)	(32,572)	–	(32,572)
Special 2015 dividend	11	–	–	–	–	–	–	–	(97,874)	(97,874)	–	(97,874)
At 31 March 2015		65,249	1,462,363*	306,353*	(52,974)*	34*	359*	(6,117)*	2,415,187*	4,190,454	(22)	4,190,432

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

		Attributable to owners of the parent										
	Notes	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000 Note 33(a)	Available-for-sale investment revaluation reserve HK$'000	Share option reserve HK$'000 Note 33(b)	Exchange fluctuation reserve HK$'000	Other reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2015		65,249	1,462,363	306,353	(52,974)	34	359	(6,117)	2,415,187	4,190,454	(22)	4,190,432
Profit for the year		-	-	-	-	-	-	-	449,077	449,077	(619)	448,458
Other comprehensive income/ (loss) for the year:												
Available-for-sale investments:												
Change in fair value of available-for-sale investments	18	-	-	-	33,437	-	-	-	-	33,437	-	33,437
Exchange differences on translation of foreign operations		-	-	-	-	-	1,951	-	-	1,951	-	1,951
Share of other comprehensive loss of a joint venture		-	-	-	-	-	-	(4,134)	-	(4,134)	-	(4,134)
Share of other comprehensive income of an associate		-	-	-	-	-	-	1,195	-	1,195	-	1,195
Total comprehensive income for the year		-	-	-	33,437	-	1,951	(2,939)	449,077	481,526	(619)	480,907
Issue of shares upon exercise of share options	31(a)	2	88	-	-	(34)	-	-	-	56	-	56
Bonus Issue	31(b)	130,504	-	-	-	-	-	-	(130,504)	-	-	-
Shares repurchased and cancelled	31(c)	(2,870)	(27,070)	-	-	-	-	-	-	(29,940)	-	(29,940)
Liquidation of a subsidiary		-	-	-	-	-	-	-	-	-	(662)	(662)
Final 2015 dividend	11	-	-	-	-	-	-	-	(65,250)	(65,250)	-	(65,250)
Interim 2016 dividend	11	-	-	-	-	-	-	-	(19,576)	(19,576)	-	(19,576)
At 31 March 2016		192,885	1,435,381*	306,353*	(19,537)*	-*	2,310 *	(9,056)*	2,648,934*	4,557,270	(1,303)	4,555,967

* These reserve accounts comprise the consolidated reserves of HK$4,364,385,000 (2015: HK$4,125,205,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**444,817**	699,642
Adjustments for:			
Finance costs	7	**23,993**	18,765
Share of profits and losses of a joint venture and an associate		**(32,209)**	(140,446)
Loss on deemed partial disposal of an associate	6	**–**	164,079
Bank interest income	5	**(6,493)**	(10,424)
Imputed interest income from bonds investment	5	**(3,878)**	(947)
Dividend income from listed securities	5	**(1,271)**	(2,500)
Loss on disposal of investment properties, net	6	**4,576**	660
Loss on disposal of items of property, plant and equipment	6	**–**	42
Gain on disposal of subsidiaries, net	36	**(304,306)**	–
Fair value gains on investment properties, net	14	**(5,098)**	(111,701)
Fair value gain upon transfer of a property held for sale to an investment property	14	**–**	(107,929)
Fair value losses/(gains) on financial assets at fair value through profit or loss, net		**29,656**	(71,615)
Depreciation	13	**7,229**	5,998
Amount utilised for onerous contracts, net	6	**(1,651)**	(2,398)
Reversal of write-down of properties under development	15	**(49,564)**	–
Impairment of an available-for-sale investment	6	**–**	74,236
Impairment of trade receivables, net	6	**–**	86
Impairment of investment in an associate	6	**19,800**	–
Accrued rent-free rental income	14	**(332)**	(2,555)
		125,269	512,993
Decrease in properties held for sale		**321,325**	654,936
Increase in properties under development		**(159,648)**	(2,142,469)
Decrease in inventories		**173**	–
Decrease in trade receivables, prepayments, deposits and other receivables		**137,975**	165,582
Decrease/(increase) in loans and interest receivables		**(201,469)**	454,713
Increase/(decrease) in trade payables		**(35,286)**	30,938
Increase/(decrease) in other payables and accruals		**(6,097)**	3,360
Decrease in deposits received and receipts in advance		**(125,674)**	(152,126)
Cash generated from/(used in) operations		**56,568**	(472,073)
Profits tax paid		**(80,117)**	(89,906)
Net cash flows used in operating activities		**(23,549)**	(561,979)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Bank interest received	5	**6,493**	10,424
Dividend income from listed securities	5	**1,271**	2,500
Dividend income from an associate	17	**–**	2,594
Dividend income from a joint venture	16	**3,209**	–
Decrease in non-pledged time deposits with original maturity of more than three months when acquired		**–**	10,000
Investment in an associate	17	**(57,464)**	(35,354)
Additions to investment properties	14	**(1,518)**	(235,244)
Acquisition of a subsidiary	35	**(7,940)**	–
Purchases of items of property, plant and equipment	13	**(33,122)**	(2,345)
Purchases of financial assets at fair value through profit or loss		**(176,444)**	(37,380)
Proceeds from disposal of investment properties		**59,154**	59,340
Proceeds from disposal of an available-for-sale investment		**–**	100
Proceeds from disposal of financial assets at fair value through profit or loss		**13,082**	4,336
Disposal of subsidiaries	36	**1,048,358**	–
Net cash flows from/(used in) investing activities		**855,079**	(221,029)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(55,992)**	(40,038)
Dividends paid		**(84,826)**	(202,273)
Repayment of bank loans		**(1,000,330)**	(324,015)
Shares repurchased	31(c)	**(29,940)**	–
Proceeds from issue of shares upon exercise of share options		**56**	–
New bank loans		**571,321**	1,450,595
New other loans		**9,200**	235,162
Net cash flows from/(used in) financing activities		**(590,511)**	1,119,431
NET INCREASE IN CASH AND CASH EQUIVALENTS		**241,019**	336,423
Cash and cash equivalents at beginning of year		**1,046,987**	710,591
Effect of foreign exchange rate changes, net		**78**	(27)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,288,084**	1,046,987
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	24	**795,141**	555,102
Non-pledged time deposits with original maturity of less than three months when acquired	24	**492,943**	491,885
		1,288,084	1,046,987
Less: included in the assets classified as held for sale	25	**(769)**	–
Cash and cash equivalents as stated in the consolidated statements of cash flows and consolidated statements of financial position		**1,287,315**	1,046,987

1. CORPORATE AND GROUP INFORMATION

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

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

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

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

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

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

Name	Place of incorporation and business	Issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Double Vantage Limited	Hong Kong	Ordinary HK$1	–	100	Property development
Easytex Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Everlong Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
East Run Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Earnest Spot Investments Limited	British Virgin Islands	Ordinary US$2	–	100	Investment holding
Ever Task Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Ever World Limited*	Hong Kong	Ordinary HK$1	–	100	Property development
Fulling Limited	Hong Kong	Ordinary HK$100	–	100	Money lending and securities investment
Goldbo Investment Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Goodtech Management Limited	Hong Kong	Ordinary HK$2,800,100	–	100	Management of shopping centres
Grandwall Investment Limited*	Hong Kong	Ordinary HK$100	–	60	Property development

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

Name	Place of incorporation and business	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Greatest Wealth (Fresh Food) Limited	Hong Kong	Ordinary HK$1	–	100	Management and sub-licensing of Chinese wet markets
Kingtex Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Lanbo Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Longable Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Mailful Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Majorluck Limited	Hong Kong	Ordinary HK$10,000	–	100	Management and sub-licensing of Chinese wet markets
More Action Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Million Link Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
New Earth Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
New Golden Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

Name	Place of incorporation and business	Issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
New Rich Investments Limited*	Hong Kong	Ordinary HK$100	–	60	Property development
Newbo Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
New Sino Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Oriental Sino Investments Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Regal Smart Investment Limited	Hong Kong	Ordinary HK$1	–	100	Investment holding
Richly Gold Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Rich System Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property development
Rich Time Strategy Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Samrich Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Shiny World Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Sparkle Hope Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Topbo Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

Name	Place of incorporation and business	Issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Vincent Investments Limited*	Hong Kong	Ordinary HK$2	–	100	Property development
Wang On Enterprises (BVI) Limited	British Virgin Islands	Ordinary US$1	100	–	Investment holding
Wang On Management Limited	Hong Kong	Ordinary HK$2	–	100	Provision of management services
Wang On Majorluck Limited	Hong Kong	Ordinary HK$1,000	–	100	Management and sub-licensing of Chinese wet markets
Wang On Properties Limited#	Bermuda/ Hong Kong	Ordinary HK$1,000	–	100	Investment holding
Wang On Services Limited	Hong Kong	Ordinary HK$1	–	100	Provision of management services
Wang To Investments Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Winhero Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment

* Certain bank loans of the Group are secured by share charges in respect of the equity interests of these subsidiaries (note 28).

\# Listed on the Main Board of the Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") on 12 April 2016.

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Details of the subsidiaries disposed of during the year are summarised in note 36 to the financial statements.

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

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, available-for-sale investments and financial assets at fair value through profit or loss which have been measured at fair value. A disposal group held for sale is stated at the lower of its carrying amount less cost as further explained in note 2.4. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The nature and the impact of each amendment is described below:

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) *The Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the Group did not acquire any investment properties during the year.

In addition, the Company has adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Account*[4]
HKFRS 15	*Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[3]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
5 No mandatory effective date is determined but available for early adoption

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

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 April 2018. The Group is currently assessing the impact of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

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

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

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018. The Group expects to adopt HKFRS 15 on 1 April 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

HKFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is yet to assess the full impact of the standard on its financial position and results of operations. The standard is mandatorily effective for annual periods beginning on or after 1 January 2019.

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

(i) the materiality requirements in HKAS 1;
(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

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

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The Group expects to adopt the amendments from 1 April 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment in an associate and a joint venture

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

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in an associate and a joint venture (continued)

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

Business combinations and goodwill

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

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

Fair value measurement

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

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

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

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

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

Impairment of non-financial assets

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

Land and buildings	3%
Leasehold improvements	15% to 33% or over the lease term
Plant and machinery	15% to 50%
Furniture, fixtures and office equipment	15% to 50%
Motor vehicles	20%
Computer equipment	15% to 33%

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

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

Investment properties

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties (continued)

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

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 to 15 years.

Leases

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

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

Properties under development

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

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

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

Properties held for sale

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

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

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

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

Loans and receivables

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

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in debt securities. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

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

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

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

Derecognition of financial assets

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

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

Financial assets carried at amortised cost

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

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

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

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

Available-for-sale financial investments

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments (continued)

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

Loans and borrowings

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

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

Provisions

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions (continued)

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

Income tax

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

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

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, an associate and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, an associate and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

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

Revenue recognition

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

(a) rental and sub-licensing fee income, on a time proportion basis over the lease terms;

(b) from the provision of services, when the services are rendered;

(c) from the sale of properties (including properties under development and completed properties held for sale), when the sale agreement becomes unconditional;

(d) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;

(e) from the sale of listed securities, on the trade dates;

(f) dividend income, where the shareholders' right to receive payment has been established; and

(g) from the sales of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Share-based payments

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

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or services conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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

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

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

Other employee benefits

Pension schemes

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits (continued)

Pension schemes (continued)

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

Borrowing costs

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

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

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

Foreign currencies

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Operating lease commitments – Group as lessor

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

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

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

Estimation uncertainty

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

Impairment of non-financial assets (other than goodwill)

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

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details on deferred tax assets are included in note 30 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Valuation of properties under development and properties held for sale

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

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

For the year ended 31 March 2016, a reversal of write-down of properties under development of HK$49,564,000 was recognised in profit or loss.

Estimation of fair value of investment properties

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

(a) current prices in an active market for properties of a different nature, condition or location or subject to different leases or other contracts, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Useful lives and impairment of property, plant and equipment

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

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

Impairment of available-for-sale investments

The Group classifies certain assets as available-for-sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in profit or loss. At 31 March 2015, an impairment loss of HK$74,236,000 has been recognised for available-for-sale assets.

Allowance on trade and other receivables

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

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

PRC corporate income tax ("CIT")

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

4. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

During the year, Management decided to amend the format of management information by excluding the fair value gains/losses arising from financial assets at fair value through profit or loss from reportable segments for the purpose of assessing the performance of the operating segments. Management is of the view that the gains/losses arising from such investments are not related to the principal activities of each operating segment and therefore, they should be included as a corporate item under the reconciliation section. Comparative figures have been restated to conform to the current year's presentation.

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March

	Property development		Property investment		Chinese wet markets		Provision of finance		Total	
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Segment revenue:										
Sales to external customers	**567,509**	1,210,177	**91,960**	33,973	**181,406**	173,566	**76,072**	82,307	**916,947**	1,500,023
Other revenue	**52,616**	128,788	**312,575**	112,385	**14,143**	6,950	**1,202**	1,967	**380,536**	250,090
Total	**620,125**	1,338,965	**404,535**	146,358	**195,549**	180,516	**77,274**	84,274	**1,297,483**	1,750,113
Segment results	**117,991**	526,880	**330,660**	121,461	**26,600**	25,496	**65,631**	82,219	**540,882**	756,056
Reconciliation:										
Bank interest income									**6,493**	10,424
Finance costs									**(23,993)**	(18,765)
Fair value gains/(losses) of financial assets at fair value through profit or loss, net									**(29,656)**	71,615
Corporate and unallocated income									**9,238**	4,738
Corporate and unallocated expenses									**(90,356)**	(264,872)
Share of profits and losses of:										
A joint venture									**514**	4,788
An associate									**31,695**	135,658
Profit before tax									**444,817**	699,642
Income tax credit/(expense)									**3,641**	(111,629)
Profit for the year									**448,458**	588,013

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March

	Property development		Property investment		Chinese wet markets		Provision of finance		Corporate and others		Total	
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Other segment information:												
Depreciation	12	40	1,960	1,959	3,085	1,523	-	–	2,172	2,476	7,229	5,998
Impairment of an available-for-sale investment	-	–	-	–	-	–	-	1,917	-	72,319	-	74,236
Reversal of write-down of properties under development	(49,564)	–	-	–	-	–	-	–	-	–	(49,564)	–
Impairment of trade receivables, net	-	–	-	–	-	86	-	–	-	–	-	86
Capital expenditure*	82	–	1,518	235,265	32,249	564	-	–	791	1,760	34,640	237,589
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	-	–	-	–	-	–	-	–	29,656	(71,615)	29,656	(71,615)
Fair value losses/(gains) on investment properties, net	2,967	–	(8,065)	(111,701)	-	–	-	–	-	–	(5,098)	(111,701)
Fair value gain upon transfer of a property held for sale to an investment property	-	(107,929)	-	–	-	–	-	–	-	–	-	(107,929)
Investment in a joint venture	-	–	-	–	88,253	95,082	-	–	-	–	88,253	95,082
Investment in an associate	-	–	-	–	-	–	-	–	571,469	504,702	571,469	504,702
Share of profits and losses of:												
A joint venture	-	–	-	–	(514)	(4,788)	-	–	-	–	(514)	(4,788)
An associate	-	–	-	–	-	–	-	–	(31,695)	(135,658)	(31,695)	(135,658)

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

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Sales to external customers

	2016 **HK$'000**	2015 HK$'000
Hong Kong	**916,947**	1,499,957
Mainland China	**–**	66
	916,947	1,500,023

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

(b) Non-current assets

	2016 **HK$'000**	2015 HK$'000
Hong Kong	**1,593,223**	2,441,518
Mainland China	**88,253**	95,082
	1,681,476	2,536,600

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

Information about major customers

For the years ended 31 March 2015 and 2016, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents sub-licensing and management fee income received and receivable; the value of services rendered; gross rental income received and receivable from investment properties; proceeds from the sale of properties; and interest income received and receivable during the year.

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

	2016 HK$'000	2015 HK$'000
Revenue		
Sub-licensing fee income	179,806	173,118
Property management fee income	1,472	2,358
Gross rental income	45,670	33,599
Sale of properties	613,927	1,208,641
Interest income from loans receivable and bonds investment	76,072	82,307
	916,947	1,500,023
Other income		
Bank interest income	6,493	10,424
Imputed interest income from bonds investment	3,878	947
Dividend income from listed securities	1,271	2,500
Management fee income	3,510	2,760
Forfeiture of deposits	2,693	18,978
Sale of pork	1,241	–
Others	15,246	9,984
	34,332	45,593
Gains, net		
Gains on disposal of subsidiaries, net *(note 36)*	304,306	–
Exchange gains, net	–	29
	304,306	29
Other income and gains, net	338,638	45,622

6. PROFIT BEFORE TAX

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

	Notes	2016 HK$'000	2015 HK$'000
Cost of services provided		**151,066**	137,398
Cost of properties sold		**409,423**	654,936
Depreciation	13	**7,229**	5,998
Minimum lease payments under operating leases		**123,928**	105,746
Auditors' remuneration		**3,200**	2,400
Employee benefit expense (including directors' remuneration (*note 8*)):			
Wages and salaries		**114,283**	124,817
Pension scheme contributions		**2,089**	1,818
Less: Amount capitalised		**(12,991)**	(19,679)
		103,381	106,956
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		**8,557**	10,642
Impairment of an available-for-sale investment	18	**–**	74,236*
Loss on disposal of investment properties		**4,576***	660*
Loss on disposal of items of property, plant and equipment		**–**	42*
Impairment of investment in an associate	17	**19,800***	–
Loss on deemed partial disposal of an associate		**–**	164,079*
Gain on bargain purchase	17	**(26,272)**	(112,066)
Amount utilised for onerous contracts, net	29	**(1,651)**	(2,398)
Impairment of trade receivables, net	20	**–**	86*
Foreign exchange differences, net		**9,730***	(29)

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

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2016	2015
	HK$'000	*HK$'000*
Interest on bank loans and other loans	**70,138**	48,222
Less: Interest capitalised	**(46,145)**	(29,457)
	23,993	18,765

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Fees	**771**	771
Other emoluments:		
Salaries, allowances and benefits in kind	**18,856**	18,426
Performance-related bonuses*	**22,815**	28,522
Pension scheme contributions	**110**	109
	41,781	47,057
	42,552	47,828

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

8. DIRECTORS' REMUNERATION (continued)

Executive directors and independent non-executive directors:

	Fees *HK$'000*	Salaries, allowances and benefits in kind *HK$'000*	Performance-related bonuses *HK$'000*	Pension scheme contributions *HK$'000*	Total remuneration *HK$'000*
2016					
Executive directors:					
Mr. Tang Ching Ho, *JP*	–	12,546	15,077	18	27,641
Ms. Yau Yuk Yin	–	4,799	577	18	5,394
Mr. Chan Chun Hong, Thomas	–	1,511	7,161	74	8,746
	–	18,856	22,815	110	41,781
Independent non-executive directors:					
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	297	–	–	–	297
Mr. Wong Chun, Justein, *BBS, MBE, JP*	217	–	–	–	217
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*	117	–	–	–	117
Mr. Siu Kam Chau	140	–	–	–	140
	771	–	–	–	771
	771	18,856	22,815	110	42,552

8. DIRECTORS' REMUNERATION (continued)

Executive directors and independent non-executive directors: (continued)

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

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2015: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2015: three) directors, details of whose remuneration are disclosed in note 8 above. Details of the remuneration for the year of the remaining two (2015: two) non-directors, highest paid employees are as follows:

	2016	2015
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**2,861**	3,629
Performance-related bonuses	**1,698**	6,565
Pension scheme contributions	**36**	35
	4,595	10,229

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

	Number of employees	
	2016	2015
HK$1,500,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$2,500,000	**–**	–
HK$2,500,001 to HK$3,000,000	**1**	1
Over HK$3,000,000	**1**	1

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The Group subsidiaries, which are established in the People's Republic of China (the "PRC"), had no assessable profits during the year.

	2016	2015
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**16,867**	83,037
Under/(over) provision in prior years	**(29,324)**	28,813
	(12,457)	111,850
Deferred *(note 30)*	**8,816**	(221)
Total tax charge/(credit) for the year	**(3,641)**	111,629

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

	2016	2015
	HK$'000	*HK$'000*
Profit before tax	**444,817**	699,642
Tax at the statutory tax rates of different jurisdictions	**73,512**	115,423
Adjustments in respect of current tax of previous periods	**(29,347)**	28,813
Adjustments in respect of deferred tax of previous periods	**(2,421)**	(3,637)
Profits and losses attributable to a joint venture and an associate	**(5,315)**	(23,174)
Income not subject to tax	**(69,915)**	(44,728)
Expenses not deductible for tax	**35,913**	41,216
Tax losses utilised from previous periods	**(9,773)**	(6,910)
Tax losses not recognised	**4,531**	5,486
Others	**(826)**	(860)
Tax charge/(credit) at the Group's effective rate	**(3,641)**	111,629

The share of tax charge attributable to an associate and tax credit attributable to a joint venture amounted HK$848,000 and HK$455,000, respectively (2015: tax charge of HK$3,000 and HK$1,007,000, respectively) is included in "Share of profits and losses of an associate" and "Share of profits and losses of a joint venture", respectively, in the consolidated statement of profit or loss and other comprehensive income.

11. DIVIDENDS

	Notes	**2016** **HK$'000**	2015 HK$'000
Interim – HK0.1 cent (2015: HK1.0 cent) per ordinary share		**19,576**	65,249
Special interim dividend by way of distribution in specie *(note)*	*(i)*	**–**	32,572
Special dividend – Nil (2015: HK1.5 cents) per ordinary share		**–**	97,874
Proposed final – HK0.5 cent (2015: HK1.0 cent) per ordinary share	*(ii)*	**96,443**	65,249
		116,019	260,944

Notes:

(i) During the year ended 31 March 2015, a special interim dividend was declared by way of distribution in specie of the shares of Easy One Financial Group Limited (formerly: PNG Resources Holdings Limited) ("Easy One") held by the Group to the shareholders of the Company in the proportion of 3 Easy One shares for every 125 shares in the issued share capital of the Company. A total of 156,597,840 Easy One shares with an aggregate market value of HK$32,572,000 was recognised as distribution during the year ended 31 March 2015.

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

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 19,524,327,549 (2015: 19,574,805,063 (restated)) in issue during the year, as adjusted retrospectively to reflect the Bonus Issue (as defined in note 31 to the financial statements) during the year.

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

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (continued)

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

	2016 HK$'000	2015 HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	449,077	588,188

	Number of shares 2016	 2015 (restated)
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation	19,524,327,549	19,574,805,063
Effect of dilution – weighted average number of ordinary shares: Share options	23,799	162,429
Weighted average number of ordinary shares, used in the diluted earnings per share calculation	19,524,351,348	19,574,967,492

13. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings *HK$'000*	Leasehold improvements *HK$'000*	Plant and machinery *HK$'000*	Furniture, fixtures and office equipment *HK$'000*	Motor vehicles *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
31 March 2016							
At 31 March 2015 and at 1 April 2015:							
Cost	64,643	28,175	1,234	6,004	3,506	10,785	114,347
Accumulated depreciation	(2,622)	(27,416)	(1,029)	(5,136)	(2,524)	(8,647)	(47,374)
Net carrying amount	62,021	759	205	868	982	2,138	66,973
At 1 April 2015, net of accumulated depreciation	62,021	759	205	868	982	2,138	66,973
Additions	–	28,948	1,298	160	82	2,634	33,122
Business combinations *(note 35)*	–	464	68	408	–	120	1,060
Assets in a disposal group classified as held for sale *(note 25)*	–	(438)	(66)	(401)	–	(467)	(1,372)
Depreciation provided during the year	(1,939)	(2,598)	(307)	(299)	(495)	(1,591)	(7,229)
At 31 March 2016, net of accumulated depreciation	60,082	27,135	1,198	736	569	2,834	92,554
At 31 March 2016:							
Cost	64,643	52,798	2,519	6,143	3,588	13,055	142,746
Accumulated depreciation	(4,561)	(25,663)	(1,321)	(5,407)	(3,019)	(10,221)	(50,192)
Net carrying amount	60,082	27,135	1,198	736	569	2,834	92,554

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings *HK$'000*	Leasehold improvements *HK$'000*	Plant and machinery *HK$'000*	Furniture, fixtures and office equipment *HK$'000*	Motor vehicles *HK$'000*	Computer equipment *HK$'000*	Total *HK$'000*
31 March 2015							
At 1 April 2014:							
Cost	64,643	46,187	1,535	7,648	3,378	10,100	133,491
Accumulated depreciation	(683)	(45,559)	(833)	(6,695)	(1,817)	(7,236)	(62,823)
Net carrying amount	63,960	628	702	953	1,561	2,864	70,668
At 1 April 2014, net of accumulated depreciation	63,960	628	702	953	1,561	2,864	70,668
Additions	–	1,163	50	282	128	722	2,345
Disposal	–	(10)	–	(13)	–	(19)	(42)
Depreciation provided during the year	(1,939)	(1,022)	(547)	(354)	(707)	(1,429)	(5,998)
At 31 March 2015, net of accumulated depreciation	62,021	759	205	868	982	2,138	66,973
At 31 March 2015:							
Cost	64,643	28,175	1,234	6,004	3,506	10,785	114,347
Accumulated depreciation	(2,622)	(27,416)	(1,029)	(5,136)	(2,524)	(8,647)	(47,374)
Net carrying amount	62,021	759	205	868	982	2,138	66,973

At 31 March 2016, the Group's land and buildings with a net carrying amount of HK$60,082,000 (2015: HK$62,021,000) were pledged to secure general banking facilities granted to the Group (note 28).

14. INVESTMENT PROPERTIES

	Notes	2016 HK$'000	2015 HK$'000
Carrying amount at 1 April		**1,569,570**	1,140,070
Additions		**1,518**	235,244
Disposals		**(63,730)**	(60,000)
Disposals of subsidiaries	36	**(717,498)**	–
Transfer from properties held for sale		**–**	32,071
Accrued rent-free rental income		**332**	2,555
Net gain from fair value adjustments		**5,098**	111,701
Fair value gain upon transfer of a property held for sale to an investment property		**–**	107,929
		795,290	1,569,570
Included in assets held for sale	25	**(216,090)**	–
Carrying amount at 31 March		**579,200**	1,569,570

The Group's investment properties consist of seven commercial, one industrial and forty-eight residential properties in Hong Kong. The directors of the Company have determined that the investment properties consist of three classes of asset, i.e., commercial, industrial and residential, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 March 2016 by Vigers Appraisal and Consulting Limited and Asset Appraisal Limited, independent professionally qualified valuers, at HK$795,290,000. Each year, the Group's financial controller decides to appoint which external valuers to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's financial controller has discussions with the valuers on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties and a related party under operating leases, further summary details of which are included in notes 39(a) and 41 to the financial statements.

At 31 March 2016, the Group's investment properties with an aggregate carrying value of HK$654,000,000 (2015: HK$1,516,670,000) and certain rental income generated therefrom were pledged to secure the Group's general banking facilities granted to the Group (note 28).

Further particulars of the Group's investment properties are included on page 154.

14. INVESTMENT PROPERTIES (continued)

Fair value hierarchy

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

	Fair value measurement using significant unobservable inputs (Level 3)	
	31 March 2016	31 March 2015
Recurring fair value measurement for:	***HK$'000***	*HK$'000*
Commercial properties	**562,900**	1,247,100
Industrial property	**16,300**	16,800
Residential properties	**216,090**	305,670
	795,290	1,569,570
Included in assets held for sale *(note 25)*	**(216,090)**	–
	579,200	1,569,570

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2015: Nil).

14. INVESTMENT PROPERTIES (continued)

Fair value hierarchy (continued)

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

	Commercial properties *HK$'000*	Industrial property *HK$'000*	Residential properties *HK$'000*	Total *HK$'000*
Carrying amount at 1 April 2014	883,100	15,500	241,470	1,140,070
Additions	235,157	–	87	235,244
Disposals	(60,000)	–	–	(60,000)
Transfer from properties held for sale	32,071	–	–	32,071
Accrued rent-free rental income	2,555	–	–	2,555
Net gain from fair value adjustments	46,288	1,300	64,113	111,701
Fair value gain upon transfer of a property held for sale to an investment property	107,929	–	–	107,929
Carrying amount at 31 March 2015 and 1 April 2015	**1,247,100**	**16,800**	**305,670**	**1,569,570**
Additions	**1,272**	**–**	**246**	**1,518**
Disposals	**–**	**–**	**(63,730)**	**(63,730)**
Disposal of subsidiaries	**(706,998)**	**–**	**(10,500)**	**(717,498)**
Accrued rent-free rental income	**332**	**–**	**–**	**332**
Net gain/(loss) from fair value adjustments	**21,194**	**(500)**	**(15,596)**	**5,098**
	562,900	**16,300**	**216,090**	**795,290**
Included in assets held for sale	**–**	**–**	**(216,090)**	**(216,090)**
Carrying amount at 31 March 2016	**562,900**	**16,300**	**–**	**579,200**

14. INVESTMENT PROPERTIES (continued)

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

	Valuation techniques	Significant unobservable inputs	Range or weighted average	
			2016	2015
Commercial properties	Investment method and direct comparison method	Estimated rental value per square feet and per month	**HK$415**	HK$405
		Capitalisation rate	**2.5%**	2.3%
		Price per square feet	**HK$28,090 to HK$73,775**	HK$2,000 to HK$85,437
Industrial property	Direct comparison method	Price per square feet	**HK$5,514**	HK$5,683
Residential properties	Investment method and direct comparison method	Estimated rental value per square feet and per month	**HK$15 to HK$51**	HK$21 to HK$47
		Capitalisation rate	**3% to 7%**	3.2% to 6.5%
		Price per square feet	**HK$4,637 to HK$11,619**	HK$4,851 to HK$12,950

As at 31 March 2016, the valuations of investment properties were based on either the investment method which capitalises the rent receivable from the existing tenancies and the potential reversionary market rent of the properties or direct comparison method by reference to comparable market transactions.

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

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

15. PROPERTIES UNDER DEVELOPMENT

	2016	2015
	HK$'000	*HK$'000*
Carrying amount at 1 April	**2,655,162**	1,267,283
Additions (including development cost and capitalised interest)	**205,793**	2,171,926
Transfer to properties held for sale	**–**	(784,047)
Reversal of write-down of properties under development	**49,564**	–
Carrying amount at 31 March	**2,910,519**	2,655,162

Properties under development expected to be completed:

	2016	2015
	HK$'000	*HK$'000*
Beyond normal operating cycle included under non-current assets	**350,000**	300,273
Within normal operating cycle included under current assets	**2,560,519**	2,354,889
	2,910,519	2,655,162

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

	2016	2015
	HK$'000	*HK$'000*
Within one year	**–**	–
After one year	**2,560,519**	2,354,889
	2,560,519	2,354,889

At 31 March 2016, the Group's properties under development with an aggregate carrying value of HK$2,910,519,000 (2015: HK$2,655,162,000) were pledged to secure the Group's general banking facilities (note 28).

16. INVESTMENT IN A JOINT VENTURE

	2016 *HK$'000*	2015 *HK$'000*
Share of net assets	**86,877**	93,706
Goodwill on acquisition	**1,376**	1,376
	88,253	95,082

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

Name	Paid-up and registered capital	Place of registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities
Shenzhen Jimao Market Co., Limited ("Shenzhen Jimao")* 深圳市集貿市場有限公司	RMB31,225,000	PRC/Mainland China	50	50	50	Management and sub-licensing of Chinese wet markets

* Direct translation from the Chinese name which is for identification purposes only

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

16. INVESTMENT IN A JOINT VENTURE (continued)

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

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

	2016	2015
	HK$'000	*HK$'000*
Prepayments, deposits and other receivables	**2,395**	1,927
Cash and cash equivalents	**48,349**	43,256
Current assets	**50,744**	45,183
Property, plant and equipment	**1,090**	1,379
Investment properties	**137,171**	157,262
Deferred tax assets	**332**	–
Non-current assets	**138,593**	158,641
Other payables and accruals	**5,946**	5,716
Deposits received and receipts in advance	**8,033**	7,585
Tax payable	**1,604**	2,489
Current liabilities	**15,583**	15,790
Deferred tax liabilities and non-current liabilities	**–**	622
Net assets	**173,754**	187,412
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets of the joint venture, excluding goodwill	**86,877**	93,706
Goodwill on acquisition	**1,376**	1,376
Carrying amount of the investment	**88,253**	95,082
Revenue	**35,405**	35,035
Interest income	**998**	646
Depreciation and amortisation	**(95)**	(161)
Tax	**909**	(2,015)
Profit for the year	**1,028**	9,576
Other comprehensive loss	**(8,268)**	(2,094)
Total comprehensive income/(loss) for the year	**(7,240)**	7,482
Dividend received	**3,209**	–

17. INVESTMENT IN AN ASSOCIATE

	2016 HK$'000	2015 HK$'000
Share of net assets	**591,269**	504,702
Provision for impairment *(note (ii))*	**(19,800)**	–
	571,469	504,702

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of incorporation and business	Percentage of ownership interest attributable to the Group		Principal activities
			2016	2015	
Wai Yuen Tong Medicine Holdings Limited ("WYTH")*	Ordinary shares of HK$0.01 each	Bermuda/ Hong Kong	**22.08** ***(note (i))***	20.50	Production and sale of traditional Chinese and Western pharmaceutical products, health food products and property investment

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

Notes:

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

The WYTH Rights Issue was completed on 11 May 2015. Upon the completion of the WYTH Rights Issue, an aggregate 532,070,017 WYTH Rights Shares were allotted to and subscribed by the Group (including 99,799,000 WYTH Rights Shares allotted by way of excess application). As a result, the Group's equity interests in WYTH increased from 20.50% to 22.08% and a gain on bargain purchase of HK$26,272,000 (2015: HK$112,066,000) was recognised and included in the share of profits and losses of an associate during the year.

(ii) The impairment was made with reference to the estimated recoverable amount of WYTH, which was determined based on the value in use calculation using cash flow projection approved by management of WYTH. Management is of the view that such impairment was mainly caused by the decrease in budgeted profits and budgeted sales as a result of the ongoing downtrend and decline in tourists' spending in Hong Kong. The pre-tax discount rate applied to the cash flow projection was 11%.

17. INVESTMENT IN AN ASSOCIATE (continued)

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

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

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

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

	2016	2015
	HK$'000	*HK$'000*
Current assets	**799,042**	676,135
Non-current assets	**2,794,778**	2,571,019
Current liabilities	**(319,952)**	(424,781)
Non-current liabilities	**(596,019)**	(360,412)
Net assets	**2,677,849**	2,461,961
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**22.08%**	20.50%
Carrying amount of the investment	**591,269**	504,702
Revenue	**825,331**	831,088
Profit for the year	**23,380**	114,392
Other comprehensive income/(loss)	**6,296**	(103,115)
Total comprehensive income for the year	**29,676**	11,277
Dividend received	**–**	2,594

18. AVAILABLE-FOR-SALE INVESTMENTS

	2016 HK$'000	2015 HK$'000
Listed debt securities, at fair value	11,969	12,368
Unlisted debt securities in Hong Kong, at fair value	503,451	465,736
	515,420	478,104
Less: Available-for-sale investments included in non-current assets	(313,996)	(478,104)
Current portion	201,424	–

During the year ended 31 March 2016, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$33,437,000 (2015: gross loss of HK$126,625,000).

During the year ended 31 March 2015, there was a significant decline in the market value of the share of Easy One. The directors consider that such a decline indicates that the investment in Easy One has been impaired and an impairment loss of HK$74,236,000, which included a reclassification from other comprehensive income of HK$74,236,000, has been recognised in profit or loss for the year ended 31 March 2015.

19. PROPERTIES HELD FOR SALE

	2016 HK$'000	2015 HK$'000
Carrying amount at 31 March	91,981	438,149

At 31 March 2015, the Group's properties held for sale with an aggregate carrying value of HK$359,109,000 were pledged to secure the Group's general banking facilities *(note 28)*.

Further particulars of the Group's properties held for sale are included on page 155.

20. TRADE RECEIVABLES

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

	2016	2015
	HK$'000	*HK$'000*
Within 90 days	**9,295**	3,101
91 days to 180 days	**1**	144
Over 180 days	**359**	92
	9,655	3,337
Less: Impairment	**(217)**	(217)
	9,438	3,120

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

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

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

	2016	2015
	HK$'000	*HK$'000*
At 1 April	**217**	131
Impairment losses recognised *(note 6)*	**–**	158
Impairment losses reversed *(note 6)*	**–**	(72)
At 31 March	**217**	217

20. TRADE RECEIVABLES (continued)

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$217,000 (2015: HK$217,000) with a carrying amount before provision of HK$236,000 (2015: HK$236,000).

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

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

	2016 ***HK$'000***	2015 *HK$'000*
Neither past due nor impaired	**9,295**	3,101

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

21. LOANS AND INTEREST RECEIVABLES

	Notes	**2016** ***HK$'000***	2015 *HK$'000*
Loans and interest receivables, secured	*(i)*	**71,260**	905
Loans and interest receivables, unsecured	*(ii)*	**221,402**	90,288
		292,662	91,193
Less: Impairment	*(iii)*	**(5,844)**	(5,844)
		286,818	85,349
Less: Loans and interest receivables classified as non-current assets		**(7,196)**	(371)
		279,622	84,978

21. LOANS AND INTEREST RECEIVABLES (continued)

Notes:

(i) These loans receivable are stated at amortised cost at effective interest rates ranging from 10% to 24% (2015: 5%). The credit terms of these loans receivable range from 1 year to 6 years (2015: 6 years). As these loans receivables relate to a number of different borrowers, the directors are of the opinion that there is no concentration of credit risk over these loans receivable. The carrying amounts of these loans receivables approximate to their fair values.

(ii) These loans receivable are stated at amortised cost at effective interest rates ranging from 5% to 34.8% (2015: 4% to 12%). The credit terms of these loans receivable range from 3 months to 22 years (2015: 1 year to 22 years). As these loans receivables relate to a number of different borrowers, the directors are of the opinion that there is no concentration of credit risk over these loans receivable. The carrying amounts of these loans receivables approximate to their fair values.

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

	2016 ***HK$'000***	2015 *HK$'000*
At 1 April and 31 March	**5,844**	5,844

Included in the above provision for impairment of loans and interest receivables are provision for individually impaired receivables of HK$5,844,000 (2015: HK$5,844,000) with an aggregate carrying amount of HK$5,844,000 (2015: HK$5,844,000).

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

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

	2016 ***HK$'000***	2015 *HK$'000*
Neither past due nor impaired	**286,818**	85,349

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

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2016 HK$'000	2015 HK$'000
Prepayments		11,898	8,502
Deposits	*(i)*	16,702	53,449
Other receivables		10,986	122,618
		39,586	184,569
Less: Impairment	*(ii)*	(265)	(265)
		39,321	184,304
Less: Deposits classified as non-current assets		(1,896)	(3,499)
		37,425	180,805

Notes:

(i) The deposits as at 31 March 2015 included a tender deposit of HK$30,000,000 paid to Urban Renewal Authority in respect of a tender for a development project, which had been fully refunded to the Group during the year.

(ii) Included in the above provision for impairment of other receivables is a provision for individually impaired receivables of HK$265,000 (2015: HK$265,000) with an aggregate carrying amount of HK$665,000 (2015: HK$665,000).

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

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	HK$'000	*HK$'000*
Unlisted equity investments, at fair value	**53,647**	35,809
Listed equity investments, at market value	**289,992**	174,124
	343,639	209,933

The above financial instruments at 31 March 2016 and 2015 were classified as held for trading or were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

Assuming the portfolio of the Group's listed equity investment has remained unchanged, the market values of the Group's listed equity investments at the date of approval of these financial statements were HK$288,821,000.

24. CASH AND CASH EQUIVALENTS

	2016	2015
	HK$'000	*HK$'000*
Cash and bank balances	**795,141**	555,102
Time deposits	**492,943**	491,885
	1,288,084	1,046,987
Less: included in assets classified as held for sale *(note 25)*	**(769)**	–
Cash and cash equivalents	**1,287,315**	1,046,987

As at the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$3,083,000 (2015: HK$167,303,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

25. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

	2016 HK$'000	2015 HK$'000
Assets classified as held for sale		
Assets of a disposal group classified as held for sale		
– Easy Verse Group *(note (i))*	**9,969**	–
Non-current assets classified as held for sale		
– Investment properties *(note (ii))*	**216,090**	–
	226,059	–
Liabilities directly associated with assets classified as held for sale		
Liabilities of a disposal group classified as held for sale		
– Easy Verse Group *(note (i))*	**(1,471)**	–

Notes:

(i) On 31 March 2016, the Group entered into a subscription agreement with an independent third party for the establishment of a joint venture, which is named as Guangdong Meat Food Group Limited ("GMFG"). Pursuant to the subscription agreement, the Group will transfer its entire interest in Easy Verse Limited, together with its wholly owned subsidiary, Greatest Wealth Limited ("Greatest Wealth") (collectively, the "Easy Verse Group"), to GMFG in exchange for 30% equity interest in GMFG. Easy Verse Group is principally engaged in retail of pork in Hong Kong. The transaction was completed on 1 April 2016.

The assets and liabilities of the Easy Verse Group (excluding inter-company loan which is eliminated in consolidation) as at 31 March 2016 are as follows:

	HK$'000
Assets	
Plant and equipment	1,372
Goodwill	5,214
Inventories	8
Prepayments, deposits and other receivables	2,224
Intangible assets	346
Trade receivables	36
Cash and cash equivalents	769
Assets classified as held for sale	9,969
Liabilities	
Other payables and accruals	(1,448)
Deferred tax liabilities	(23)
Liabilities directly associated with the assets classified as held for sale	(1,471)
Net assets directly associated with the disposal group	8,498

(ii) As at 31 March 2016, the Group has committed to a plan to sell certain investment properties with an aggregate carrying value of HK$216,090,000. The directors of the Company expected the sale of these investment properties will be completed by the end of 2016.

26. TRADE PAYABLES

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

	2016	2015
	HK$'000	*HK$'000*
Within 90 days	**52,444**	87,730

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

27. OTHER PAYABLES AND ACCRUALS

	2016	2015
	HK$'000	*HK$'000*
Other payables	**35,959**	29,018
Accruals	**43,369**	43,920
	79,328	72,938
Less: Other payables classified as non-current liabilities	**(21,973)**	(7,581)
	57,355	65,357

Included in other payables and accruals of the Group as at 31 March 2016 is an amount of HK$2,862,000 (2015: HK$1,636,000) due to Shenzhen Jimao. The balance is unsecured, interest-free and has no fixed terms of repayment.

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

28. INTEREST-BEARING BANK AND OTHER LOANS

	2016			2015		
	Contractual interest rate *(%)*	**Maturity**	***HK$'000***	Contractual interest rate *(%)*	Maturity	*HK$'000*
Current:						
Bank loans – secured	**HIBOR+ (1.25 – 2.35)/ Prime rate – (2.5 – 2.75)**	**2016 or on demand**	**397,638**	HIBOR+ (1.0 – 3.05)/ Prime rate – 2.75	2015 or on demand	731,552
Bank loans – unsecured	**HIBOR+ (1.93 – 2.00) Prime rate – 2.50**	**On demand**	**51,025**	HIBOR+ (1.5 – 2.0)	On demand	42,280
Long term bank loans repayable on demand – secured	**HIBOR+ (1.25 – 2.35)/ Prime rate – (2.5 – 2.75)**	**On demand**	**20,182**	HIBOR+ (1.0 – 3.05)/ Prime rate – 2.75	On demand	26,766
Long term bank loans repayable on demand – unsecured	**HIBOR+ (1.93 – 2.00)/ Prime rate – 2.50**	**On demand**	**131,202**	HIBOR+ (1.5 – 2.0)	On demand	20,218
			600,047			820,816
Non-current:						
Bank loans – secured	**HIBOR+ (1.28 – 1.79)**	**2017 – 2025**	**1,364,379**	HIBOR+ (1.49 – 2.24)	2016 – 2025	1,450,451
Bank loans – unsecured	**–**	**–**	**–**	HIBOR+1.93	2018	122,168
Other loans – unsecured	**6**	**2018**	**244,362**	6	2018	235,162
			1,608,741			1,807,781
Total			**2,208,788**			2,628,597

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

	2016 **HK$'000**	2015 HK$'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand *(note)*	**600,047**	820,816
In the second year	**984,891**	342,230
In the third to fifth years, inclusive	**379,488**	879,041
Beyond five years	**–**	351,348
	1,964,426	2,393,435
Other loans repayable:		
Within one year or on demand	**–**	–
In the second year	**92,001**	–
In the third to fifth years, inclusive	**152,361**	235,162
Beyond five years	**–**	–
	244,362	235,162
	2,208,788	2,628,597

Note: As further explained in note 44 to the financial statements, the Group's term loans with an aggregate amount of HK$312,680,000 (2015: HK$234,261,000) containing an on-demand clause have been classified as current liabilities. For the purpose of the above analysis, the loans are included within current interest-bearing bank and other loans and analysed into bank and other loans repayable within one year or on demand.

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

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

	2016	2015
	HK$'000	*HK$'000*
Bank loans repayable:		
Within one year or on demand	**448,663**	773,832
In the second year	**368,067**	357,597
In the third to fifth years, inclusive	**1,012,318**	897,905
Beyond five years	**135,378**	364,101
	1,964,426	2,393,435
Other loans repayable:		
Within one year or on demand	**–**	–
In the second year	**92,001**	–
In the third to fifth years, inclusive	**152,361**	235,162
Beyond five years	**–**	–
	244,362	235,162
	2,208,788	2,628,597

Notes:

(a) Certain bank loans of the Group are secured by the Group's land and buildings (note 13), investment properties and certain rental income generated therefrom (note 14), properties under development (note 15), properties held for sale (note 19) and share charges in respect of the equity interests of five (2015: six) subsidiaries of the Company (note 1). No sales proceeds (2015: HK$136,268,000) from the pre-sale of properties under development as at 31 March 2016 were pledged for any bank loans of the Group.

(b) All bank loans of the Group bear interest at floating interest rates.

(c) All other loans of the Group represented the loans advanced from the non-controlling shareholders of certain subsidiaries of the Group.

29. PROVISIONS FOR ONEROUS CONTRACTS

	2016 HK$'000	2015 HK$'000
Carrying amount at 1 April	**1,651**	4,049
Amount utilised during the year	**(1,651)**	(2,398)
Carrying amount at 31 March	**–**	1,651
Less: Portion classified as current liabilities	**–**	(1,651)
Long term portion	**–**	–

30. DEFERRED TAX

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

Deferred tax liabilities

	Notes	Unrealised fair value gain arising from listed equity investment at fair value through profit of loss HK$'000	Depreciation allowance in excess of related depreciation HK$'000	Revaluation gain of investment properties HK$'000	Withholding tax HK$'000	Total HK$'000
At 1 April 2014		–	5,114	436	283	5,833
Deferred tax charged/ (credited) to profit or loss during the year	10	–	3,058	(178)	–	2,880
At 31 March 2015 and 1 April 2015		**–**	**8,172**	**258**	**283**	**8,713**
Deferred tax charged/ (credited) to profit or loss during the year	10	**8,702**	**(2,823)**	**(258)**	**(283)**	**5,338**
Disposal of subsidiaries	36	**–**	**(1,133)**	**–**	**–**	**(1,133)**
Business combination	35	**–**	**75**	**–**	**–**	**75**
Transferred to liabilities directly associated with assets classified as held for sale	25	**–**	**(23)**	**–**	**–**	**(23)**
At 31 March 2016		**8,702**	**4,268**	**–**	**–**	**12,970**

30. DEFERRED TAX (continued)

Deferred tax assets

	Notes	Losses available for offsetting against future taxable profits HK$'000	Provision for onerous contracts HK$'000	Total HK$'000
At 1 April 2014		1,406	548	1,954
Deferred tax credited/(charged) to profit or loss during the year	10	3,459	(358)	3,101
At 31 March 2015 and 1 April 2015		**4,865**	**190**	**5,055**
Deferred tax charged to profit or loss during the year	10	**(3,288)**	**(190)**	**(3,478)**
At 31 March 2016		**1,577**	**–**	**1,577**

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

	2016 ***HK$'000***	2015 *HK$'000*
Net deferred tax assets recognised in the consolidated statement of financial position	**1,577**	3,649
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(12,970)**	(7,307)
	(11,393)	(3,658)

The Group has tax losses arising in Hong Kong of HK$158,969,000 (2015: HK$236,916,000), subject to the agreement of the Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

30. DEFERRED TAX (continued)

Deferred tax assets (continued)

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

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

31. SHARE CAPITAL

Shares

	2016	2015
	HK$'000	*HK$'000*
Issued and fully paid:		
19,288,520,047 (31 March 2015: 6,524,935,021) ordinary shares of HK$0.01 each	**192,885**	65,249

A summary of movements in the Company's share capital is as follows:

	Notes	**Number of shares in issue**	**Share capital** ***HK$'000***	**Share premium** ***HK$'000***	**Total** ***HK$'000***
At 1 April 2014, 31 March 2015 and 1 April 2015		**6,524,935,021**	**65,249**	**1,462,363**	**1,527,612**
Issue of shares upon exercise of share options	*(a)*	**238,328**	**2**	**88**	**90**
Bonus Issue	*(b)*	**13,050,346,698**	**130,504**	**–**	**130,504**
Cancellation of shares repurchased	*(c)*	**(287,000,000)**	**(2,870)**	**(27,070)**	**(29,940)**
		12,763,585,026	**127,636**	**(26,982)**	**100,654**
At 31 March 2016		**19,288,520,047**	**192,885**	**1,435,381**	**1,628,266**

31. SHARE CAPITAL (continued)

Shares (continued)

Notes:

(a) During the year, the subscription rights attached to 20,803 and 217,525 share options were exercised at the subscription prices of HK$0.3893 and HK$0.2234 per share, respectively, resulting in the issue of an aggregate of 238,328 shares of HK$0.01 each for a total cash consideration of HK$56,000, before expenses. An amount of HK$34,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.

(b) Pursuant to an ordinary resolution passed by the shareholders of the Company at the annual general meeting of the Company held on 20 August 2015, the shareholders of the Company approved a bonus issue (the "Bonus Issue") of the shares on the basis of two bonus shares for every share held by qualifying shareholders whose names appear on the register of members of the Company on 28 August 2015, being the date for determining the entitlement to the Bonus Issue. The Bonus Issue was completed on 10 September 2015 and a total of 13,050,346,698 ordinary shares of HK$0.01 each were issued.

(c) The Company purchased 287,000,000 of its shares on the Hong Kong Stock Exchange at a total consideration of HK$29,940,000. The purchased shares were cancelled during the year.

Details of the shares repurchased by the Company during the year are summarised below:

2016

Month of repurchase	Number of shares repurchased *'000*	Highest price per share *HK$*	Lowest price per share *HK$*	Aggregate price *HK$'000*
January 2016	156,000	0.121	0.100	16,220
February 2016	131,000	0.106	0.100	13,720
	287,000			29,940

Shares options

Details of the Company's share option scheme are set out in note 32 to the financial statements.

32. SHARE OPTION SCHEME

On 2 May 2012, the share option scheme adopted by the Company on 3 May 2002 (the "2002 Scheme") expired and a new share option scheme (the "2012 Scheme") was adopted by the shareholders of the Company on 21 August 2012. As a result, the Company can no longer grant any further options under the 2002 Scheme. However, all options granted prior to the termination of the 2002 Scheme will remain in full force and effect. During the year ended 31 March 2016, no share option was granted, exercised, lapsed or cancelled under the 2012 Scheme.

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

Purpose

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

Maximum number of shares available for subscription

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

Maximum entitlement of each participant

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

32. SHARE OPTION SCHEME (continued)

Maximum entitlement of each participant (continued)

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

Basis of determining the exercise price

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

(i) the closing price of the shares as stated in the daily quotation sheet issued by the Hong Kong Stock Exchange at the date of offer of grant (which is deemed to be the date of grant if the offer for the grant of a share option is accepted by the eligible person), which must be a business day; and

(ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Hong Kong Stock Exchange for the five business days immediately preceding the date of offer of grant, provided that the option price per share shall in no event be less than the nominal amount of one share.

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

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

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

	2016		2015	
	Weighted average exercise price ***HK$ per share***	**Number of options** ***'000***	Weighted average exercise price *HK$ per share*	Number of options *'000*
At 1 April	**0.2379**	**238**	1.4088	22,610
Cancelled during the year	**–**	**–**	1.4331	(22,155)
Forfeited during the year	**–**	**–**	0.2234	(217)
Exercised during the year	**0.2379**	**(238)**	–	–
At 31 March	**–**	**–**	0.2379	238

32. SHARE OPTION SCHEME (continued)

Basis of determining the exercise price (continued)

The weighted average share price at the date of exercise of share options exercised during the year was HK$0.435 per share (2015: No share options were exercised).

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

2016

There were no outstanding share options outstanding during the year.

2015

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

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

The Group did not recognise any share option expense during the year ended 31 March 2016 (2015: Nil).

At the end of the reporting period, the Company had no share options outstanding under the 2002 Scheme (2015: 238,000 share options).

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

33. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 55 and 56 of the financial statements.

(a) Contributed surplus

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

(b) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire after the vesting period.

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

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

	2016	2015
Percentage of equity interest held by non-controlling interests:		
New Rich Investments Limited ("New Rich")	**40%**	40%
Grandwall Investment Limited ("Grandwall")	**40%**	40%

	2016 ***HK$'000***	2015 *HK$'000*
Loss for the year allocated to non-controlling interests:		
New Rich	**(459)**	(4)
Grandwall	**(798)**	(42)
Accumulated balances of non-controlling interests at the reporting dates:		
New Rich	**(474)**	(15)
Grandwall	**(840)**	(42)

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

	New Rich ***HK$'000***	**Grandwall** ***HK$'000***
2016		
Revenue	**–**	**–**
Total expenses	**(1,379)**	**(2,407)**
Loss for the year and total comprehensive loss for the year	**(1,148)**	**(1,995)**
Current assets	**517,792**	**835,599**
Non-current assets	**233**	**414**
Current liabilities	**7,757**	**12,003**
Non-current liabilities	**511,453**	**826,110**
Net cash flows used in operating activities	**(40,862)**	**(67,030)**
Net cash flows from investing activities	**–**	**–**
Net cash flows from financing activities	**40,587**	**68,825**
Net increase/(decrease) in cash and cash equivalents	**(275)**	**1,795**

34. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

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

35. BUSINESS COMBINATION

On 16 March 2016, the Group acquired a 100% interest in Greatest Wealth from All Access Limited, a wholly-owned subsidiary of Easy One, at a cash consideration of HK$9,000,000. The acquisition of Greatest Wealth was completed on 16 March 2016.

The fair values of the identifiable assets and liabilities of Greatest Wealth as at the date of acquisition were as follows:

	Note	**Fair value recognised on acquisition** ***HK$'000***
Property, plant and equipment	*13*	**1,060**
Inventories		**181**
Prepayments, deposits and other receivables		**2,270**
Intangible assets		**346**
Trade receivables		**36**
Cash and cash equivalents		**1,060**
Other payables and accruals		**(1,092)**
Deferred tax liabilities		**(75)**
Total identifiable net assets at fair value		**3,786**
Goodwill on acquisition		**5,214**
Satisfied by cash		**9,000**

35. BUSINESS COMBINATION (continued)

An analysis of the cash flows in respect of the acquisition of Greatest Wealth is as follows:

	HK$'000
Cash consideration	**9,000**
Cash and bank balances acquired	**(1,060)**
Net inflow of cash and cash equivalents included in cash flows from investing activities	**7,940**

Since the completion of the equity transfer, Greatest Wealth did not contributed any revenue to the Group and contributed a loss of HK$502,000 to the Group's consolidated profit for the year ended 31 March 2016.

Had the combination taken place at the beginning of the year, there would be no change in revenue and the profit of the Group for the year ended 31 March 2016 would be HK$449,382,000.

36. DISPOSAL OF SUBSIDIARIES

Year ended 31 March 2016

Details of the net assets of the subsidiaries disposed of and their financial impacts are summarised as follows:

	Notes	Cititeam HK$'000 (note (a))	Easy Kingdom HK$'000 (note (b))	Good Excellent HK$'000 (note (c))	Sunbo HK$'000 (note (d))	Level Success Group HK$'000 (note (e))	Total HK$'000
Net assets disposed of:							
Investment properties	14	10,500	158,000	28,000	–	520,998	717,498
Properties held for sale		–	–	–	24,843	–	24,843
Tax recoverable		–	–	21	33	–	54
Prepayments, deposits and other receivables		2	5	–	7	722	736
Cash and bank balances		–	456	451	433	68	1,408
Other payable and accrual		(28)	(1)	(32)	(32)	–	(93)
Deposits received and receipts in advance		(63)	(285)	(277)	(240)	(527)	(1,392)
Tax payable		(138)	(110)	–	–	–	(248)
Deferred tax liabilities	30	(21)	(1,101)	(9)	(2)	–	(1,133)
		10,252	156,964	28,154	25,042	521,261	741,673
Professional fees and expenses		99	2,552	37	45	10,145	12,878
Investment in an associate		–	–	–	3,787	–	3,787
Gains/(losses) on disposal of subsidiaries	5	703	(1,964)	(37)	13,325	292,279	304,306
		11,054	157,552	28,154	42,199	823,685	1,062,644
Satisfied by:							
Cash		11,054	157,552	28,154	42,199	823,685	1,062,644

36. DISPOSAL OF SUBSIDIARIES (continued)

Year ended 31 March 2016 (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	Cititeam HK$'000 (note (a))	Easy Kingdom HK$'000 (note (b))	Good Excellent HK$'000 (note (c))	Sunbo HK$'000 (note (d))	Level Success Group HK$'000 (note (e))	Total HK$'000
Cash consideration	11,054	157,552	28,154	42,199	823,685	1,062,644
Cash and bank balances disposed of	–	(456)	(451)	(433)	(68)	(1,408)
Professional fees and expenses	(99)	(2,552)	(37)	(45)	(10,145)	(12,878)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	10,955	154,544	27,666	41,721	813,472	1,048,358

Notes:

a) On 18 September 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in Cititeam Investment Limited ("Cititeam"), for a total consideration of HK$11,054,000. The transaction was completed on 18 September 2015.

b) On 12 August 2015, the Group entered into a conditional agreement with an independent third party to dispose of its entire interests in Easy Kingdom Limited ("Easy Kingdom"), which is principally engaged in property investment in Hong Kong, for a total consideration of HK$157,552,000. The transaction was completed on 11 November 2015.

c) On 25 November 2015, the Group entered into a sale and purchase agreement with a wholly-owned subsidiary of WYTH to dispose of its entire equity interest in Good Excellent Limited ("Good Excellent") and a shareholder's loan owed by the Group for a total consideration of HK$28,154,000. The disposal of Good Excellent was completed on 23 December 2015.

d) On 25 November 2015, the Group entered into a sale and purchase agreement with a wholly-owned subsidiary of WYTH to dispose of its entire equity interest in Sunbo Investments Limited ("Sunbo") and a shareholder's loan owed by the Group for a total consideration of HK$42,199,000. The disposal of Sunbo was completed on 23 December 2015.

e) On 1 December 2015, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire interests in Level Success Limited, which is principally engaged in investment holding and is the holding company of a property holding subsidiary, for a total consideration of HK$823,685,000. The transaction was completed on 15 February 2016.

37. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major non-cash transactions

(i) During the year ended 31 March 2015, a special interim dividend was declared by way of distribution in specie of the shares of Easy One held by the Group to the shareholders of the Company, details of which are set out in note 11 to the financial statements.

(ii) The Group purchased unlisted debt securities issued by China Agri-Products Exchange Limited("CAP") at a consideration of HK$516,750,000 in the year ended 31 March 2015, which was fully offset by the loan and interest receivables due from CAP.

38. CONTINGENT LIABILITIES

The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount payable of HK$886,000 (2015: HK$1,557,000) as at 31 March 2016, as further explained under the heading "Employee benefits" in note 2.4 to the financial statements. The contingent liability has arisen because, at the end of the reporting period, a number of current employees had achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

39. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its property, plant & equipment (note 13), investment properties (note 14) and sub-leases Chinese wet markets under operating lease arrangements, with leases negotiated for terms ranging from one year to four years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

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

	2016 ***HK$'000***	2015 *HK$'000*
Within one year	**207,361**	158,895
In the second to fifth years, inclusive	**218,850**	121,051
	426,211	279,946

(b) As lessee

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

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

	2016 ***HK$'000***	2015 *HK$'000*
Within one year	**124,472**	85,953
In the second to fifth years, inclusive	**373,503**	143,884
After five years	**122,443**	53,448
	620,418	283,285

40. COMMITMENTS

In addition to the operating lease commitments detailed in note 39(b) above, the Group had the following capital commitments at the end of the reporting period:

	2016 HK$'000	2015 HK$'000
Contracted, but not provided for:		
Properties under development	127,543	42,757
Investment properties	–	6,981
	127,543	49,738

41. RELATED PARTY TRANSACTIONS

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

(a) Transactions with related parties

	Notes	2016 HK$'000	2015 HK$'000
Rental income received from a director*	*(i)*	1,200	1,200
Rental expenses paid to a company of which a director of the Company is a controlling shareholder*	*(ii)*	300	300
Transactions with WYTH and its subsidiaries (collectively, the "WYT Group"):			
– Management fee income	*(ii)*	960	960
– Rental income	*(ii)*	10,841	2,084
– Rental expenses	*(ii)*	2,096	1,992
– Purchases of products	*(iii)*	6,828	3,964

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

Notes:

(i) A property of the Group was leased to a director at a monthly rental of HK$100,000 (2015: HK$100,000). The rental was determined with reference to the prevailing market rates.

(ii) The transactions were based on terms mutually agreed between the Group and the related party.

(iii) The purchases from WYT Group were made according to the published prices and conditions offered by WYT Group to its customers.

(iv) Details of the disposal of Good Excellent and Sunbo to WYT Group are set out in note 36 to the financial statements.

(b) Outstanding balance with a related party

Details of the Group's balance with its joint venture as at the end of the reporting period are disclosed in note 27 to the financial statements.

41. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group

	2016	2015
	HK$'000	*HK$'000*
Short term employment benefits	**5,589**	16,417
Post-employment benefits	**67**	108
Total compensation paid to key management personnel	**5,656**	16,525

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

42. FINANCIAL INSTRUMENTS BY CATEGORY

Except for available-for-sale investments and financial assets at fair value through profit or loss, which are measured at fair value, other financial assets and liabilities of the Group as at 31 March 2016 and 2015 are loans and receivables, and financial liabilities at amortised cost, respectively.

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

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

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

The fair values of the non-current portion of loans and interest receivables and interest-bearing bank and other loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other loans as at 31 March 2016 was assessed to be insignificant.

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

The fair values of listed equity investments and listed debt investments are based on quoted market prices. The fair values of unlisted available-for-sale debt investments have been estimated using a discounted cash flow valuation model based on assumptions that are not supported by observable market prices or rates. The fair values of unlisted financial assets at fair value through profit or loss have been estimated using the net asset value per share of the investments. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For the fair value of the unlisted available-for-sale debt investments, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model and has quantified this as a reduction in fair value of approximately HK$9,855,000 (2015: HK$11,476,000), using less favourable assumptions, and an increase in fair value of approximately HK$9,502,000 (2015: HK$11,956,000), using more favourable assumptions.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 March 2016:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
As at 31 March 2016				
Unlisted available-for-sale debt investments	Discounted cash flow method	Discount for credit risk	11.57%	1% increase (decrease) in discount rate would result in decrease (increase) in fair value by HK$9,855,000 (HK$9,502,000).
As at 31 March 2015				
Unlisted available-for-sale debt investments	Discounted cash flow method	Discount for credit risk	14.06%	1% increase (decrease) in discount rate would result in decrease (increase) in fair value by HK$11,476,000 (HK$11,956,000).

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

Fair value hierarchy

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

Assets measured at fair value:

As at 31 March 2016

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Available-for-sale investments:				
Debt investments	**–**	**11,969**	**503,451**	**515,420**
Equity investments at fair value through profit or loss	**289,992**	**53,647**	**–**	**343,639**
	289,992	**65,616**	**503,451**	**859,059**

As at 31 March 2015

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

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

Fair value hierarchy (continued)

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

	HK$'000
Available-for-sale investments – unlisted:	
At 1 April 2014	–
Purchase	516,750
Total gains recognised in the statement of profit or loss included in other income	947
Total losses recognised in other comprehensive income	(51,961)
At 31 March 2015 and 1 April 2015	**465,736**
Total gains recognised in the statement of profit or loss included in other income	**3,878**
Total gains recognised in other comprehensive income	**33,837**
At 31 March 2016	**503,451**

The Group did not have any financial liabilities measured at fair value as at 31 March 2016 and 2015.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2015: Nil).

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Interest rate risk

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

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

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK$'000
2016		
HK$	**100**	**(19,644)**
HK$	**(100)**	**19,644**
2015		
HK$	100	(23,934)
HK$	(100)	23,934

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

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

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

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

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

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

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

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

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in profit before tax HK$'000
2016		
If Euro strengthens against HK$	**7.847**	**7**
If Euro weakens against HK$	**(7.847)**	**(7)**
If HK$ strengthens against RMB	**5.732**	**3**
If HK$ weakens against RMB	**(5.732)**	**(3)**
2015		
If Euro strengthens against HK$	22.540	19
If Euro weakens against HK$	(22.540)	(19)
If HK$ strengthens against RMB	2.559	(4,252)
If HK$ weakens against RMB	(2.559)	4,252

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

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

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

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

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

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

Further quantitative data in respect of the Group's exposure to credit risk arising from available-for-sale investments (note 18), trade and other receivables (notes 20 and 22), loans and interest receivables (note 21) and financial assets at fair value through profit or loss (note 23) are disclosed in the corresponding notes to the financial statements.

Liquidity risk

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

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

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

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

	2016					
	On demand	**Within 1 year**	**1 to 2 years**	**3 to 5 years**	**Over 5 years**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Bank loans *(note)*	**312,680**	**323,765**	**1,014,611**	**386,828**	**–**	**2,037,884**
Other loans *(note 28)*	**–**	**–**	**92,001**	**152,361**	**–**	**244,362**
Trade payables *(note 26)*	**–**	**52,444**	**–**	**–**	**–**	**52,444**
Other payables and accruals *(note 27)*	**–**	**57,355**	**7,972**	**14,001**	**–**	**79,328**
	312,680	**433,564**	**1,114,584**	**553,190**	**–**	**2,414,018**

	2015					
	On demand	Within 1 year	1 to 2 years	3 to 5 years	Over 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Bank loans *(note)*	234,261	631,154	374,221	903,651	358,491	2,501,778
Other loans *(note 28)*	–	–	–	277,491	–	277,491
Trade payables *(note 26)*	–	87,730	–	–	–	87,730
Other payables and accruals *(note 27)*	–	65,357	–	7,581	–	72,938
	234,261	784,241	374,221	1,188,723	358,491	2,939,937

Note:

Included in interest-bearing bank loans of the Group are term loans with an aggregate principal amounting to HK$312,680,000 (2015: HK$234,261,000), of which the respective loan agreements contain a repayment on-demand clause giving the bank the unconditional right to call in the loans at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as "on demand".

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Note: (continued)

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

	Within 1 year *HK$'000*	1 to 2 years *HK$'000*	3 to 5 years *HK$'000*	Over 5 years *HK$'000*	Total *HK$'000*
31 March 2016	**167,574**	**58,103**	**90,241**	**8,031**	**323,949**
31 March 2015	192,498	16,091	21,659	10,911	241,159

Price risk

Price risk is the risk that the fair values of financial investments decrease as a result of changes in the levels of equity indices and the value of individual debt securities. The Group was exposed to price risk arising from individual financial investments classified as available-for-sale investments (note 18) and financial assets at fair value through profit or loss (note 23) as at 31 March 2016.

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

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

	31 March 2016	High/low 2016	31 March 2015	High/low 2015
Hong Kong – Hang Seng Index	**20,777**	**28,133/19,112**	24,901	24,901/22,134

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

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk (continued)

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

	Carrying amount of financial investments	Increase/ (decrease) in price	Increase/ (decrease) in profit before tax
	HK$'000	*%*	*HK$'000*
2016			
Equity securities listed in Hong Kong:			
Held-for-trading	**289,992**	**47.20**	**136,876**
Held-for-trading	**289,992**	**(47.20)**	**(136,876)**
Equity securities unlisted in Hong Kong:			
Held-for-trading	**53,647**	**47.20**	**25,321**
Held-for-trading	**53,647**	**(47.20)**	**(25,321)**
2015			
Equity securities listed in Hong Kong:			
Held-for-trading	174,124	12.50	21,766
Held-for-trading	174,124	(12.50)	(21,766)
Equity securities unlisted in Hong Kong:			
Held-for-trading	35,809	12.50	4,476
Held-for-trading	35,809	(12.50)	(4,476)

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2016.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

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

	2016 ***HK$'000***	2015 *HK$'000*
Interest-bearing bank and other loans *(note 28)*	**2,208,788**	2,628,597
Less: Cash and cash equivalents *(note 24)*	**(1,287,315)**	(1,046,987)
Net debt	**921,473**	1,581,610
Equity attributable to owners of the parent	**4,557,270**	4,190,454
Gearing ratio	**20.22%**	37.74%

45. EVENTS AFTER THE REPORTING PERIOD

(a) On 12 April 2016, the Group completed the spin-off of Wang On Properties Limited ("Wang On Properties") through a separate listing on the Main Board of the Hong Kong Stock Exchange (the "Spin-Off"). The Spin-Off involved the offering of 380,000,000 shares of HK$0.01 each by Wang On Properties at an offer price of HK$0.92 per share, which raised a total net cash proceeds of approximately HK$349,600,000. Immediately following the completion of the Spin-Off, the Group's equity interest in Wang On Properties was diluted from 100% to 75%.

(b) On 31 March 2016, the Group entered into a joint venture agreement with an independent third party for the establishment of a joint venture company, GMFG, to engage in the retail of pork in Hong Kong. The Group contributed the entire interest in the Easy Verse Group to GMFG in exchange for a 30% equity interest in GMFG. The transaction was completed on 1 April 2016.

Due to the timing of the transaction, the Group is still assessing the fair values of assets acquired. Accordingly, certain disclosures in relation to the disposal of a subsidiary as at the date of the contribution of assets to GMFG, such as the gain on disposal of a subsidiary and the disposal-related costs, have not been presented.

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2016	2015
	HK$'000	*HK$'000*
NON-CURRENT ASSETS		
Investments in subsidiaries	**2,525,128**	2,362,795
CURRENT ASSETS		
Prepayments, deposits and other receivables	**2,512**	3,032
Financial assets at fair value through profit or loss	**69,254**	16,516
Cash and cash equivalents	**642,209**	662,490
Total current assets	**713,975**	682,038
CURRENT LIABILITIES		
Other payables and accruals	**19,862**	25,731
Interest-bearing bank and other loans	**236,649**	94,885
Tax payable	**445**	–
Total current liabilities	**256,956**	120,616
NET CURRENT ASSETS	**457,019**	561,422
TOTAL ASSETS LESS CURRENT LIABILITIES	**2,982,147**	2,924,217
NON-CURRENT LIABILITIES		
Interest-bearing bank and other loans	**41,697**	135,515
Deferred tax liabilities	**8,702**	–
Total non-current liabilities	**50,399**	135,515
Net assets	**2,931,748**	2,788,702
EQUITY		
Issued capital	**192,885**	65,249
Reserves *(note)*	**2,738,863**	2,723,453
Total equity	**2,931,748**	2,788,702

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Notes	Share premium account HK$'000	Contributed surplus HK$'000 (note)	Share option reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2014		1,462,363	321,388	5,933	622,753	2,412,437
Total comprehensive income for the year		–	–	–	545,861	545,861
Transfer of share option reserve upon the forfeiture and cancellation of share options		–	–	(5,899)	5,899	–
Final 2014 dividend		–	–	–	(39,150)	(39,150)
Interim 2015 dividend	*11*	–	–	–	(65,249)	(65,249)
Special interim 2015 dividend by way of distribution in specie	*11*	–	–	–	(32,572)	(32,572)
Special 2015 dividend	*11*	–	–	–	(97,874)	(97,874)
At 31 March 2015 and 1 April 2015		**1,462,363**	**321,388**	**34**	**939,668**	**2,723,453**
Total comprehensive income for the year		**–**	**–**	**–**	**257,756**	**257,756**
Issue of shares upon exercise of share options	*31(a)*	**88**	**–**	**(34)**	**–**	**54**
Bonus Issue	*31(b)*	**–**	**–**	**–**	**(130,504)**	**(130,504)**
Shares repurchased and cancelled	*31(c)*	**(27,070)**	**–**	**–**	**–**	**(27,070)**
Final 2015 dividend	*11*	**–**	**–**	**–**	**(65,250)**	**(65,250)**
Interim 2016 dividend	*11*	**–**	**–**	**–**	**(19,576)**	**(19,576)**
At 31 March 2016		**1,435,381**	**321,388**	**–**	**982,094**	**2,738,863**

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

47. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the implementation of the Hong Kong Companies Ordinance (Cap. 622) during the current year, the presentation and disclosures of certain items and balances in the financial statements have been revised to comply with the new requirements.

48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 8 June 2016.

PARTICULARS OF PROPERTIES

INVESTMENT PROPERTIES

Location	Use	Tenure	Attributable interest of the Group
Shop on Ground Floor, Nos. 106-108 Shau Kei Wan Road, Shau Kei Wan, Hong Kong	Commercial premises for rental	Long term lease	100%
Shop AB, on Ground Floor, Po Wing Building, Nos. 61, 63, 65, 67, 71 & 73 Lee Garden Road, Nos. 108, 110, 112, 116, 118 & 120 Percival Street, Causeway Bay Hong Kong	Commercial premises for rental	Long term lease	100%
Ground Floor including Cockloft, Foon Shing Building, No. 732 Nathan Road, Mong Kok, Kowloon	Commercial premises for rental	Long term lease	100%
Shop 1 and 2 on Ground Floor, No. 726 Nathan Road, Mong Kok, Kowloon	Commercial premises for rental	Long term lease	100%
Shop A, B and C on Ground Floor, No. 111 Ma Tau Wai Road, To Kwa Wan Kowloon	Commercial premises for rental	Medium term lease	100%
Shop 3 on Level 1, Jade Plaza, No. 3 On Chee Road, Tai Po, New Territories	Commercial premises for rental	Medium term lease	100%
Shop 6 on Ground Floor, Grandeur Garden, Nos. 14-18 Chik Fai Street, Nos. 55-65 Tai Wai Road, Shatin, New Territories	Commercial premises for rental	Medium term lease	100%

PROPERTIES HELD FOR SALE

Property name	Location	Units	Estimated approximate gross floor area (sq ft)	Use	Attributable interest of the Group
726 Nathan Road	Nos. 724-726, Nathan Road, Mong Kok, Kowloon	1	2,200	Commercial	100%
Car Parking Spaces in Shatin Centre	Car Parking Spaces on Level 1 of the Podium, Shatin Centre, Nos. 2-16 Wang Pok Street, Shatin, New Territories	89	–	Commercial	100%

PROPERTIES UNDER DEVELOPMENT

Location	Approximate site area (sq ft)	Estimated approximate gross floor area (sq ft)	Use	Estimated completion date	Stage of completion	Attributable interest of the Group
Nos. 575-575A, Nathan Road, Mong Kok, Kowloon	2,100	25,000	Commercial	2017	Construction in progress	100%
Hang Kwong Street, Ma On Shan (Sha Tin Town Lot No. 598)	33,000	115,000	Residential	2017	Construction in progress	60%
Ma Kam Street, Ma On Shan (Sha Tin Town Lot No. 599)	33,000	200,000	Residential	2018	Construction in progress	60%
Tai Po Road - Tai Wai (Sha Tin Town Lot No. 587)	71,000	148,000	Residential	2019	Construction in progress	100%
Nos.13 &15, Sze Shan Street, Yau Tong, Kowloon	41,000	272,000	Residential & Commercial	N/A	Planning in progress	100%

FIVE YEAR FINANCIAL SUMMARY

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

RESULTS

	Year ended 31 March				
	2016	2015	2014	2013	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CONTINUING OPERATIONS					
REVENUE	**916,947**	1,500,023	1,686,606	807,971	438,985
PROFIT AFTER FINANCE COSTS	**412,608**	559,196	629,649	266,256	122,551
Share of profits and losses of:					
A joint venture	**514**	4,788	8,057	4,925	4,898
An associate	**31,695**	135,658	43,038	179,379	295,704
PROFIT BEFORE TAX	**444,817**	699,642	680,744	450,560	423,153
Income tax credit/(expense)	**3,641**	(111,629)	(87,535)	(41,026)	(29,666)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**448,458**	588,013	593,209	409,534	393,487
DISCONTINUED OPERATION					
Profit for the year from a discontinued operation	**–**	–	–	–	1,809
PROFIT FOR THE YEAR	**448,458**	588,013	593,209	409,534	395,296
Attributable to:					
Owners of the parent	**449,077**	588,188	593,521	409,536	395,228
Non-controlling interests	**(619)**	(175)	(312)	(2)	68
	448,458	588,013	593,209	409,534	395,296

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	31 March				
	2016	2015	2014	2013	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
TOTAL ASSETS	**7,044,469**	7,345,186	5,788,783	5,712,640	4,210,172
TOTAL LIABILITIES	**(2,488,502)**	(3,154,754)	(1,876,576)	(2,144,644)	(1,218,777)
NON-CONTROLLING INTERESTS	**1,303**	22	(153)	(465)	(467)
	4,557,270	4,190,454	3,912,054	3,567,531	2,990,928