



U-RIGHT INTERNATIONAL HOLDINGS LIMITED

佑威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00627)

Annual Report 2015

* *for identification purposes only*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

NG Cheuk Fan, Keith (*Chairman*)
TANG Kwok Hung (*Chief Executive Officer*)

Independent Non-Executive Directors

CHAN Chi Yuen
MAK Ka Wing, Patrick
XIE Tom

COMPANY SECRETARY

WONG Chi Yan

AUDIT COMMITTEE

CHAN Chi Yuen (*Chairman*)
MAK Ka Wing, Patrick
XIE Tom

REMUNERATION COMMITTEE

MAK Ka Wing, Patrick (*Chairman*)
CHAN Chi Yuen
XIE Tom

NOMINATION COMMITTEE

MAK Ka Wing, Patrick (*Chairman*)
CHAN Chi Yuen
XIE Tom

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

21/F., Bank of China Tower
1 Garden Road
Central
Hong Kong

STOCK CODE

627

WEBSITE

www.uright.com.hk

AUDITOR

ZHONGHUI ANDA CPA Limited

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKS

Fubon Bank Limited

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors"), I am pleased to present the annual report of U-RIGHT International Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2015.

BUSINESS REVIEW AND PROSPECTS

For the year ended 31 March 2015, the Group continued to focus on the distinctive business lines of wholesale of garments and retail of fashion garments. In addition, the Group successfully extended its trading business to the trading of construction materials and became a new reportable segment during the year. The Group recorded a turnover of approximately HK\$502.6 million and profit attributable to the owners of the Company for the current year amounted to approximately HK\$1.3 million.

The Group has been managing its businesses prudently since keen competition of the garment business and the construction material business has been exerting pressure on the performance on profit margins of the Group.

On 14 April 2015, the Company and a vendor (the "Vendor") who is a third party independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) ("Independent Third Party(ies)") entered into an agreement (the "SP Agreement") pursuant to which, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire issued share capital of Vivalink Limited (the "Target Company", together with its subsidiaries, the "Target Group") and its shareholders' loan to the Target Company (the "Acquisition") for a total consideration of HK\$2,368,016,828, which will be satisfied by the issue of new Shares (the "Consideration Shares") and promissory note of the Company.

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and the Target Group is principally engaged in commercial and residential property sale and development in the PRC.

Pursuant to the SP Agreement and being one of the conditions precedent to the completion of the transactions contemplated under the SP Agreement, the Board would propose to enter into one or more sale and purchase agreements to dispose one or more of the Company's subsidiaries (the "Possible Disposals").

Going forward, the Group is expected to continue the development of a steady trading business. Subject to the completion of the SP Agreement and the transactions contemplated thereunder (including the Possible Disposals), despite the impact of e-commerce and a slower economy on the garment business leading to a tough times ahead, the management shall strive to defend and maintain the current garment business operation.

At the same time, the management of the Group continues to explore business opportunities for additional value for shareholders.

APPRECIATION

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere appreciation to our staff for their dedication and commitment as well as to our valued shareholders, customers, suppliers and other business partners for their support and encouragement to the Group in the past year.

NG Cheuk Fan, Keith
Chairman

Hong Kong, 26 June 2015

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 March 2015, the Group continued to engage in operating with distinctive business lines of wholesale of garments and retail of fashion garments covering men, women and children's wear. In addition, the Group successfully extended its trading business to the trading of construction materials and became a new reportable segment during the year. The Group recorded a turnover of approximately HK\$502.6 million (31 March 2014: approximately HK\$334.6 million), and achieved profit from operations of approximately HK\$6.8 million, representing a decrease of 61.1% from the last year (31 March 2014: approximately HK\$17.5 million). Profit attributable to the owners of the Company for the year ended 31 March 2015 amounted to approximately HK\$1.3 million (31 March 2014: approximately HK\$1,543.2 million). The said decrease in profit attributable to the owners of the Company was mainly attributable to the absence of the one off gain of approximately HK\$1,404 million on the settlement of all the debts of the Company upon completion of the debt restructuring recognised in last year. Basic earnings per share decreased from HK\$2.04 for the year ended 31 March 2014 to HK\$0.001 for the year ended 31 March 2015. Due to the weak domestic garment market and the emergence of internet retail business in China, the Group experienced a decline in its garment retail business. In light of the weakened market, the Group has been consolidating its garment retail business segment by channeling resources to U-RIGHT branded products and phasing out/scaling down other garment retail brands to strengthen competitiveness of the business. Although the trading business of the Group has grown rapidly, due to the lower profit margin of the trading business as compared with that of the garment retail business, the Group experienced a decline in its gross profit margin from 13.4% in last year to 5.0% in current year.

DIVIDEND

The Directors do not recommend the payment of final dividend for the year ended 31 March 2015 (2014: nil).

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 March 2015, the Group had total assets of approximately HK\$180,096,000 (31 March 2014: approximately HK\$194,066,000), comprising bank and cash balances of approximately HK\$23,984,000 (31 March 2014: approximately HK\$79,215,000). The Group's current ratio, calculated as current assets of approximately HK\$153,789,000 (31 March 2014: approximately HK\$178,867,000) over current liabilities of approximately HK\$31,154,000 (31 March 2014: approximately HK\$46,737,000), improved to 4.94 as at 31 March 2015 (31 March 2014: 3.83).

Foreign currency management

Most of the Group's transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi, which are the functional currencies of the Group entities. Therefore, the Group believes it faces minimal foreign currency risk and thus has not undertaken any hedging activities.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital commitment

The Group had capital commitments, which are contracted but not provided for, in respect of the capital contribution to two subsidiaries amounting to approximately HK\$55,287,000 as at 31 March 2015.

Pledged of Assets and Contingent Liabilities

The Group had no significant pledge of assets nor contingent liabilities as at 31 March 2015.

CAPITAL STRUCTURE

At the year ended 31 March 2015, the Company comprise of 1,321,682,525 issued shares with par value of HK\$0.01.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT

During the year under review, the Group has acquired five properties in the PRC. A property at consideration of approximately HK\$2.2 million is for its own use as retail shop and the remaining four properties at a total consideration of HK\$8.7 million have been used for investment purpose.

Save as disclosed, the Group did not have any material acquisition, disposal or investment for the year ended 31 March 2015.

EVENTS AFTER THE REPORTING PERIOD

At the request of the Company, trading in shares of the Company had been suspended since 15 April 2015.

On 14 April 2015, the Company and a vendor (the “Vendor”) who is a third party independent of the Company and its connected persons entered into an agreement (the “SP Agreement”) pursuant to which, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire issued share capital of Vivalink Limited (the “Target Company”), together with its subsidiaries, and its shareholders’ loan to the Target Company (the “Acquisition”) for a total consideration of HK\$2,368,016,828, which will be satisfied by the issue of new shares and promissory note of the Company. The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and the Target Group is principally engaged in commercial and residential property sale and development in the PRC. Pursuant to the SP Agreement and being the conditions precedent to the completion, the Board, among other things, proposed to procure one or more placing agents to place Placing Shares and convertible bonds of the Company (the “Share Placing and CB Placing”); and enter into one or more sale and purchase agreements to dispose one or more of the Company’s subsidiaries (the “Possible Disposals”). The Board is in the process of negotiating and finalising the terms of the placing agreements with placing agent(s) in respect of the Share Placing and CB Placing; and of the sale and purchase agreements with potential purchasers in respect of the Possible Disposals. Please refer to the Company’s announcements dated 24 April 2015 and 27 May 2015 for more details.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES AND REMUNERATION POLICIES

At 31 March 2015, the Group had approximately 131 employees. For the year ended 31 March 2015, the total staff cost including the Directors' emolument was approximately HK\$7,188,000. Remuneration of the employees is determined by reference to the market terms and commensurates with the level of pay for similar responsibilities within the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. The Group provides benefits in accordance with the relevant laws and regulations including the Mandatory Provident Fund Scheme of Hong Kong.

PROSPECTS

The Group has been managing its businesses prudently since keen competition of the garment business and the construction material business has been exerting pressure on the performance on profit margins of the Group.

On 14 April 2015, the Company and the Vendor entered into the SP Agreement for the Acquisition, which the Company has conditionally agreed to acquire the Target. Pursuant to the SP Agreement and being one of the conditions precedent to the completion of the transactions contemplated under the SP Agreement, the Board would propose to enter into one or more sale and purchase agreements for the Possible Disposals.

Going forward, the Group is expected to continue the development of a steady trading business. Subject to the completion of the SP Agreement and the transactions contemplated thereunder (including the Possible Disposals), despite the impact of e-commerce and a slower economy on the garment business leading to a tough times ahead, the management shall strive to defend and maintain the current garment business operation.

At the same time, the management of the Group continues to explore business opportunities for additional value for shareholders.

DIRECTORS AND COMPANY SECRETARY

As at date of report, the profiles of the Directors and company secretary are set out as below:

EXECUTIVE DIRECTORS

Mr. NG Cheuk Fan, Keith (“Mr. Ng”), aged 54, has been appointed as an executive Director with effect from 7 January 2011. He is also the Chairman of the Company. Mr. Ng graduated from the University of Alberta, Canada with a Bachelor’s degree in Commerce, majoring in Accounting. He also received a Master of Commerce degree in Professional Accounting from the University of New South Wales, Australia. Mr. Ng is a member of the CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Ng has over 20 years of experience in corporate development, corporate restructuring, management and accounting. He is an executive director and of China Fortune Financial Group Limited (stock code: 290) and an independent non-executive director of China Eco-Farming Limited (stock code: 8166). Mr. Ng was an independent non-executive director of The Hong Kong Building and Loan Agency Limited (stock code: 145) from 15 January 2010 to 3 August 2012.

Mr. TANG Kwok Hung (“Mr. Tang”), aged 48, has been appointed as an executive Director with effect from 5 November 2013 and became the Chief Executive Officer of the Company with effect from 18 September 2014. He holds a Master’s degree in Business Administration from Manchester Business School (MBS) of the University of Manchester in the United Kingdom and a Bachelor’s degree in Business Administration from Chinese University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a Certified Management Accountant of the Institute of Management Accountants in the United States of America, a member of the Hong Kong Securities and Investment Institute, and a member of Hong Kong Institute of Real Estate Administrators.

Mr. Tang has over 20 years of experience in the strategic management, business development, corporate finance, and investment management in garment, retail, real estate development, hotel, high-tech business, logistics, international trade and manufacturing industries. He was also the executive director of the Company for the period from 1 February 2010 to 18 September 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. MAK Ka Wing Patrick (“Mr. Mak”), aged 51, has been appointed as an independent non-executive Director with effect from 15 January 2009. He is also the chairman of the Remuneration Committee and Nomination Committee of the Company. He is a registered solicitor of the High Court of Hong Kong and Managing Partner of Patrick Mak & Tse, Solicitors. Mr. Mak has over 10 years’ legal experience as a practising solicitor. He was awarded the Common Professional Examination Certificate in Laws by the University of Hong Kong in 1995 and was awarded his Postgraduate Certificate in Laws (P.C.LL) by the University of Hong Kong in 1998. Mr. Mak worked in Dublin, Ireland with Messrs. Donald T. McAuliffe & Co., Solicitors of Ireland from 1990 to 1991 and worked in London, England with Messrs. Sparrow & Trieu, Solicitors from 1991 to 1992.

Mr. Mak is currently a director of Asia Green Agriculture Corporation which was incorporated under the laws of the State of Nevada, USA. He is also an independent non-executive director of each of FU JI Food and Catering Services Holdings Limited (stock code: 1175); EYANG Holdings (Group) Co., Limited (stock code: 117) and Golden Shield Holdings (Industrial) Limited (stock code: 2123).

DIRECTORS AND COMPANY SECRETARY

Mr. Mak was an independent non-executive director of Jimei International Entertainment Group Limited (formerly known as Sinogreen Energy International Group Limited) (stock code: 1159) from 22 April 2010 to 31 August 2013, independent non-executive director and non-executive director of China Kingston Mining Holdings Limited (stock code: 1380) for the period from 6 February 2013 to 16 April 2013 and from 17 April 2013 to 13 June 2013 respectively.

Mr. CHAN Chi Yuen (“Mr. Chan”), aged 48, has been appointed as an independent non-executive Director with effect from 11 November 2010. He is also the chairman of the Audit Committee of the Company. He holds a Bachelor’s degree with honours in Business administration and a Master of Science degree in Corporate Governance and Directorship. He is a fellow of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and is an associate of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practicing certified public accountant and has extensive experience in financial management, corporate finance and corporate governance.

Mr. Chan is currently an executive director of each of e-Kong Group Limited (stock code: 524), Noble Century Investment Holdings Limited (stock code: 2322), South East Group Limited (stock code: 726) and Co-Prosperity Holdings Limited (stock code: 707). He is also an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351), Rex Global Entertainment Holdings Limited (formerly known as China Gamma Group Limited) (stock code: 164), Jun Yang Solar Power Investments Limited (stock code: 397), Media Asia Group Holdings Limited (stock code: 8075), and New Times Energy Corporation Limited (stock code: 166) (redesignated from non-executive director with effect from 18 May 2012).

Mr. Chan was an independent non-executive director of China Sandi Holdings Limited (stock code: 910) from 18 September 2009 to 9 July 2014 and an executive director of Kong Sun Holdings Limited (stock code: 295) from 22 February 2007 to 30 November 2009 and from 8 December 2011 to 30 September 2013.

Mr. XIE Tom (“Mr. Xie”), aged 64, has been appointed as an independent non-executive Director with effect from 29 August 2013. Mr. Xie has years of management experience with a Hong Kong listed company. He obtained a Master of Science degree and a master’s graduation certificate in Gemology both from the China University of Geosciences (Beijing) in 2012. He is also the Permanent Honorary Chairman of the Confederacy of Hong Kong Shanwei Clansmen Limited. Mr. Xie is currently an independent non-executive director of Yuan Heng Gas Holdings Limited (formerly known as Ngai Lik Industrial Holdings Limited) (stock code: 332).

COMPANY SECRETARY

Ms. WONG Chi Yan (“Ms. Wong”), aged 33, has been appointed as the company secretary of the Company with effect from 18 September 2013. Ms. Wong holds a Bachelor of Business Administration degree in Accounting from Hong Kong Baptist University. She is an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. She has extensive experiences in financial management, corporate finance and corporate governance. She is currently the executive director of Aurum Pacific (China) Group Limited (stock code: 8148) and PPS International (Holdings) Limited (stock code: 8201).

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain high standards of corporate governance. The Board believes that effective corporate governance practices are fundamental to enhance the shareholders' value and safeguard the interests of the shareholders. Accordingly, the Company has adopted sound corporate governance practices that emphasis an effective internal control and accountability to all shareholders.

The Company has complied with the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the deviation from the code provision A.4.1 which is explained below.

Code Provision A.4.1

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The existing independent non-executive Directors are not appointed for a specific term as required under the code provision A.4.1 but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company has good corporate governance practices.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by Directors. The Company has made specific enquiries and all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year.

BOARD OF DIRECTORS

The Board comprises two executive Directors, Mr. Ng Cheuk Fan, Keith and Mr. Tang Kwok Hung and three independent non-executive Directors, Mr. Chan Chi Yuen, Mr. Mak Ka Wing, Patrick and Mr. Xie Tom. Biographical information of the Directors is set out in the section "Directors and Company Secretary" of this annual report.

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. Directors take decisions objectively in the interests of the Company. Some functions including, inter alia, monitor and approval of material transactions, matters involving conflict of interest for a substantial shareholder or director of the Company, the approval of the interim and annual results, other disclosures to the public or regulators and the internal control system are reserved by the Board and the decisions relating to such matters shall be subject to the decision of the Board. Matters not specifically reserved to the Board and necessary for the daily operations of the Company are delegated to the management under the supervision of the respective Directors and the leadership of the Chief Executive Officer.

CORPORATE GOVERNANCE REPORT

The Board meets regularly throughout the financial year. All Directors are given the opportunity to put items on the agenda for regular Board meetings. All Directors have access to the company secretary of the Company to ensure that all Board procedures and rules and regulations are followed. Full minutes of Board meetings are kept by the Company Secretary and are available for inspection on reasonable notice. Any Director may, in furtherance of his duties, take independent professional advice where necessary at the expense of the Company.

Throughout the year and up to the date of this report, the Company complied with Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of a sufficient number of independent non-executive directors and at least one of the independent non-executive directors has appropriate professional qualifications or accounting or related financial management expertise. The Company has received confirmations from all independent non-executive Directors that they did not have any businesses or financial interests with the Group and were independent as at 31 March 2015 in accordance with Rule 3.13 of the Listing Rules.

There is no relationship, including financial, business, family or other material/relevant relationships among the Board members.

Appointment, Re-election and Removal of Directors

In accordance with Bye-law 83 of the Bye-laws of the Company (the “Bye-laws”), a director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

According to Bye-law 84, at each annual general meeting of the Company, 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) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years, and shall then be eligible for re-election.

In accordance with Bye-law 83, the shareholders of the Company may by an ordinary resolution remove a director (but without prejudice to any claim for damages under any such agreement) before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman of the Company is Mr. Ng Cheuk Fan, Keith whereas the Chief Executive Officer of the Company is Mr. Tang Kwok Hung. Their roles are separated, with a clear division of responsibilities. The Chairman is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role for setting its agenda and taking into account any matters proposed by other directors for inclusion in the agenda. The Chief Executive Officer is responsible for the day-to-day management of the Group’s business.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Board has established three committees, namely, Remuneration Committee, Nomination Committee and Audit Committee, for overseeing particular aspects of the Group's affairs. Details of which are set out below. All Board committees of the Company are established with defined written terms of reference which are available on the Company's website and the Stock Exchange's website.

Audit Committee

The Audit Committee of the Company comprises three independent non-executive Directors, Mr. Chan Chi Yuen (the Chairman of the Audit Committee), Mr. Mak Ka Wing, Patrick and Mr. Xie Tom. The primary duties of the Audit Committee are to (i) review the Group's financial reporting system, the nature and scope of audit review; (ii) review the effectiveness of the system of internal control procedures and risk management; (iii) make recommendations in relation to the appointment, reappointment and removal of the external auditor; and (iv) review and monitor the external auditor's independence and objectivity. In addition, the Audit Committee discusses matters raised by the external auditor and regulatory bodies to ensure that appropriate recommendations are implemented. The Audit Committee shall meet at least twice a year.

During the year, the Audit Committee reviewed the interim and annual results with the external auditor and made recommendation to the Board on the re-appointment of the external auditor in accordance with the Audit Committee's written terms of reference.

The Audit Committee held 2 meetings during the year ended 31 March 2015. The attendance record of each member of the Audit Committee is set out in the sub-section "Directors' and Committees' Meeting Attendance" of "Corporate Governance Report" in this annual report.

Remuneration Committee

The Remuneration Committee of the Company comprises three independent non-executive Directors, Mr. Mak Ka Wing, Patrick (the Chairman of the Remuneration Committee), Mr. Chan Chi Yuen and Mr. Xie Tom. The primary duties of the Remuneration Committee are to (i) make recommendations to the Board on the policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for remuneration policy; (ii) make recommendations to the Board on the remuneration package of individual executive directors, non-executive directors and senior management; and (iii) review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment. The Remuneration Committee shall meet at least once a year.

During the year, the Remuneration Committee reviewed the remuneration packages of the Directors and senior management and made recommendations to the Board on the remuneration of the Directors and senior management in accordance with the Remuneration Committee's written terms of reference. The amounts paid to each Director for the year ended 31 March 2015 are set out in note 15 to the consolidated financial statements.

CORPORATE GOVERNANCE REPORT

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed “Directors and Company Secretary” in this annual report for the year by band is set out as follow:

Remuneration band (in HK\$)	Number of individuals
Nil to 1,000,000	1

The Remuneration Committee held 1 meeting during the year ended 31 March 2015. The attendance record of each member of the Remuneration Committee is set out in the sub-section “Directors’ and Committees’ Meeting Attendance” of “Corporate Governance Report” in this annual report.

Nomination Committee

The Nomination Committee of the Company comprises three independent non-executive Directors, Mr. Mak Ka Wing, Patrick (the Chairman of the Nomination Committee), Mr. Chan Chi Yuen and Mr. Xie Tom. The primary duties of the Nomination Committee are to (i) review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board; (ii) identify individuals suitably qualified to become Board members; (iii) assess the independence of independent non-executive directors; and (iv) make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors. The Nomination Committee shall meet at least once a year.

During the year, the Nomination Committee reviewed the composition of the Board and made recommendations to the Board on the appointment of the newly appointed executive Director in accordance with the Nomination Committee’s written terms of reference.

The Nomination Committee held 1 meeting during the year ended 31 March 2015. The attendance record of each member of the Nomination Committee is set out in the sub-section “Directors’ and Committees’ Meeting Attendance” of “Corporate Governance Report” in this annual report.

Board Diversity Policy

The Group adopted a board diversity policy (the “Board Diversity Policy”) setting out the approach to diversify members of the Board. The Company believes that a diversified perspective can be achieved through implementation of the Board Diversity Policy. The diversity of the Board members should be assessed on a diversity of perspectives including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on objective criteria, merit and contribution that the selected candidates will bring to the Board having due regard for the benefits of diversity on the Board. The Nomination Committee will review the Board Diversity Policy on a regular basis to ensure its continued effectiveness.

CORPORATE GOVERNANCE REPORT

DIRECTORS' AND COMMITTEES' MEETING ATTENDANCE

During the year ended 31 March 2015, the Board held 6 Board meetings.

The attendance record of each Director at the Board meetings, the committees' meetings and the general meetings of the Company held during the year is set out below:

Directors	Board Meeting	Audit Committee Meeting Attendance/Eligible to attend	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
<i>Executive Directors</i>					
Mr. Ng Cheuk Fan, Keith	6/6	N/A	N/A	N/A	1/1
Mr. Tang Kwok Hung (Note 1)	6/6	N/A	N/A	N/A	0/1
Ms. Yeung Sau Han, Agnes (Note 2)	3/3	N/A	N/A	N/A	0/1
<i>Non-executive Director</i>					
Mr. Chung Wai Man (Note 3)	3/3	N/A	N/A	N/A	1/1
<i>Independent Non-executive Directors</i>					
Mr. Mak Ka Wing, Patrick	6/6	2/2	1/1	1/1	0/1
Mr. Chan Chi Yuen	5/6	2/2	1/1	1/1	1/1
Mr. Xie Tom	6/6	2/2	1/1	1/1	1/1

Notes:

- (1) Mr. Tang Kwok Hung has been appointed as the Chief Executive Officer on 18 September 2014
- (2) Ms. Yeung Sau Han, Agnes has retired as an executive Director and resigned as the Chief Executive Officer with effect from 18 September 2014
- (3) Mr. Chung Wai Man has retired as a non-executive Director with effect from 18 September 2014

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged at the expenses of the Company where necessary.

During the year, each of Mr. Ng Cheuk Fan, Keith and Mr. Tang Kwok Hung, Mr. Chan Chi Yuen, Mr. Mak Ka Wing, Patrick and Mr. Xie Tom has participated in continuous professional development by attending seminars and/or studying materials relevant to director's duties and responsibility. Their training records have been provided to the Company.

CORPORATE GOVERNANCE REPORT

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledged their responsibility for preparing the financial statements for each financial period to give a true and fair view of the state of affairs of the Company. In preparing the financial statements for the year ended 31 March 2015, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

The statement of the external auditor of the Company regarding their reporting responsibilities on the financial statement of the Company is set out in the "Independent Auditor's Report" of this annual report.

DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out of the corporate activities, which has been complied with the CG Code. The insurance coverage is reviewed on an annual basis.

COMPANY SECRETARY

The Company Secretary, Ms. Wong Chi Yan, is responsible to the Board for ensuring that the Board procedures are followed and the Board activities are efficiently and effectively conducted. She is also responsible for ensuring the Board is fully apprised of the relevant legislative, regulatory and corporate governance developments relating to the Group and facilitating the induction and professional development of directors.

During the year under review, Ms. Wong has attended relevant professional seminars to update her skills and knowledge. She has met the training requirement set out in Rule 3.29 of the Listing Rules.

AUDITOR'S REMUNERATION

The remuneration in respect of audit and non-audit services for the year ended 31 March 2015 provided by the Company's auditor, ZHONGHUI ANDA CPA Limited, are as follows:

	<i>HK\$'000</i>
Audit services	750
Non-audit services	130
	<hr/>
Total	880
	<hr/> <hr/>

SHAREHOLDERS' RIGHTS

(I) Convene a Special General Meeting

Shareholders 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 the general meetings of the Company shall at all times submit a signed written requisition, specifying the purpose, to the Board or the company secretary of the Company to require the convening of a special general meeting ("SGM"). If within twenty-one days of such deposit the Board fails to proceed to convene the SGM, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, themselves may convene a SGM, but any SGM so convened shall not be held after the expiration of three months from twenty-one days of the deposit.

(II) Send Enquiries to the Board

Enquiries of shareholders can be sent to the Company either by email at adminx@uright.com.hk or by post to the principal office of the Company at 21/F., Bank of China Tower, 1 Garden Road, Central, Hong Kong. Shareholders can also make enquires with the Board directly at the general meetings.

(III) Make Proposals at General Meetings

Pursuant to the Bye-laws (as amended from time to time), the Shareholders who wish to move a resolution may by means of requisition convene a SGM follow the procedures as set out above.

INVESTOR RELATIONS

The Company considers effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business. The Company endeavors to maintain an on-going dialogue with shareholders and in particular, through annual general meeting and other general meetings. The website of the Company at <http://www.uright.com.hk> has provided an effective communication platform to the public and the shareholders.

The Bye-laws have been adopted at a SGM held on 19 August 2013. The latest version of the Company's constitutional documents is available on the Company's website and the Stock Exchange's website.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board ensures the maintenance of sound and effective internal controls to safeguard the shareholders' investment and the assets of the Company. It has been an important duty of the Directors to conduct a review of the effectiveness of the system of internal control of the Group annually or at anytime necessary. The review covers all material controls, including financial, operational and compliance controls, as well as risk management functions. For the year under review, the Board has through the Audit Committee, reviewed and reached the conclusion that the Group's internal control system was in place and effective.

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are wholesale and retail of fashion garments and trading of garment materials.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2015 are set out in the consolidated statement of profit or loss and other comprehensive income on page 23.

The Board resolved not to pay any final dividend for the year ended 31 March 2015.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2015, the five largest customers of the Group together accounted for approximately 55%, with the largest customer accounted for approximately 19% of the Group's total turnover. The five largest suppliers of the Group together accounted for approximately 75%, with the largest supplier accounted for approximately 31% of the Group's total purchases during the year.

To the best of the Directors' knowledge, at no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest suppliers or customers.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year in the property, plant and equipment of the Group are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements during the year in the share capital of the Company are set out in note 26 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

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

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

DISTRIBUTABLE RESERVES OF THE COMPANY

At 31 March 2015, the Company had no reserves available for distribution (31 March 2014: Nil).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial periods is set out on page 66.

EVENTS AFTER THE REPORTING PERIOD

Details of the events after the reporting period of the Group are set out in note 31 to the consolidated financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

NG Cheuk Fan, Keith (*Chairman*)
TANG Kwok Hung (*Chief Executive Officer*) (*Note 1*)
YEUNG Sau Han, Agnes (*Note 2*)

Non-Executive Director

CHUNG Wai Man (*Note 3*)

Independent Non-Executive Directors

CHAN Chi Yuen
MAK Ka Wing, Patrick
XIE Tom

Notes:

- (1) Mr. Tang Kwok Hung has been appointed as the Chief Executive Officer with effect from 18 September 2014
- (2) Ms. Yeung Sau Han, Agnes has retired as an executive Director and resigned as the Chief Executive Officer with effect from 18 September 2014
- (3) Mr. Chung Wai Man has retired as a non-executive Director with effect from 18 September 2014

According to Bye-law 83(2), Mr. Chan Chi Yuen and Mr. Xie Tom shall retire from office by rotation at the AGM. Mr. Chan Chi Yuen and Mr. Xie Tom, being eligible, will offer themselves for re-election.

Independent Non-executive Directors are not appointed for a specific term and are subject to retirement by rotation in accordance with the Company's Bye-laws.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or its subsidiaries, a party to any arrangements 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.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, no Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole and any substantial part of the business of the Company was entered into or in existence during the year.

CONNECTED TRANSACTIONS

Related party transactions entered by the Group during the year ended 31 March 2015, which do not constitute connected transactions in accordance with the requirements of the Listing Rules, are disclosed in note 30 to the consolidated financial statements.

DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS IN SECURITIES OF THE COMPANY

As at 31 March 2015, none of the directors or chief executives of the Company nor their associates had any interest or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES OF THE COMPANY

As at 31 March 2015, the following shareholders (other than the Directors or the chief executive of the Company) had an interest or short positions in the shares or underlying shares as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO and were directly or indirectly interest in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meeting of any other members of the Group were as follows:

Name	Position	Type of interest	Number of shares	Approximate % of the Company's issued share capital
Advance Lead International Limited	Long	Beneficial owner	970,000,000 (Note)	73.39%
Easy Advance Investments Limited	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 (Note)	73.39%
Advance Shine Holdings Limited	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 (Note)	73.39%
Sino Classic Global Limited	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 (Note)	73.39%
Great Novel Limited	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 (Note)	73.39%
Mr. Chau Pak Chuen	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 (Note)	73.39%
Ms. Au Tsui Yee, Maggie	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 (Note)	73.39%
Mr. Chau Kai Man	Long	Interest of corporation controlled by the substantial shareholder	970,000,000 (Note)	73.39%

Note: The shares are beneficially owned by Advance Lead International Limited. Advance Lead International Limited is owned by (i) Sino Classic Global Limited as to 30% in which Ms. Au Tsui Yee, Maggie is the sole beneficial owner; (ii) Great Novel Limited as to 30% in which Mr. Chau Kai Man is the sole beneficial owner; and (iii) Easy Advance Investments Limited as to 40%, which is a wholly-owned subsidiary of Advance Shine Holdings Limited. Mr. Chau Pak Chuen is the sole beneficial owner of Advance Shine Holdings Limited.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at 31 March 2015.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

Full details on the Company's corporate governance practices are set out in the "Corporate Governance Report" of this annual report.

AUDIT COMMITTEE

The Audit Committee of the Company was established with written terms of reference which are in line with the CG Code and comprises three independent non-executive Directors.

The Audit Committee has reviewed with the management of the Company and the external auditor the Group's annual results for the year ended 31 March 2015, and was of the opinion that the preparation of such results are in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's issued share capital were held by members of the public as at the date of this report as required under the Listing Rules.

AUDITOR

ZHONGHUI ANDA CPA Limited shall retire and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

NG Cheuk Fan, Keith

Chairman and Executive Director

Hong Kong, 26 June 2015



**TO THE SHAREHOLDERS OF
U-RIGHT INTERNATIONAL HOLDINGS LIMITED**

佑威國際控股有限公司

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of U-RIGHT International Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 23 to 65, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of these 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, 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 auditor's 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 auditor considers 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 qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT

BASIS FOR QUALIFIED OPINION

Corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2014, which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was qualified because of the possible effect of the limitations on the scope of our audit, details of which are set out in our audit report dated 25 June 2014.

Any adjustments to the figures as described above might have a consequential effect on the Group's results and cash flows for the year ended 31 March 2014 and the related disclosures thereof in the consolidated financial statements.

QUALIFIED OPINION

In our opinion, except for the possible effects on the corresponding figures of the matter as described in the basis for qualified opinion paragraphs, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2015, and of its financial performance and cash flows of the Group 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.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Practising Certificate Number P03614

Hong Kong, 26 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	7	502,609	334,600
Cost of sales		<u>(477,234)</u>	<u>(289,625)</u>
Gross profit		25,375	44,975
Other income	8	238	487
Selling and distribution costs		(7,337)	(10,695)
Administrative expenses		<u>(11,473)</u>	<u>(17,301)</u>
Profit from operations		6,803	17,466
Finance cost	10	–	(909)
Restructuring costs		–	(19,831)
Impairment on goodwill	21	(3,000)	–
Gain on debts discharged under the Scheme of Arrangement	11	–	1,403,594
Gain on disposal of a subsidiary	12	–	<u>148,182</u>
Profit before tax		3,803	1,548,502
Income tax expense	13	<u>(2,357)</u>	<u>(4,159)</u>
Profit for the year	14	1,446	1,544,343
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		613	608
Fair value changes of available-for-sale financial assets		<u>(446)</u>	<u>–</u>
Total comprehensive income for the year		<u>1,613</u>	<u>1,544,951</u>
Profit for the year attributable to:			
Owners of the Company		1,344	1,543,182
Non-controlling interests		<u>102</u>	<u>1,161</u>
		<u>1,446</u>	<u>1,544,343</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		1,488	1,543,736
Non-controlling interests		<u>125</u>	<u>1,215</u>
		<u>1,613</u>	<u>1,544,951</u>
Earning per share attributable to owners of the Company	16		
Basic (HK cents per share)		<u>0.1</u>	<u>204</u>
Diluted (HK cents per share)		<u>0.1</u>	<u>192</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
Non-current assets			
Property, plant and equipment	18	2,844	997
Investment properties	19	8,711	–
Available-for-sale financial assets	20	3,550	–
Goodwill	21	11,202	14,202
		<u>26,307</u>	<u>15,199</u>
Current assets			
Inventories	22	16,963	14,029
Trade receivables	23	83,893	54,649
Prepayments, deposits and other receivables	24	28,949	30,974
Bank and cash balances		23,984	79,215
		<u>153,789</u>	<u>178,867</u>
Current liabilities			
Trade payables	25	15,060	32,212
Accruals and other payables		5,191	4,082
Current tax liabilities		10,903	10,443
		<u>31,154</u>	<u>46,737</u>
Net current assets		<u>122,635</u>	<u>132,130</u>
NET ASSETS		<u>148,942</u>	<u>147,329</u>
Capital and reserves			
Share capital	26	13,217	13,217
Reserves		131,079	129,591
Equity attributable to owners of the Company		144,296	142,808
Non-controlling interests		4,646	4,521
TOTAL EQUITY		<u>148,942</u>	<u>147,329</u>

Approved by:

TANG Kwok Hung

Director

NG Cheuk Fan Keith

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Attributable to owners of the Company									
	Share capital	Share premium	Statutory reserve	Capital reserve	Investment revaluation reserve	Foreign currency translation reserve	Retained profits / (accumulated losses)	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2013	356,936	614,493	220	3,020	-	934	(2,558,053)	(1,582,450)	3,306	(1,579,144)
Total comprehensive income for the year	-	-	-	-	-	554	1,543,182	1,543,736	1,215	1,544,951
Capital restructuring	(356,579)	-	-	-	-	-	356,579	-	-	-
Share subscription	9,700	135,800	-	-	-	-	-	145,500	-	145,500
Open offer	1,785	24,986	-	-	-	-	-	26,771	-	26,771
Transaction costs related to the open offer	-	(669)	-	-	-	-	-	(669)	-	(669)
Issue of shares to creditors	661	9,259	-	-	-	-	-	9,920	-	9,920
Issue of bonus shares	714	(714)	-	-	-	-	-	-	-	-
At 31 March 2014	<u>13,217</u>	<u>783,155</u>	<u>220</u>	<u>3,020</u>	<u>-</u>	<u>1,488</u>	<u>(658,292)</u>	<u>142,808</u>	<u>4,521</u>	<u>147,329</u>
At 1 April 2014	13,217	783,155	220	3,020	-	1,488	(658,292)	142,808	4,521	147,329
Total comprehensive (loss)/income for the year	-	-	-	-	(446)	590	1,344	1,488	125	1,613
At 31 March 2015	<u>13,217</u>	<u>783,155</u>	<u>220</u>	<u>3,020</u>	<u>(446)</u>	<u>2,078</u>	<u>(656,948)</u>	<u>144,296</u>	<u>4,646</u>	<u>148,942</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 HK\$'000	2014 HK\$'000
Cash flows from operating activities		
Profit before tax	3,803	1,548,502
Adjustments for:		
Depreciation	689	684
Finance cost	–	909
Interest income	(26)	(144)
Fair value gain on investment properties	(22)	–
Impairment on inventories	–	1
Impairment on goodwill	3,000	–
Gain on disposal of a subsidiary	–	(148,182)
Gain on debts discharged under the Scheme of Arrangement	–	(1,403,538)
	<hr/>	<hr/>
Operating cash flows before working capital changes	7,444	(1,768)
Change in inventories	(2,934)	(1,026)
Change in trade receivables	(29,245)	8,104
Change in prepayments, deposits and other receivables	2,024	(10,738)
Change in trade payables	(17,152)	(199)
Change in accruals and other payables	1,112	(4,163)
	<hr/>	<hr/>
Cash used in operations	(38,751)	(9,790)
Tax paid	(1,896)	(4,092)
Interest received	26	144
	<hr/>	<hr/>
Net cash used in operating activities	(40,621)	(13,738)
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,524)	(454)
Purchases of investment properties	(8,655)	–
Purchases of available-for-sale financial assets	(3,996)	–
	<hr/>	<hr/>
Net cash used in investing activities	(15,175)	(454)
Cash flows from financing activities		
Repayment of promissory notes	–	(20,000)
Repayment of fund from the Investor	–	(11,300)
Proceeds from the share subscription	–	145,500
Net proceeds from the open offer	–	26,102
Net cash outflow on scheme of arrangement	–	(56,907)
	<hr/>	<hr/>
Net cash generated from financing activities	–	83,395
Net (decrease)/increase in cash and cash equivalents	(55,796)	69,203
Effect of foreign exchange rate changes	565	588
Cash and cash equivalents at beginning of year	79,215	9,424
	<hr/>	<hr/>
Cash and cash equivalents at end of year	23,984	79,215
	<hr/> <hr/>	<hr/> <hr/>
Analysis of cash and cash equivalents		
Bank and cash balances	23,984	79,215
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. GENERAL INFORMATION

U-RIGHT International Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business is 21/F., Bank of China Tower, 1 Garden Road, Central, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

At the request of the Company, trading in shares of the Company in the Stock Exchange had been suspended since 15 April 2015.

The Company is an investment holding company. The Group’s principal activities are trading and retailing of fashion garments, textiles and leathers, trading of construction materials and property investment.

In the opinion of the directors (the “Directors”) of the Company, as at the 31 March 2015, Advance Lead International Limited (the “Investor” and now the “Controlling Shareholder”) a company incorporated in the British Virgin Islands, is the ultimate holding company. The Controlling Shareholder does not produce financial statements available for public use.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2014. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and investments which are carried at their fair values. These financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of financial statements in conformity with HKFRSs requires the use of key assumptions and estimates. It also requires the management of the Group (the “Management”) to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The significant accounting policies applied in the preparation of these financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling interests and owners of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy "Impairment of assets" below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances in financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rate is as follows:

Land and buildings	5% or over the lease term whichever is shorter
Furniture, fixtures and equipment	18–33%
Leasehold improvement	20–45%
Machinery	9%
Motor vehicle	12.5–18%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

Operating leases

The Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as lessee

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in the profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue comprises the fair value of the consideration for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts allowed and after eliminating sales within the Group. Revenue is recognised as follows:

- (a) Revenues from the sales of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.
- (b) Rental income is recognised on a straight-line basis over the lease term.
- (c) Interest income is recognised on a time-proportion basis using the effective interest method.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("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 5% of the employees' relevant income, subject to a ceiling of monthly relevant income of HK\$30,000 (before 1 June 2014: HK\$25,000) and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also participates in a defined contribution retirement scheme organised by the government in the People's Republic of China (the "PRC"). The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax represents the sum of the current tax and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A related party is a person or entity that is related to the Group.

(A) A person or a close member of that person's family is related to the Group if 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 Company or of a parent of the Company.

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities 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. If the Group is itself such a plan, the sponsoring employers are also 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).

Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except inventories, investment properties and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the Management had made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

(a) *Financial results of Xiamen U-Right (the “EJV”)*

In accordance with an agency agreement, the sales and purchase transactions of the EJV were carried out on the EJV’s behalf by 石獅市意利王制衣發展有限公司 (for identification purpose, Shishi City Yiliwang Clothes Development Co., Ltd.) (“Shishi Yiliwang”) and 廈門大騰工貿有限公司 (for identification purpose, Xiamen Dateng Industry Trade Limited) (“Xiamen Dateng”). Each of them holds 10% of the ownership interest in the EJV. The financial statements have been prepared on the basis that those sales and purchases from 1 April 2013 to 31 January 2014 have been included in the Group’s results for the year ended 31 March 2014. In view of the various terms stipulated in the agency agreement, the directors regard such accounting treatments as appropriate. The agency agreement ended on 31 January 2014.

(b) *Distinction between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as an investment property. In making its judgement, the Group considers whether the property generates cash flows largely independently of the other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

(c) *Deferred tax for investment properties*

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors have reviewed the Group’s investment property portfolios and concluded that the Group’s investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group’s deferred tax for investment properties, the directors have adopted the presumption that investment properties measured using the fair value model are recovered through use.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of 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 discussed below.

(a) *Impairment loss for bad and doubtful debts*

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

(b) *Income tax*

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

(c) *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions. The Group will reassess the estimates by the end of each reporting period.

(d) *Property, plant and equipment and depreciation*

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(e) *Fair values of investment properties*

The Group appointed an independent professional valuer to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty (continued)

(f) Impairment of goodwill

The Management reviews and determines whether goodwill is impaired at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at the end of the reporting period was approximately HK\$11,202,000 after an impairment loss of HK\$3,000,000 was recognised during 2015. Details of the impairment loss calculation are provided in note 21 to financial statements.

5. FINANCIAL RISK MANAGEMENT

The major financial instruments of the Group include trade and other receivables, bank and cash balances, trade payables, available-for-sale financial assets. The activities of the Group expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Risk management is carried out by the Directors under policies approved by the Board of Directors. The Directors identify, evaluate and hedge financial risks in close co-operation with the Group's operating units.

(a) Market risk

Foreign exchange risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities or United States dollars for Hong Kong dollars functional currency Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Price risk

The Group's available-for-sale financial assets are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. At 31 March 2015, if the share prices of the investments increase/decrease by 10%/the investment revaluation reserve would have been HK\$355,000 (2014: HK\$nil) higher/lower, arising as a result of the fair value gain/loss of the investments.

Interest rate risk

As at 31 March 2015, the Group did not have significant interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

5. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

The Group is exposed to credit risk mainly in relation to its trade and other receivables, cash deposits with banks and maximum exposure of credit risk is equal to the carrying amounts of these financial assets. Cash and bank transactions counterparties are limited to financial institutions with good credit rating assigned by international credit-rating agencies.

At the end of the reporting period, the Group had certain concentration of credit risk as approximately 9% (2014: 31%) and approximately 24% (2014: 84%) of the Group's trade receivables were due from the Group's largest trade debtor and the five largest trade debtors, respectively. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group reviews the recoverable amount of the trade and other receivables on a regular basis and provision for doubtful debts is made in accordance with the Group's policies. In addition, the Management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the Management consider that the Group's credit risk is significantly reduced.

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. All of the Group's financial liabilities are due within one year.

(d) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. FAIR VALUE MEASUREMENTS

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 following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

6. FAIR VALUE MEASUREMENTS (continued)

(a) Disclosures of level in fair value hierarchy at 31 March 2015:

	Fair value measurements using:			Total 2015 HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Recurring fair value measurements:				
Assets				
Available-for-sale financial assets				
Listed securities in Hong Kong	3,550	–	–	3,550
Investment properties				
Commercial — PRC	–	8,711	–	8,711
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total recurring fair value measurements	<u>3,550</u>	<u>8,711</u>	<u>–</u>	<u>12,261</u>

(b) Valuation techniques and inputs used in fair value measurements at 31 March 2015:

Level 2 fair value measurements

Description	Valuation technique	Inputs	Fair value 2015 HK\$'000
Assets			
Investment properties		Unit market	
— Commercial — PRC	Income Capitalization	rent and	
	Approach	reversionary	
		yield	8,711

7. REVENUE

Revenue represents the invoiced value of goods sold, less value-added tax, goods returns and trade discounts and property rental income during the year are as follow:

	2015 HK\$'000	2014 HK\$'000
Sales of goods	502,417	334,600
Property rental income	<u>192</u>	<u>–</u>
	<u>502,609</u>	<u>334,600</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

8. OTHER INCOME

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest income	26	144
Fair value gain on investment properties	22	–
Net foreign exchange gain	188	–
Reimbursement of restructuring expenses from the controlling shareholder	–	331
Others	2	12
	<u>238</u>	<u>487</u>

9. OPERATING SEGMENT INFORMATION

The Group has three reportable segments as follows:

Garment — Trading and retailing of fashion garments, textiles and leathers

Construction materials — Trading of construction materials

Property investment — Rental of commercial properties

- (a) The accounting policies of the operating segments are the same as those described in note 3 to the financial statements. Segment profits or losses do not include interest income on bank deposits, gain on disposal of subsidiaries, gain on debts discharged under the Scheme of Arrangement, central administration costs, directors' salaries, finance costs and impairment on goodwill. Segment assets do not include available-for-sale financial assets and bank and cash balances. Segment liabilities do not include certain accruals and other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

9. OPERATING SEGMENT INFORMATION (continued)

(a) (continued)

Information about reportable segment profit or loss, assets and liabilities are summarised as follow:

	Garment <i>HK\$'000</i>	Construction materials <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2015				
Revenue from external customers	<u>312,318</u>	<u>190,099</u>	<u>192</u>	<u>502,609</u>
Segment result	8,857	2,303	99	11,259
Interest income on bank deposits				26
Unallocated expenses				<u>(4,482)</u>
Profit from operations				6,803
Impairment on goodwill				<u>(3,000)</u>
Profit before tax				3,803
Income tax expense				<u>(2,357)</u>
Profit for the year				<u>1,446</u>
Depreciation and amortisation	684	5	–	689
Additions to segment non-current assets	<u>2,510</u>	<u>14</u>	<u>8,655</u>	<u>11,179</u>
As at 31 March 2015				
Segment assets	109,863	35,334	8,898	154,095
Unallocated assets				<u>26,001</u>
				<u>180,096</u>
Segment liabilities	(29,097)	(1,188)	(127)	(30,412)
Unallocated liabilities				<u>(742)</u>
				<u>(31,154)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

9. OPERATING SEGMENT INFORMATION (continued)

(a) (continued)

	Garment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2014		
Revenue from external customers	<u>334,600</u>	<u>334,600</u>
Segment result	20,207	20,207
Interest income on bank deposits		144
Unallocated income and gains		331
Unallocated expenses		<u>(3,216)</u>
Profit from operations		17,466
Finance cost		(909)
Restructuring costs		(19,831)
Gain on debts discharged under the Scheme of Arrangement		1,403,594
Gain on disposal of a subsidiary		<u>148,182</u>
Profit before tax		1,548,502
Income tax expense		<u>(4,159)</u>
Profit for the year		<u>1,544,343</u>
Depreciation and amortisation	684	684
Additions to segment non-current assets	<u>454</u>	<u>454</u>
As at 31 March 2014		
Segment assets	114,797	114,797
Unallocated assets		<u>79,269</u>
		<u>194,066</u>
Segment liabilities	(46,034)	(46,034)
Unallocated liabilities		<u>(703)</u>
		<u>(46,737)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

9. OPERATING SEGMENT INFORMATION (continued)

(b) Geographical information:

The Group's revenue analysed by geographical location and information about its non-current assets by geographical location are detailed below:

	Revenue		Non-current assets	
	Year ended 31 March		As at 31 March	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	–	–	3,550	–
Mainland China	287,745	212,940	25,757	15,199
The Philippines	18,305	1,939	–	–
Italy	1,938	–	–	–
United Arab Emirates	194,621	119,721	–	–
Consolidated total	<u>502,609</u>	<u>334,600</u>	<u>29,307</u>	<u>15,199</u>

In presenting the geographical information, revenue is based on the locations of the customers.

(c) Information about major customers

Revenue from customer of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	Year ended 31 March	
	2015	2014
	HK\$'000	HK\$'000
Construction materials segment		
Customer a	<u>97,210</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

10. FINANCE COST

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest expenses on borrowings wholly repayable within five years		
— promissory note	—	909
	<u>—</u>	<u>909</u>
	<u>—</u>	<u>909</u>

11. GAIN ON SCHEME OF ARRANGEMENT

On 18 September 2013, all the conditions under the Scheme had been fulfilled, the indebtedness of the Company was fully released and discharged by way of a combination of cash payment of approximately HK\$56,907,000 and issuance of 66,133,333 Company's shares at HK\$0.15 per share.

	2014 <i>HK\$'000</i>
Debts discharged:	
Financial guarantee liabilities	1,118,325
Convertible notes	78,367
Due to deconsolidated subsidiaries	268,188
Accruals and other payables	5,541
	<u>1,470,421</u>
Satisfied by:	
Cash consideration	(56,907)
Issue of shares to creditors	(9,920)
	<u>(66,827)</u>
Gain on Scheme of Arrangement	<u>1,403,594</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

12. GAIN ON DISPOSAL OF A SUBSIDIARY

On 18 September 2013, the Group fulfilled all the conditions under the Scheme pursuant to which the entire interest of Lucky Formosa International Group Limited (“Lucky Formosa”), a wholly owned subsidiary of the Company, was transferred to the nominee of the scheme administrators of the Scheme of Arrangement.

	Lucky Formosa <i>HK\$'000</i>
Net liabilities of the subsidiary disposed:	
Accruals and other payables	42
Due to deconsolidated subsidiaries	148,140
Due to the Group	<u>113,201</u>
Net liabilities of the disposed subsidiary	261,383
Impairment of amount due from the Lucky Formosa	<u>(113,201)</u>
Gain on disposal of a subsidiary	<u><u>148,182</u></u>
Total consideration satisfied by cash	<u><u>–</u></u>
Net cash effect arising on disposal of a subsidiary	<u><u>–</u></u>

13. INCOME TAX EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Provision for the year	648	414
Current tax — the PRC Enterprise Income Tax		
Provision for the year	<u>1,709</u>	<u>3,745</u>
	<u><u>2,357</u></u>	<u><u>4,159</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

13. INCOME TAX EXPENSE (continued)

Hong Kong profits tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the year. Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for both years.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax and profit before tax multiplied by the Hong Kong profits tax rate is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit before tax	<u>3,803</u>	<u>1,548,502</u>
Tax at the domestic income tax rate of 16.5% (2014: 16.5%)	627	255,503
Tax effect of expenses that are not deductible/ (income that is not taxable)	1,143	(252,134)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<u>587</u>	<u>790</u>
	<u><u>2,357</u></u>	<u><u>4,159</u></u>

14. PROFIT FOR THE YEAR

The Group’s profit for the year is stated after charging/(crediting) the following:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost of sales	477,234	289,625
Depreciation	689	684
Impairment on inventories	–	1
Staff costs (including Directors’ remuneration):		
— salaries, bonuses and allowances	6,540	8,423
— retirement benefits scheme contributions	648	835
	7,188	9,258
Auditor’s remuneration	750	700
Net foreign exchange (gain)/loss	(188)	58
Operating lease charges on land and buildings	<u>1,959</u>	<u>2,053</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

15. DIRECTORS' EMOLUMENTS

(a) Directors' emoluments

	2015			
	Fees	Salaries and allowances	Retirement benefit scheme contributions	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Executive directors				
Mr. Ng Cheuk Fan, Keith <i>(Chairman)</i>	–	390	18	408
Ms. Yeung Sau Han, Agnes <i>(a)</i>	–	168	8	176
Mr. Tang Kwok hung <i>(Chief executive officer) (b)</i>	–	540	18	558
Independent non-executive directors				
Mr. Xie Tom	110	–	–	110
Mr. Mak Ka Wing, Patrick	110	–	–	110
Mr. Chan Chi Yuen	110	–	–	110
Non-executive director				
Mr. Chung Wai Man <i>(c)</i>	47	–	–	47
	<u>377</u>	<u>1,098</u>	<u>44</u>	<u>1,519</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

15. DIRECTORS' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

	2014			
	Fees	Salaries and allowances	Retirement benefit scheme contributions	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Executive directors				
Mr. Ng Cheuk Fan, Keith (<i>Chairman</i>)	–	180	8	188
Ms. Yeung Sau Han, Agnes (<i>Chief executive officer</i>)	–	180	8	188
Mr. Tang Kwok hung	–	146	8	154
Independent non-executive directors				
Mr. Xie Tom	50	–	–	50
Mr. Mak Ka Wing, Patrick	50	–	–	50
Mr. Chan Chi Yuen	50	–	–	50
Non-executive director				
Mr. Chung Wai Man	50	–	–	50
	200	506	24	730
	200	506	24	730

None of directors received any remuneration for the year ended 31 March 2014.

- (a) resigned on 18 September 2014
- (b) re-designated from executive director to chief executive officer on 18 September 2014
- (c) resigned on 18 September 2014

There was no arrangement under which a director and chief executive waived or agreed to waive any remuneration in respect of the years ended 31 March 2015 and 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

15. DIRECTORS' EMOLUMENTS (continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included 2 (2014: 0) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 3 (2014: 5) individuals are set out below:

	2015 HK\$'000	2014 HK\$'000
Salaries, allowances and benefit-in-kind	1,040	1,196
Retirement benefit costs	<u>53</u>	<u>14</u>
	<u>1,093</u>	<u>1,210</u>

The number of employees whose remuneration fell within the following bands is as follows:

	2015	2014
Nil – HK\$1,000,000	<u>3</u>	<u>5</u>

Based on the audited results of the Group for the two years ended 31 March 2015 and 2014, the Directors were not entitled to any of the performance-based discretionary bonus during the years.

No emoluments had been paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

16. EARNING PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earning per share

The calculation of basic earning per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$1,344,000 (2014: HK\$1,543,182,000) and the weighted average number of ordinary shares of 1,321,682,525 (2014: 755,977,681) in issue during the year. The weighted average number of ordinary shares for the year ended 31 March 2014 for the purpose of calculating the basic earnings per share has been adjusted for the share consolidation, bonus issue and open offer of the Company during the last year.

Diluted earning per share

The diluted earnings per share are the same as the Company did not have any dilutive potential ordinary sharing during the year ended 31 March 2015.

For the year ended 31 March 2014, the calculation of diluted earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK\$1,464,815,000 and the weighted average number of ordinary shares of 763,591,278, being the weighted average number of ordinary shares of 755,977,681 in issue during the year used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 7,613,597 assumed to converted of the convertible notes outstanding at 1 April 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

17. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the years ended 31 March 2015 and 2014.

18. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery	Motor vehicle	Leasehold improvement	Furniture, fixtures and equipment	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Cost:						
At 1 April 2013	–	69	426	718	514	1,727
Additions	–	–	–	392	62	454
Exchange differences	–	1	7	12	9	29
	<u>–</u>	<u>1</u>	<u>7</u>	<u>12</u>	<u>9</u>	<u>29</u>
At 31 March 2014 and 1 April 2014	–	70	433	1,122	585	2,210
Additions	2,164	–	–	274	86	2,524
Exchange differences	9	–	2	7	3	21
	<u>9</u>	<u>–</u>	<u>2</u>	<u>7</u>	<u>3</u>	<u>21</u>
At 31 March 2015	<u>2,173</u>	<u>70</u>	<u>435</u>	<u>1,403</u>	<u>674</u>	<u>4,755</u>
Accumulated depreciation:						
At 1 April 2013	–	36	99	155	230	520
Charge for the year	–	13	103	437	131	684
Exchange differences	–	1	2	2	4	9
	<u>–</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>4</u>	<u>9</u>
At 31 March 2014 and 1 April 2014	–	50	204	594	365	1,213
Charge for the year	51	13	109	419	97	689
Exchange differences	–	–	1	6	2	9
	<u>–</u>	<u>–</u>	<u>1</u>	<u>6</u>	<u>2</u>	<u>9</u>
At 31 March 2015	<u>51</u>	<u>63</u>	<u>314</u>	<u>1,019</u>	<u>464</u>	<u>1,911</u>
Carrying amount:						
At 31 March 2015	<u>2,122</u>	<u>7</u>	<u>121</u>	<u>384</u>	<u>210</u>	<u>2,844</u>
At 31 March 2014	<u>–</u>	<u>20</u>	<u>229</u>	<u>528</u>	<u>220</u>	<u>997</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

19. INVESTMENT PROPERTIES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At 1 April	–	–
Additions	8,655	–
Fair value gains	22	–
Exchange differences	34	–
	<u> </u>	<u> </u>
At 31 March	<u>8,711</u>	<u> </u>

Investment properties were revalued at 31 March 2015 on the open market value basis by reference to market evidence of recent transactions for similar properties (level 2) by DTZ, an independent firm of chartered surveyors.

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Equity securities, at fair value		
Listed in Hong Kong	<u>3,550</u>	<u> </u>

21. GOODWILL

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost		
At 1 April and 31 March	<u>14,202</u>	<u>14,202</u>
Accumulated impairment losses		
At 1 April	–	–
Impairment loss recognised in the current year	<u>3,000</u>	<u> </u>
At 31 March	<u>3,000</u>	<u> </u>
Carrying amount		
At 31 March	<u>11,202</u>	<u>14,202</u>

The Group acquired 100% equity interest of Sino Hill Group Limited (“Sino Hill”) on 1 October 2011. This transaction has been accounted for by the acquisition method of accounting.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (“CGUs”) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated to the Sino Hill cash generating unit.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

21. GOODWILL (continued)

The recoverable amounts of the CGUs are determined from value in use calculation.

The key assumptions for the value in use calculation are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Directors for the next five years with the residual period using the growth rate of 5%. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecasted cash flows from the Sino Hill cash generating unit is 15%.

22. INVENTORIES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Merchandises	16,963	14,030
Less: Impairments	—	(1)
	<u>16,963</u>	<u>14,029</u>

23. TRADE RECEIVABLES

Other than cash sales, invoices are normally payable within 30 to 90 days of issuance. Trade receivables are recognised and carried at their original invoiced amounts less allowance for impairment when collection of the full amount is no longer probable. Bad debts are written off as incurred.

At the end of the reporting period, the aging analysis of the trade receivables is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
1–30 days	43,176	25,358
31–60 days	23,954	1,492
61–90 days	13,018	24,747
91–120 days	1,227	2,172
Over 120 days	2,518	880
Less: Impairments	—	—
	<u>83,893</u>	<u>54,649</u>

At the end of the reporting period, the trade receivables with the carrying amounts of approximately HK\$3,745,000 (2014: HK\$3,052,000) were past due but not impaired. Approximately HK\$1,227,000 and HK\$2,518,000 (2014: HK\$2,172,000 and HK\$880,000) of which were falling within the ageing band from 91 to 120 days and over 120 days respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

23. TRADE RECEIVABLES (continued)

The gross amounts of the Group's trade receivables were denominated in the following currencies:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
USD	30,765	28,233
RMB	53,128	26,416
	<u>83,893</u>	<u>54,649</u>

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Deposit	5,200	6,467
Prepayments	269	121
Amounts due from non-controlling shareholders of a subsidiary (<i>note</i>)	18,936	19,479
Other receivables	4,544	4,907
	<u>28,949</u>	<u>30,974</u>

Note: The advance is unsecured, interest-free and has no fixed repayment terms

25. TRADE PAYABLES

At the end of the reporting period, the ageing analysis of the trade payables is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
1–30 days	1,222	19,993
31–60 days	10,583	1,465
61–90 days	1,109	8,889
91–120 days	1,016	1,865
Over 120 days	1,130	–
	<u>15,060</u>	<u>32,212</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

25. TRADE PAYABLES (continued)

The carrying amounts of the Group's trade payables were denominated in the following currencies:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
USD	10,583	13,665
RMB	4,477	18,547
	15,060	32,212
	15,060	32,212

26. SHARE CAPITAL

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Authorized:		
50,000,000,000 ordinary shares of HK\$0.01 each	500,000	500,000
	500,000	500,000
Issued and fully paid:		
1,321,682,525 ordinary shares of HK\$0.01 each	13,217	13,217
	13,217	13,217
	13,217	13,217

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

	Number of shares issued	Nominal value of shares issued <i>HK\$'000</i>
At 1 April 2013	3,569,364,916	356,936
Capital restructuring (<i>Note (i)</i>)	(3,533,671,267)	(356,579)
	35,693,649	357
Share subscription (<i>Note (ii)</i>)	970,000,000	9,700
Open offer (<i>Note (iii)</i>)	178,468,245	1,785
Issue of shares to creditors (<i>Note (iv)</i>)	66,133,333	661
Issue of bonus shares (<i>Note (v)</i>)	71,387,298	714
	71,387,298	714
At 31 March 2014, 1 April 2014 and 31 March 2015	1,321,682,525	13,217
	1,321,682,525	13,217

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

26. SHARE CAPITAL (continued)

Notes:

- (i) There was a capital restructuring of the Company effected on 23 August 2013 which comprised the following:

Share Consolidation

The share consolidation was implemented to consolidate every 100 issued Shares of par value of HK\$0.10 each into 1 Consolidated Share of par value of HK\$10.00 each.

Capital reduction

The capital reduction involved a reduction of the par value of every Consolidated Share from HK\$10.00 to HK\$0.01 and become a New Share.

Share Subdivision

The share subdivision was implemented to subdivide each of the authorized but unissued Shares into ten Subdivided Shares of par value of HK\$0.01 each.

- (ii) Share subscription

Completion of the share subscription took place on 18 September 2013 pursuant to which 970,000,000 subscription shares were issued to the Investor at the subscription price of HK\$0.15 per subscription share with par value of HK\$0.01 each. Accordingly, the Company's issued share capital was increased by HK\$9,700,000 and its share premium account was increased by HK\$135,800,000.

- (iii) Open offer

Completion of the open offer took place on 18 September 2013 pursuant to which 178,468,245 offer shares were issued under the open offer on the basis of five offer shares for every one share held by the qualifying shareholders after completion of the capital restructuring at the subscription price of HK\$0.15 per offer share with par value of HK\$0.01 each. Accordingly, the Company's issued share capital was increased by approximately HK\$1,785,000 and its share premium account was increased by approximately HK\$24,986,000. The transaction costs related to the open offer was approximately HK\$669,000.

- (iv) Issue of shares to creditors

Pursuant to the Scheme of Arrangement as detailed in note 11, 66,133,333 Company's shares were issued to the nominee of the scheme administrators of the Scheme of Arrangement. Accordingly, the Company's share capital was increased by approximately HK\$661,000 and its share premium account was increased by approximately HK\$9,259,000.

- (v) Issue of bonus shares

On 18 September 2013, 71,387,298 offer shares were issued under the bonus issue on the basis of two bonus shares for every one share held by the qualifying shareholders after completion of the capital restructuring. The Open Offer allows the Company to credit part of the net proceeds raised from the Open Offer in the sum of approximately HK\$714,000 to the share premium account of the Company and apply such amount to pay up in full at par the Bonus Shares such that the Bonus Shares will be allotted, issued and credited as fully paid to the Qualifying Shareholders. Accordingly, the Company's issued share capital was increased by approximately HK\$714,000 and its share premium account was decreased by approximately HK\$714,000.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

26. SHARE CAPITAL (continued)

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

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 payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2015 and 2014.

27. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of financial position of the Company

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets		
Investments in subsidiaries	—	—
Current assets		
Other receivables	47	47
Due from subsidiaries	85,963	49,772
Bank balances	7,732	47,593
	<u>93,742</u>	<u>97,412</u>
Current liabilities		
Accruals and other payables	740	700
	<u>740</u>	<u>700</u>
Net current assets	<u>93,002</u>	96,712
Total assets less current liabilities	<u><u>93,002</u></u>	<u><u>96,712</u></u>
Capital and reserves		
Share capital	13,217	13,217
Reserves	79,785	83,495
TOTAL EQUITY	<u><u>93,002</u></u>	<u><u>96,712</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

27. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

(b) Reserves of the Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000
At 1 April 2013	614,493	40,358	3,020	(2,480,902)	(1,823,031)
Total comprehensive income for the year	–	–	–	1,381,285	1,381,285
Capital restructuring	–	–	–	356,579	356,579
Share subscription	135,800	–	–	–	135,800
Open offer	24,986	–	–	–	24,986
Transaction costs related to the open offer	(669)	–	–	–	(669)
Issue of shares to creditors	9,259	–	–	–	9,259
Issue of bonus shares	(714)	–	–	–	(714)
At 31 March 2014	<u>783,155</u>	<u>40,358</u>	<u>3,020</u>	<u>(743,038)</u>	<u>83,495</u>
At 1 April 2014	783,155	40,358	3,020	(743,038)	83,495
Total comprehensive loss for the year	–	–	–	(3,710)	(3,710)
At 31 March 2015	<u>783,155</u>	<u>40,358</u>	<u>3,020</u>	<u>(746,748)</u>	<u>79,785</u>

(c) Nature and purpose of reserves of the Group

(i) Share premium account

The application of the share premium account is governed by the Companies Act of Bermuda.

(ii) Statutory reserve

In accordance with the relevant regulations of the People's Republic of China (the "PRC"), the subsidiaries of the Group established in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve. Subject to certain restrictions as set out in the relevant regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

27. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

(c) Nature and purpose of reserves of the Group (continued)

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4 to the financial statements.

28. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 March 2015 and 2014.

29. COMMITMENTS

Capital commitments

The Group's capital commitments at the end of the reporting period are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Contracted but not provided for:		
Capital contribution to two subsidiaries	<u>55,287</u>	<u>69,210</u>

Lease commitments

As lessee

As at 31 March 2015, the total future minimum lease payments of the Group under non-cancellable operating leases are payable as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Future aggregate minimum lease payments under operating leases in respect of land and buildings		
— within one year	72	1,485
— in the second to fifth years inclusive	<u>32</u>	<u>2,308</u>
	<u>104</u>	<u>3,793</u>

Operating lease payments represent rentals payable by the Group for certain of its offices and shop. Leases are negotiated for an average term of 2 years and rentals are fixed over the lease terms and do not include contingent rentals.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

29. COMMITMENTS (continued)

Lease commitments (continued)

As lessor

As at 31 March 2015, the Group had contracted with tenants for the following minimum lease payments:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Future aggregate minimum lease payments under operating leases in respect of land and buildings		
— within one year	330	—
— in the second to fifth years inclusive	<u>1,196</u>	<u>—</u>
	<u><u>1,526</u></u>	<u><u>—</u></u>

30. RELATED PARTY TRANSACTIONS

Remuneration for key management personnel of the Group, including amounts paid to the Company's Directors and the senior management as disclosed in note 15(a) and all of the highest paid employees as disclosed in note 15(b), is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Fees	377	200
Salaries and allowances	1,098	506
Retirement benefit scheme contributions	<u>44</u>	<u>24</u>
	<u><u>1,519</u></u>	<u><u>730</u></u>

None of the above related party transactions constitutes a discloseable connected transaction as defined in the Listing Rules.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

31. EVENTS AFTER THE REPORTING PERIOD

At the request of the Company, trading in shares of the Company had been suspended since 15 April 2015.

On 14 April 2015, the Company and a vendor (the “Vendor”) who is a third party independent of the Company and its connected persons entered into an agreement (the “SP Agreement”) pursuant to which, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire issued share capital of Vivalink Limited (the “Target Company”), together with its subsidiaries, and its shareholders’ loan to the Target Company (the “Acquisition”) for a total consideration of HK\$2,368,016,828, which will be satisfied by the issue of new shares and promissory note of the Company. The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and the Target Group is principally engaged in commercial and residential property sale and development in the PRC. Pursuant to the SP Agreement and being the conditions precedent to the completion, the Board, among other things, proposed to procure one or more placing agents to place Placing Shares and convertible bonds of the Company (the “Share Placing and CB Placing”); and enter into one or more sale and purchase agreements to dispose one or more of the Company’s subsidiaries (the “Possible Disposals”). The Board is in the process of negotiating and finalising the terms of the placing agreements with placing agent(s) in respect of the Share Placing and CB Placing; and of the sale and purchase agreements with potential purchasers in respect of the Possible Disposals. Please refer to the Company’s announcements on 24 April 2015 and 27 May 2015 for more details.

32. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY

Name of the subsidiary	Place of incorporation/ registration	Issued and paid-up/ registered capital	Percentage of equity interest attributable to the Group		Principal activities
			2015	2014	
<i>Direct subsidiaries:</i>					
UR Group Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Alfreda Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Inactive
Yield Focus International Limited	Hong Kong	HK\$1	100%	100%	Investment holding
Rosy Success Group Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Intelligent Lead Holdings Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Easy Yield Holdings Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

32. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (continued)

Name of the subsidiary	Place of incorporation/ registration	Issued and paid-up/ registered capital	Percentage of equity interest attributable to the Group		Principal activities
			2015	2014	
<i>Indirect subsidiaries:</i>					
Nano Garment Holdings Limited	Hong Kong	HK\$1	100%	100%	Investment holding
U-RIGHT Trading Development Limited	Hong Kong	HK\$1	100%	100%	Trading of fashion garments and textiles
Fame Ace Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Inactive
Right Season Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Xiamen U-Right Garment Co., Ltd.	The PRC	US\$240,000	80%	80%	Retailing of fashion garments and trading of textiles and leathers
Sino Hill Group Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Stand Fancy Limited	Hong Kong	HK\$1	100%	100%	Investment holding
立宜服装(深圳)有限公司	The PRC	HK\$1,000,000	100%	100%	Design, distribution and sale of fashion apparel
廈門優頤貿易有限公司	The PRC	RMB3,000,000	100%	100%	Retailing of fashion garments
Success Way Creation Limited	Hong Kong	HK\$1	100%	100%	Investment holding
Cheng Run (Fujian) Business Management Co., Ltd	The PRC	RMB50,000,000	100%	100%	Property investment and retailing of fashion garments
Multi Success Trading Limited	Hong Kong	HK\$1	100%	100%	Investment holding
Zhuo Hong (Fujian) Building Materials Trading Co., Ltd	The PRC	RMB30,000,000 (2014: RMB5,000,000)	100%	100%	Trading of building materials
All Treasure International Limited	Hong Kong	HK\$1	100%	100%	Inactive

Note: Xiamen U-Right Garment Co. Ltd. is a sino foreign joint venture established in the PRC. 立宜服装(深圳)有限公司, 廈門優頤貿易有限公司, Cheng Run (Fujian) Business Management Co., Ltd, Zhuo Hong (Fujian) Building Materials Trading Co., Ltd are wholly foreign-owned enterprises established in the PRC.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

32. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY (continued)

The following table shows information of subsidiaries that have non-controlling interests (“NCI”) material to the Group. The summarised financial information represents amounts before inter-company eliminations.

Name	Xiamen U-Right Garment Co., Ltd.	
	2015	2014
Principal place of business/country of incorporation	PRC	PRC
% of ownership interests /voting rights held by NCI	20%/20%	20%/20%
	HK\$'000	HK\$'000
At 31 March:		
Non-current assets	38	65
Current assets	24,682	35,423
Non-current liabilities	–	–
Current liabilities	(1,489)	(12,883)
Net assets	23,231	22,605
Accumulated NCI	4,646	4,521
Year ended 31 March:		
Revenue	59,741	159,767
Profit	514	5,805
Total comprehensive income	626	7,237
Profit allocated to NCI	102	1,161
Dividends paid to NCI	–	–
Net cash (used in)/generated from operating activities	(2,225)	1,211
Net cash generated from investing activities	–	–
Net cash generated from financing activities	–	–
Net (decrease)/increase in cash and cash equivalents	(2,225)	1,211

33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 26 June 2015.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities 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.

	For the years ended 31 March				
	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
RESULTS					
Turnover	<u>502,609</u>	<u>334,600</u>	<u>392,644</u>	<u>397,937</u>	<u>331,084</u>
Profit before tax	3,803	1,548,502	13,415	11,345	4,196
Income tax	<u>(2,357)</u>	<u>(4,159)</u>	<u>(4,095)</u>	<u>(3,501)</u>	<u>(1,754)</u>
Profit for the year	1,446	1,544,343	9,320	7,844	2,442
Other comprehensive income	<u>167</u>	<u>608</u>	<u>455</u>	<u>435</u>	<u>146</u>
Total comprehensive income for the year	<u>1,613</u>	<u>1,544,951</u>	<u>9,775</u>	<u>8,279</u>	<u>2,588</u>
Attributable to:					
Owners of the Company	1,488	1,543,736	8,696	7,315	1,885
Non-controlling interests	<u>125</u>	<u>1,215</u>	<u>1,079</u>	<u>964</u>	<u>703</u>
	<u>1,613</u>	<u>1,544,951</u>	<u>9,775</u>	<u>8,279</u>	<u>2,588</u>
As at 31 March					
	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
ASSETS AND LIABILITIES					
Non-current assets	26,307	15,199	15,409	15,151	33
Current assets	153,789	178,867	105,417	99,731	72,351
Current liabilities	(31,154)	(46,737)	(1,699,970)	(1,686,446)	(1,669,582)
Non-current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,355)</u>	<u>-</u>
Net assets/(liabilities)	<u>148,942</u>	<u>147,329</u>	<u>(1,579,144)</u>	<u>(1,588,919)</u>	<u>(1,597,198)</u>
Attributable to:					
Owners of the Company	144,296	142,808	(1,582,450)	(1,591,146)	(1,598,461)
Non-controlling interests	<u>4,646</u>	<u>4,521</u>	<u>3,306</u>	<u>2,227</u>	<u>1,263</u>
Total equity	<u>148,942</u>	<u>147,329</u>	<u>(1,579,144)</u>	<u>(1,588,919)</u>	<u>(1,597,198)</u>