易易壹金融集團有限公司
EASY ONE FINANCIAL GROUP LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
Stock Code: 221

Annual Report 2016

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Chun Hong, Thomas
(Chairman & Managing Director)
Mr. Cheung Wai Kai
Ms. Stephanie
(appointed on 31 May 2016)
Mr. Wong Yiu Hung, Gary
(resigned on 10 July 2015)

Independent Non-executive Directors

Mr. Sin Ka Man
Mr. Yuen Kam Ho, George, *FHKIoD*
Mr. Cheung Sau Wah, Joseph, *PMSM*

AUDIT COMMITTEE

Mr. Sin Ka Man *(Chairman)*
Mr. Yuen Kam Ho, George, *FHKIoD*
Mr. Cheung Sau Wah, Joseph, *PMSM*

REMUNERATION COMMITTEE

Mr. Cheung Sau Wah, Joseph, PMSM *(Chairman)*
Mr. Sin Ka Man
Mr. Yuen Kam Ho, George, *FHKIoD*
Mr. Chan Chun Hong, Thomas
Mr. Cheung Wai Kai

NOMINATION COMMITTEE

Mr. Yuen Kam Ho, George, *FHKIoD (Chairman)*
Mr. Cheung Sau Wah, Joseph, *PMSM*
Mr. Sin Ka Man
Mr. Chan Chun Hong, Thomas
Mr. Cheung Wai Kai

INVESTMENT COMMITTEE

Mr. Chan Chun Hong, Thomas *(Chairman)*
Mr. Cheung Wai Kai
Mr. Cheung Sau Wah, Joseph, *PMSM*

COMPANY SECRETARY

Mr. Cheung Chin Wa, Angus

LEGAL ADVISERS

DLA Piper Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F., Gloucester Tower
The Landmark, 11 Pedder Street
Central, Hong Kong

PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT IN BERMUDA

Codan (Services) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

HOMEPAGE

www.easyonefg.com

STOCK CODE

221

Dear Shareholders,

On behalf of the board of directors (the "**Board**" or the "**Directors**") of Easy One Financial Group Limited (the "**Company**", together with its subsidiaries, the "**Group**"), I am pleased to present the annual results of the Company for the year ended 31 March 2016.

2015 was a year of fluctuations in the PRC property market and also an important year in the history of the development of the Group. In order to cope with the ever-changing environment, we have been continuing to explore new business opportunities for a sustainable development of the Group. In view of the slowing PRC economy and the positive prospect for financial services in Hong Kong, the Group has taken an important step to enter into a new business segment and expanded our principal business into the Hong Kong financial sector. During the year under review, the revenue decreased by approximately 44% as compared to last year to approximately HK$625.7 million (2015 (restated): approximately HK$1,124.0 million). Profit attributable to owners of the Company decreased by approximately 64% as compared to last year to approximately HK$52.2 million (2015: approximately HK$145.5 million). The decrease was mainly due to, among other things, the decrease in revenue and profit realized from the sales of property in the PRC, the increase in net loss on financial assets at fair value through profit or loss and the increase in the share of results of an associate of the Group. During the year under review, the Group recorded the gross profit of approximately HK$199.5 million (2015 (restated): approximately HK$397.2 million) and the basic earnings per share of HK1.67 cents (2015 (restated): HK12.8 cents). The Board did not recommend the payment of final dividend (2015: Nil).

BUSINESS DEVELOPMENT REVIEW

The global business environment has become more challenging during 2015 under the backdrops of slowdown in worldwide economic activities and economic growth, decreasing commodities prices and declining world trade activities. In Asia, China has experienced economic growth slowdown for the second consecutive year in 2015 but its performance was still solid as compared to many other countries and regions. Despite the lower global risk since mid-February 2016, uncertainties still dominated the market. China's gross domestic product grew by approximately 6.7% year-on-year in the first quarter of 2016 (as quoted from the National Bureau of Statistics of China) and the PRC government introduced a series of measures to cool down the property market, the Group considered these factors and took a conservative approach in developing our PRC property development business and actively looked for new business opportunities. Facing the complicated international situations and the pressure

brought by economic downturn during the year, the Group adjusted its business strategies to adapt the external changes. The Company changed its name from "PNG Resources Holdings Limited" to "Easy One Financial Group Limited" in November 2015. The new name signified our brand new business direction. Having started the money lending business in the last financial year, the Group's footprints have extended to a new business segment.

Our money lending business provides our customers a set of comprehensive services, including the property mortgage services which commenced during the year under review and the personal loan services which commenced subsequent to the end of the financial year under review. Our one-stop mortgage loan services cover the entire property mortgage process and our personal loan services provide a wide spectrum of short-term and long-term personal loan services which include but are not limited to medical emergency loan, education loan and tax loan. With the rapid growth of tier 2 cities in the PRC and the successive completion of the Group's property development portfolios in Fuzhou, Jiangxi and Dongguan, Guangdong, the Group continues to prudently deepen its property development projects and expects the property development sector will continue to bring considerable revenue to the Group.

PROVISION OF FINANCE BUSINESS

OVERVIEW

The financial services business has rapidly expanded during the year under review. The Group's revenue from financial service business for the year ended 31 March 2016 amounted to approximately HK$2.8 million (2015: Nil). The Group is currently focusing on mortgage and personal loan services. Backed by its motto - "Your satisfaction is our highest priority", the Company strives to provide tailor-made loan plans to our customers from all walks of life for their different needs of investment or financing .

During the year under review, the Group was awarded the "Highest Growth Potential - Financial Group" at the "Metro Awards for Brand Excellence 2015" by Metro Daily and Metro Prosperity Magazine for its excellent services, strong business foundation and corporate governance. The award represented the endorsement and recognition by the market for the Group's expansion into the financial services sector.

Easy One Finance Limited ("**Easy One Finance**"), a member of the Group, opened its Central branch in April 2016. The Central branch is strategically situated in the central financial district with favorable geographical position and mainly provides property mortgage and personal loan services. To support the development of Easy One Finance, the Company has launched a brand new website for promoting a more in-depth understanding of the loan services provided by the Group to our customers. In addition, the Group will continue to launch a series of brand building activities, such as online and offline advertisements as well as promotion events for establishing our corporate image. During the year under review, the Group's financial services business was at the early stage of development, we will seize the market opportunities and expand service coverage in order to enhance our competitiveness. We believe that the financial services segment would become more mature and a major source of revenue for the Group.

PROPERTY DEVELOPMENT BUSINESS

OVERVIEW

The Group aims to capture the opportunities brought by the rapid growth of tier 2 cities in the PRC and focus its attention on the commercial cum residential property development projects in Fuzhou of Jiangxi Province and Dongguan of Guangdong Province.

The Group's revenue from property sales for the year ended 31 March 2016 amounted to approximately HK$622.9 million (2015: approximately HK$1,124.0 million). As at the date of this report, the Group has sold all and more than 99% of residential and commercial units which had been put up for sales under the Fuzhou and Dongguan projects, respectively. The successful pre-sale results not only demonstrate the steady presence of the Group's property development business in the PRC market, but also reflect that it received high recognition in the PRC property market by capturing business opportunities in due course.

The construction of the majority of residential units and frontage shops of the fifth phase of the property development project in Fuzhou was completed and delivered during the year under review. Pre-sale of the remaining residential units and frontage shops of the fifth phrase has commenced. The sixth phase (Part A) is expected to be completed by the end of 2016. The construction of the sixth phase (Part B) commenced in the second quarter of 2016 and is expected to be completed in early 2018. All construction works of Dongguan project was completed. Its commercial part and frontage shops and the third phase have been generating steady income for the Group since December 2014. As at the date of this report, over 87% of the leasable area was leased.

OTHER BUSINESS OVERVIEW

In order to focus on our provision of finance and PRC property development business, the Group announced the disposal of its retailing of fresh pork and related produce business to a subsidiary of Wang On Group Limited at the consideration of HK$9.0 million during the year under review.

PROSPECTS

Looking forward, the Group is prudently optimistic about the prospects of the financial services market in Hong Kong. The economic growth prospects in Hong Kong are subject to the uncertainties in the global macro-economic and financial environment. The financial services market in Hong Kong is expected to continue to fluctuate because the future monetary policies of the United States and the growth prospects of major economies are still unclear while the risk of downturn of global economy, in particular the emerging economy, is increasing. During the year under review, the stock market in Hong Kong experienced wide fluctuations which have adversely affected the financial services market in general. It is expected that the stock market in Hong Kong will continue to be affected by the external market. However, as a result of the relatively mature and internationalization of the financial services market in Hong Kong, the demand for financial services remained strong.

We expect the brand-new financial services business to be one of the major growth drivers of the Group. The Group's one-stop financing service covers the entire property mortgage process. As the Hong Kong Monetary Authority issued policies to banks on a new round of supervisory measures on property mortgage in February 2015 that lowered the maximum loan-to-value (LTV) ratio for self-use residential properties with value below HK$7.0 million to 60%, the Group sees a huge potential to help customers realize the plan of purchasing properties with customized loan services. Our flexible and convenient personal loan services could provide more genuine end-uses, better options to customers, especially the first-time home buyers, than other financial institutions. The Group will put in utmost effort to capture the opportunity, expand customer base, and introduce competitive products to meet different customer needs. The financing business is expected to become a blue ocean for the Group's future development.

During the year under review, the global economy still faced challenges and experienced wild fluctuations. The slowing PRC economy, the decrease in commodity prices and the uncertainties brought by the U.S. interest rate increase cycle casted doubts on the prospects for global economy. In order to stimulate the domestic property market under the slowing economy, the Chinese central government has announced a series of favourable policies including lowering down payment requirement and loan interests and lifting restrictions on property purchases. We expect that property market in the PRC will remain active in the future.

We expect that the commercial parts of the projects in Fuzhou and Dongguan will continue to bring a positive contribution to the revenue of the Group. The Group will capture the opportunities brought by the warming up of domestic property market and continue to prudently develop its property development business in the PRC so as to bring long-term benefits to the shareholders of the Company.

APPRECIATION

Lastly, on behalf of the Board, I would like to take this opportunity to thank all stakeholders including the employees who strive for better performance of the Group. I would also like to extend my appreciation to my fellow Directors, our management team and business partners for their support during the last year.

Chan Chun Hong, Thomas
Chairman and Managing Director

Hong Kong, 8 June 2016

FINANCIAL RESULTS

For the year ended 31 March 2016, the Group recorded a revenue of approximately HK$625.7 million (2015 (restated): approximately HK$1,124.0 million), representing a decrease of approximately 44%, of which revenue generated from property sales in the People's Republic of China (the "**PRC**") amounted to approximately HK$622.9 million (2015: approximately HK$1,124.0 million) and revenue generated from provision of finance business in Hong Kong amounted to approximately HK$2.8 million (2015: Nil).

The Group's net profit after tax attributable to owners of the Company for the year ended 31 March 2016 was approximately HK$52.2 million (2015: approximately HK$145.5 million). The decrease was mainly due to, among other things, the decrease in revenue and profit realized from the sales of property in the PRC, the increase in net loss on financial assets at fair value through profit or loss and the increase in the share of results of an associate of the Group.

CLOSURE OF REGISTER

The register of members of the Company will be closed for the following period for determining eligibility to attend and vote at the 2016 annual general meeting of the Company:

Latest time to lodge transfer documents for registration:
4:30 p.m., Wednesday, 3 August 2016

Closure of register of members:
Thursday, 4 August 2016 to
Tuesday, 9 August 2016
(both dates inclusive)

Record date:
Tuesday, 9 August 2016

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

DIVIDEND

No interim dividend was paid to the shareholders of the Company (the "**Shareholder(s)**") during the year under review (2015: Nil). The Directors did not recommend the payment of any dividend for the year ended 31 March 2016 (2015: Nil).

OPERATION AND BUSINESS REVIEW

During the year under review, the Group was principally engaged in the businesses of property development in the PRC, retailing of fresh pork and related produce in Hong Kong and provision of finance in Hong Kong. The Group continues to explore potential business opportunities, including but not limited to financing business, to deliver long term benefits to the Shareholders. In order to focus its resources to further develop the property development business in the PRC and the financing business in Hong Kong, the Group has disposed of its entire interests in the fresh pork and related produce business in March 2016. Details of the disposal were disclosed in the announcement of the Company dated 16 March 2016.

Property Development

As at 31 March 2016, the Group held a total of approximately 0.5 million square feet site area of residential and commercial land reserves in two projects in the PRC. As at the date of this report, the details of the Group's two property development projects in the PRC are as follows:

City/Province	Percentage ownership/ interest	Approximate site area (square feet)	Approximate saleable area (square feet)	Development Plan
Fuzhou, Jiangxi Province	100%	0.3 million	0.6 million	Residential cum commercial complex
Dongguan, Guangdong Province	100%	0.2 million	0.4 million	Commercial complex
		0.5 million	1.0 million	

The construction of the majority of fifth phases of residential cum commercial units of the Fuzhou project was completed and delivered during the year under review. Pre-sale of the remaining residential cum commercial units of the fifth phase is in progress. The construction of the sixth phase (Part A) is expected to be completed by the end of 2016. The construction of the sixth phase (Part B) commenced in the second quarter of 2016 and is expected to be completed at the beginning of 2018.

The construction of the Dongguan project was completed. The shopping complex and the third phase were opened in December 2014. Over 87% of the leasable area was leased as at the date of this report.

As at the date of this report, the Group sold all and more than 99% of residential and commercial units which had been put up for sales under the Fuzhou and Dongguan projects, respectively. The Group's revenue from property sales for the year ended 31 March 2016 was approximately HK$622.9 million (2015: approximately HK$1,124.0 million).

Retail of Fresh Pork and Related Produce

On 16 March 2016, All Access Limited, an indirect wholly-owned subsidiary of the Company, and Easy Verse Limited, an indirect wholly-owned subsidiary of Wang On Group Limited ("**WOG**"), entered into an agreement in relation to, inter alia, the disposal of the Group's entire interest in Greatest Wealth Limited which held the retail of fresh pork and related produce business in Hong Kong at the consideration of HK$9.0 million. The disposal was completed in March 2016 and the details of the disposal were disclosed in the announcement of the Company dated 16 March 2016.

Forestry Project in Papua New Guinea

On 19 September 2013, Rich Skill Investments Limited, an indirect wholly-owned subsidiary of the Company, and Ms. To Yuk Fung, a former Director, entered into an agreement in relation to, inter alia, the disposal of the Group's entire interest in Skywalker Global Resources Company Limited which held the forestry project in Papua New Guinea. The disposal was completed in April 2015. Details of the transaction were disclosed in the announcement of the Company dated 19 September 2013 and the circular of the Company dated 7 November 2013, respectively.

Provision of Finance

On 9 October 2015, the Company announced its proposed name change from "PNG Resources Holdings Limited" to "Easy One Financial Group Limited" which was effective in November 2015. The Company's new name signified the Group's commitment to attain the goal of diversification and the introduction of our new business chapter for provision of finance. The money lending business was started in the second half of the financial year and was still in the preliminary development stage. As at 31 March 2016, the Group operated 1 shop in Central focusing on mortgage loan business. After the financial year under review, the Group expanded our product portfolio to personal loan segment. On one hand, the Group would continue to focus on its brand building via advertising and promotion events. On the other hand, the Group would expand our branch network, product portfolio and customer base in order to develop its "Easy Access" and "Easy Apply" services to our customers. Meanwhile, the Group will maintain our strong credit quality and prudent risk management approach to replicate our business model in different locations in Hong Kong and, in turn, generate a sustainable as well as stable income for the Group.

The Group's new business direction received positive feedback from the market. During the financial year, the Group was awarded the "Highest Growth Potential - Financial Group" at the "Metro Awards for Brand Excellence 2015" by Metro Daily and Metro Prosperity Magazine. It is expected that, the provision of finance business would become a blue ocean for our development and a new focus of our business direction. For the year ended 31 March 2016, the Group recorded from its money lending business a revenue of approximately HK$2.8 million, a net balance of loan book of approximately HK$89.5 million, interest income of approximately HK$2.8 million and average interest rate of approximately 19%.

Liquidity and Financial Resources

The Group's total assets as at 31 March 2016 were approximately HK$1,997.7 million (2015: approximately HK$2,234.1 million) which were financed by total liabilities and total equity of approximately HK$551.0 million (2015: approximately HK$1,136.9 million) and approximately HK$1,446.7 million (2015: approximately HK$1,097.2 million), respectively. The current ratio as at 31 March 2016 was approximately 2.8 times (2015: approximately 1.9 times).

As at 31 March 2016, the Group's aggregate bank borrowings amounted to approximately HK$266.4 million (2015: approximately HK$348.2 million). The gearing ratio was calculated by reference to the Group's total borrowings net of cash and cash equivalents and the total equity of the Group. As at 31 March 2015 and 31 March 2016, the balance of cash and cash equivalents of the Group was larger than the total borrowings of the Group, the gearing ratio was nil.

On 4 October 2014, the Group entered into a subscription agreement with China Agri-Products Exchange Limited ("**CAP**"), WOG, Wai Yuen Tong Medicine Holdings Limited ("**WYT**") and CCB International Capital Limited under which the Group would, among others, subject to certain conditions, subscribe the 5-year bonds at the interest rate of 10.0% per annum issued by CAP up to a maximum principal amount of HK$150.0 million. Details of the transaction were disclosed in the Company's joint announcements dated 4 October 2014 and 28 November 2014 and its circular dated 24 October 2014, respectively. As at 31 March 2016, the Group's investment in CAP's bond amounted to HK$139.9 million.

Exposure to Fluctuation in Exchange Rates

The revenue, bank deposits and operating costs of the Group are mainly denominated in Hong Kong Dollars and Renminbi ("**RMB**"). The Group did not have any outstanding foreign exchange contracts, interest or currency swaps or other financial derivatives as at 31 March 2016. Due to the currency fluctuation of RMB, the Group had been considering alternative risk hedging tools to mitigate RMB currency exchange risk.

RISK FACTORS RELATING TO OUR INDUSTRIES AND BUSINESS OPERATIONS

The Group's principal businesses are property development in the PRC and provision of finance in Hong Kong. In view of ever-changing business environment in the PRC and Hong Kong, the Group considered that our risks and challenges include, among others: (i) currency fluctuation regarding the exchange rate of RMB against Hong Kong Dollars affecting PRC assets and liabilities translation from RMB to Hong Kong Dollars in financial reporting; (ii) obtaining adequate financing, including equity and debt financing to support our property development and/or financing business that were capital intensive; (iii) preserving or enhancing our competitive position in the property development and financing industries; (iv) maintaining or enhancing the level of occupancy at our PRC shopping mall; (v) obtaining all appropriate licenses and permits for the development, construction, and sales of properties in the PRC; and (vi) impact from laws and regulations, in particular those laws and regulations relating to property development and property market sectors in the PRC and financing sector in Hong Kong.

DEPENDENCE OF EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group adopts market remuneration practices by reference to market terms, company performance, and individual qualifications and performance with a well and organized management structure, no key and specific employee would materially and significantly affect the Group's success. Meanwhile, no major customers are accounted for more than 5% of the Group's income and no major suppliers cannot be replaced by other appropriate suppliers. In this connection, no customers and suppliers would have any material impact on the success of the Group's business performance.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is subject to various environmental laws and regulations set by the PRC government for its property development business. Compliance procedures are in place to ensure adherence to applicable laws and regulations. During the year under review, the Group was in compliance, in all material respects, with the relevant laws and regulations. There is no environmental laws and regulation applicable on our financing business. The Group also provides updates to its employees in respect of any changes in applicable laws and regulations.

EMPLOYEES AND REMUNERATION POLICY

The Group aimed to recruit, retain and develop competent individuals who were committed to the Group's long-term success and growth. Remunerations and other benefits of employees were reviewed annually in response to both market conditions and trends, and were based on qualifications, experience, responsibilities and performance.

As at 31 March 2016, the Group had a total of 118 employees (2015: 179), in which 14 employees were located in Hong Kong and 104 employees were located in the PRC. The Group operates a Mandatory Provident Fund Scheme for those employees in Hong Kong, who are eligible to participate, and pays retirement contributions in accordance with the statutory requirements for our PRC employees.

The Group has also adopted a performance based reward system to motivate its staff and such system is reviewed on a regular basis. On 21 August 2012, the Company terminated the old share option scheme adopted on 8 October 2002 and adopted a new share option scheme (the "**Share Option Scheme**") which became effective on 21 August 2012 in compliance with Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). During the year under review, the Board did not grant any share option under the Share Option Scheme. As at 31 March 2016, there was no outstanding share option under the Share Option Scheme.

CONTINGENT LIABILITIES AND CHARGE ON ASSETS

As at 31 March 2016, the Group has no significant contingent liability (2015: Nil).

As at 31 March 2016, (i) the PRC land reserves and stock of properties with a carrying value of approximately HK$43.8 million (2015: approximately HK$84.5 million) and approximately HK$271.9 million (2015: approximately HK$281.3 million); and (ii) shares of several subsidiaries were pledged to secure the Group's banking facilities.

CAPITAL COMMITMENT

The Group's capital commitment as at 31 March 2016 amounted to approximately HK$9.9 million (2015: approximately HK$186.1 million).

DEBT PROFILES AND FINANCIAL PLANNING

As at 31 March 2016, interest bearing debt profile of the Group was analyzed as follows:

	Outstanding amount (HK$ million)	**Approximate annual effective interest rate** (per annum)	**Maturity date**
Financial Institution Borrowings	266.4	6.74%	From November 2016 to February 2020
Non-Financial Institution Borrowings	19.6	Nil	No fixed term of repayment
Total	**286.0**		

In order to meet the interest bearing debts, business capital expenditure and funding needs for, inter alia, increase of land bank, and/or payment of construction costs for the development of our property development projects, and/or financing business, the Group had been from time to time considering various financing alternatives including but not limited to equity fund raising, financial institution borrowings, non-financial institution borrowings, bonds issuance, convertible notes, other debt financial instruments and sales of stock of properties.

FINANCIAL IMPACT OF THE FUND RAISING ACTIVITIES OF AN ASSOCIATE OF THE GROUP

During the financial year, CAP, an associate of the Group, conducted a placing and the rights issues as discussed below.

References were made to the joint announcements of, inter alia, the Company and CAP dated 8 January 2015 and 29 January 2015 and the announcement of the Company dated 8 April 2015 and the circular of the Company dated 13 March 2015 in relation to the subscription of rights shares (the "**CAP First Rights Issue**") of CAP. A total of 485,959,265 shares in CAP were allotted to the Group in consideration for the subscription amount of approximately HK$145.8 million. The CAP First Rights Issue was completed on 14 May 2015. The Group held 529,233,356 shares of CAP, representing approximately 27.28% of the enlarged issued share capital of CAP immediately after the CAP First Rights Issue and recorded a gain on bargain purchase of approximately HK$85.8 million for such increase of its shareholdings in CAP.

References were made to the joint announcements of the Company and CAP dated 7 July 2015 and 27 July 2015, respectively, in relation to CAP's placing of 387,000,000 shares (the "**Placing**"). The Placing constituted a deemed disposal of the Group's interest in an associate resulting in the decrease of the Group's shareholding in CAP from approximately 27.28% to approximately 22.75% and a loss of approximately HK$56.9 million was recorded.

Reference was made to the joint announcement of, inter alia, the Company and CAP dated 4 November 2015 in relation to the subscription of rights shares of CAP (the "**CAP Second Rights Issue**"). A total of 228,770,006 shares in CAP were allotted to the Group in the consideration for the subscription amount of approximately HK$96.1 million. The CAP Second Rights Issue was completed on 28 January 2016. The Group held 334,616,677 shares of CAP, representing approximately 28.76% of the enlarged issued share capital of CAP immediately after the CAP Second Rights Issue and recorded a gain on bargain purchase of approximately HK$67.1 million for such increase of its shareholdings in CAP.

FUND RAISING ACTIVITIES OF THE COMPANY

In order to cope with the funding needs for the development of the Group, the Company conducted a placing and a rights issue during the financial year.

On 14 April 2015, the Company entered into a placing agreement with Kingston Securities Limited ("**Kingston**") in relation to the placing of 220,000,000 shares of the Company (the "**2015 Placing**") at the placing price of HK$0.225 per placing share. The closing price per share of the Company as quoted on the Stock Exchange on the date of the placing agreement was HK$0.27. The 2015 Placing was completed on 30 April 2015. The aggregate gross and net proceeds from the 2015 Placing were approximately HK$49.5 million and approximately HK$47.9 million, respectively. As of 31 March 2016, the proceeds were all utilized as intended. The Company utilized approximately HK$35.0 million for repayment of indebtedness and the remaining balance of approximately HK$12.9

million as general working capital of the Group (the main components include salary and marketing expenses). Details of the 2015 Placing were disclosed in the announcements of the Company dated 14 April 2015 and 30 April 2015.

On 4 June 2015, the Company and WYT jointly announced, inter alia, the Company entered into an underwriting agreement with Kingston regarding the rights issue (the "**2015 Rights Issue**") and the change in board lot size which were subject to, among others, the shareholders' approval at a special general meeting of the Company. The closing price per share in the Company as quoted on the Stock Exchange on the date of the underwriting agreement (i.e. 28 May 2015) was HK$0.325. Pursuant to the 2015 Rights Issue, the Company would allot and issue 3,317,375,000 rights shares at the subscription price of HK$0.168 per rights share, on the basis of five rights shares for every two shares of the Company. On 16 July 2015, the Company announced the change of subscription price to HK$0.105 per rights share by entering into a supplemental underwriting agreement dated 10 July 2015 and the closing price per share in the Company as quoted on the Stock Exchange on the date entering into the supplemental underwriting agreement was HK$0.177. The adjusted net proceeds from the 2015 Rights Issue were approximately HK$338.3 million. The Company intended to utilize the net proceeds as to approximately HK$100 million for granting a revolving loan to CAP, approximately HK$160 million for potential investments, approximately HK$52.9 million for repayment of indebtedness, approximately HK$20.0 million for repayment of construction costs and the remaining balance of approximately HK$5.4 million as general working capital of the Group. The 2015 Rights Issue was completed on 22 September 2015. As at 31 March 2016, approximately HK$100 million was utilized for granting a revolving loan to CAP, approximately HK$93.5 million was utilized for potential investment, approximately HK$52.9 million for repayment of indebtedness, approximately HK$20.0 million was utilized for repayment of construction costs and approximately HK$5.4 million was utilized for general working capital, mainly comprised of salary expenses, and the remaining balance would be used as intended. Details of the 2015 Rights Issue were disclosed in the joint announcements of, inter alia, the Company dated 4 June 2015 and 16 July 2015, the announcement of the Company dated 21 September 2015, the circular of the Company dated 31 July 2015 and the prospectus of the Company dated 28 August 2015.

FUTURE PLANS AND PROSPECTS

In the year ahead, global economic conditions are likely to be challenging in light of worries over the slowdown in emerging market, possible further US interest rate hikes, subdued oil prices and latest stock market volatilities. The global economy is becoming increasingly divergent in 2016 as the slowdown in emerging markets is somewhat offset by the recovery in advanced economies. However, the monetary easing in major economies such as Eurozone, Japan and China will underpin the global economy.

Economic growth will slow down further in China in 2016 but the pace of the slowdown will be moderate. The Chinese government will continue to implement supportive monetary policies and fine tune regulatory measures for the property sector, against the backdrop of a slowing Chinese economy. The Group is confident of the medium to long-term outlook of its economy and the property sector amid the recent "One Belt, One Road" initiative which will lay the grounds for longer-term developmental plans.

Hong Kong's economic growth softened more than that was previously expected in the second half of 2015. Owing to the notable economic headwinds originating from the US and the Mainland due to uncertainties over monetary policy normalisation and softening economic growth respectively, external demand has been weaker than expected and will probably remain weak for some time in the future. In view of the foregoing, the Group will continue to strengthen the provision of finance business and capitalize more long-term business and earnings growth.

Having started the money lending business during the year under review, the Group will continue to offer a wider range of loan products to customers. The Group will also focus on expanding its business through establishing its branch network, offering first-in-class service, supporting of growth in loans and exploring mobile/online application capabilities. Meanwhile, the Group will monitor the PRC economic environment closely and take a conservative approach in our PRC property development business. The Group will adopt prudent risk management approach to preserve sufficient buffer to meet the challenges ahead.

Looking ahead, the Group will continue to strive for diversification of income streams in order to align the business strategies with its corporate mission and goals with the aim to deliver long term benefit to the shareholders of the Company.

Board of Directors and Senior Management

BOARD OF DIRECTORS

Executive Directors

Mr. CHAN Chun Hong, Thomas, aged 52, joined the Group as the managing director in January 2007 and was also appointed to take up the role of the chairman of the Company in June 2008. He is also the chairman of the executive committee and the investment committee and a member of the remuneration committee and the nomination committee of the Company. He is responsible for overall strategy formulation, policy making, managing the corporate matters and overall operations of the Group. He is also the managing director of Wang On Group Limited and Wai Yuen Tong Medicine Holdings Limited, the chairman and chief executive officer of China Agri-Products Exchange Limited, the non-executive chairman of Wang On Properties Limited and was an independent non-executive director of Shanghai Prime Machinery Company Limited (resigned in June 2014) , all companies are listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). He graduated from the Hong Kong Polytechnic University with a bachelor degree in accountancy and is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Institute of Certified Public Accountants.

Mr. CHEUNG Wai Kai, aged 60, was appointed as an executive director of the Group in January 2007. He is also a member of the executive committee, the remuneration committee, the nomination committee and the investment committee of the Company. Mr. Cheung is responsible for general management and business management of the Group in which he has extensive experience.

Ms. Stephanie, aged 29, joined the Group as an executive Director in May 2016. She is a member of the executive committee of the Company. She obtained a Bachelor Degree in Accounting from the University of Washington, USA in 2008. She joined the Group in 2015 as the directors of certain subsidiaries of the Company and is mainly responsible for the provision of finance business of the Group. Ms. Stephanie has extensive experience in accounting and corporate finance. Prior to her joining of the Group, she had worked in the financing and accounting field for more than 6 years, including in a multinational corporation where she oversaw financing and accounting matters and an international accountancy firm where she participated in numerous merger and acquisition projects.

Independent Non-executive Directors

Mr. SIN Ka Man, aged 48, joined the Company as an independent non-executive Director in January 2007. He is the chairman of the audit committee of the Company and a member of the remuneration committee and the nomination committee of the Company. He has over 21 years of professional experience in auditing, accounting and financial management for both private and listed corporations. Mr. Sin is a certified public accountant of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants and a certified practising accountant of the CPA Australia. Mr. Sin holds a bachelor degree in Social Sciences from the University of Hong Kong, a master degree in Finance from the University of Strathclyde, the United Kingdom and a master degree in accounting from Curtin University of Technology, Australia. Mr. Sin is also an independent non-executive director of Chinese People Holdings Company Limited, Xtep International Holdings Limited and Infinity Financial Group (Holdings) Limited (formerly known as "Fornton Group Limited") and was an independent non-executive director of Ground Properties Company Limited (formerly known as "China Motion Telecom International Limited", resigned in November 2013) and Sino Haijing Holdings Limited (resigned in April 2015), all companies are listed on the main board of the Stock Exchange.

Mr. YUEN Kam Ho, George, *FHKIoD*, aged 72, joined the Company as an independent non-executive Director in March 2007. He is a member of the audit committee and the remuneration committee of the Company and the chairman of the nomination committee of the Company. Mr. Yuen is a director of Visteon Corporation, a New York Stock Exchange listed company, an independent non-executive director of Industrial and Commercial Bank of China (Asia) Limited, which has been privatised since 21 December 2010. Also, he has been an independent non-executive director of Tradelink Electronic Commerce Limited, a Hong Kong listed company, since November 2006 and retired in May 2011. He graduated from The University of Hong Kong with a Bachelor's Degree (Honors) in Economics and Political Science. Mr. Yuen has attended post-graduate studies in marketing management at the International Marketing Institute, Cambridge, Massachusetts, U.S.A. and has completed the Hong Kong Administrators Course (commissioned by the Hong Kong Government) in public administration and international relations at Oxford University, the United Kingdom, and the International Executive Program in INSEAD, France respectively. In June 2003, Mr. Yuen was admitted to the Leadership in Development Program organised by Kennedy School of Government, Harvard University. In June 2004, Standford University, California, U.S.A. had also invited Mr. Yuen to participate in its "Corporate Governance" forum and in early 2006 the University awarded a fellowship to Mr. Yuen as a non-profit leader at its Centre for Social Innovation. Mr. Yuen is a Standing Committee Member of Convocation and Member of the Court of the University of Hong Kong. He had been Chief Executive of The Better Hong Kong Foundation for nine years since September 1997. Prior to his joining the Foundation, he was the Assistant Director/Acting Deputy Director of the Information Services Department of the Hong Kong Government. Mr. Yuen plays an active role in organising international business conferences in Hong Kong and also takes part in numerous government and community activities, including being a Special

Adviser of the China National Committee for Pacific Economic Cooperation (PECC China). Mr. Yuen was the Panel member of the Central Policy Unit of the HKSAR Government on the Pan-Pearl River Delta between 2003 and 2007. Mr. Yuen has been a member of The Chinese People's Political Consultative Conference, Guangxi Autonomous Region, China from 2006 until January 2013, and is an adviser of the Institute of Finance and Trade Economics, Chinese Academy of Social Sciences, an adviser of The Shanghai Academy of Social Sciences, China, an adviser of The Board of International Investment of Guangzhou Municipality, China. On 30 July 2012, the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) had invited Mr. Yuen as its council member. Mr. Yuen is a Fellow of the Hong Kong Institute of Directors, a member of the British Institute of Management and the Institute of Marketing, United Kingdom, and was also commended by the U.S. President, George W. Bush for his efforts in support of coalition's campaign against global terrorism.

Mr. CHEUNG Sau Wah, Joseph, *PMSM*, aged 64, joined the Company as an independent non-executive Director in March 2007. He is a member of the audit committee, the nomination committee and the investment committee of the Company and the chairman of the remuneration committee of the Company. Mr. Cheung served in the Hong Kong Police Force for over 35 years and retired in November 2006 as a Senior Superintendent of Police. He was awarded a Police Meritorious Service Medal (PMSM) in 2003 by the Chief Executive of the Hong Kong SAR for his consistent outstanding performance in the Hong Kong Police Force.

SENIOR MANAGEMENT

Mr. SIT Sai Hung, Billy, aged 59, joined the Group in April 2016. He is the general manager (risk management and compliance) of the Group responsible for compliance and risk management. Mr. Sit holds a Master Degree of Law from the Beijing University and a Bachelor Degree of Social Science from The Chinese University of Hong Kong and he is an accredited mediator of China Association of Staff and Workers Education and Vocational Training in the PRC. Mr. Sit has over 35 years of experience in legal and risk management.

Mr. TAM Shing Kung, Edmond, aged 54, joined the Group in April 2016. He is the general manager (loan finance) of the Group responsible for the operation and management of loan business. Mr. Tam holds a Bachelor Degree of Business Administration from Seattle International University, USA. He has over 28 years of experience in loan finance in Hong Kong.

The Company is committed to achieving and maintaining a high standard of corporate governance. The Board recognises that such commitment is essential for the long-term success and sustainability of our business. Our key corporate governance practices and activities during the year ended 31 March 2016 are set out in this report.

CORPORATE GOVERNANCE PRACTICES

During the year ended 31 March 2016, the Company has complied with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules, except for the following deviation:

Code provision A.2.1

Code provision A.2.1 of the CG Code requires the roles of chairman and chief executive should be separate and should not be performed by the same individual.

With effect from 2 June 2008, Mr. Chan Chun Hong, Thomas has taken up the role of chairman and he also remains as the managing Director. Mr. Chan is responsible for overall corporate planning, strategic policy making and managing of day-to-day operations of the Group. The Company does not propose to comply with code provision A.2.1 of the CG Code for the time being but will continue to review such deviation to enhance the best interests of the Company and its shareholders as a whole. Details of such deviation are set out below in the section headed "Roles of Chairman and Managing Director".

The Company periodically reviewed its corporate governance practices to ensure they continue to meet the requirements of the CG Code during the year ended 31 March 2016. The key corporate governance principles and practices of the Company are summarized in this report.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

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

To comply with code provision A.6.4 of the CG Code, the Company has also adopted a code of conduct regarding securities transactions on terms no less exacting than the Model Code by the relevant employees of the Company or any of its subsidiaries who are considered likely to be in possession of inside information in relation to the Company or its securities.

BOARD OF DIRECTORS

Composition

As at the date of this annual report, the Board currently comprises three executive Directors and three independent non-executive Directors. The Directors during the year and up to the date of this report were:

Executive Directors:

Mr. Chan Chun Hong, Thomas
Chairman and Managing Director
Mr. Cheung Wai Kai
Ms. Stephanie (appointed on 31 May 2016)
Mr. Wong Yiu Hung, Gary (resigned on 10 July 2015)

Independent Non-executive Directors:

Mr. Sin Ka Man
Mr. Yuen Kam Ho, George
Mr. Cheung Sau Wah, Joseph

The biographical details of the Directors are set out on pages 17 to 19 of this annual report.

Responsibilities

The Board's primary functions are to set corporate policy and overall strategy for the Group and to provide effective oversight of the management of the Group's businesses and affairs. It delegates day-to-day operations of the Group to executive Directors and senior management. Apart from its statutory responsibilities, the Board also approves, among others, strategic plans, key operational issues, investments and loans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management. These functions are either carried out directly by the Board or indirectly through committees established by the Board. Besides, the Board has delegated general powers to the management to deal with day-to-day management, administration and operations of the Group.

The Board possesses a balance of skills and experience which are appropriate for the requirements of the businesses of the Company. Save as Ms. Stephanie, an executive Director and the spouse of a nephew of Mr. Cheung Wai Kai, an executive Director, none of the Directors have any financial, business, family or other material/relevant relationships with each other. The opinions raised by the independent non-executive Directors at the meetings of the Board facilitate the maintenance of good corporate governance practices. The Board has three independent non-executive Directors, representing more than one-third of the Board, and at least one of the independent non-executive Directors has the appropriate professional qualification and/or accounting and audit experience and/or expertise as required by Rules 3.10(1) and (2) of the Listing Rules. A balanced composition of executive and non-executive Directors also ensures a strong independent element on the Board, which allows for an independent and objective decision making process for the best interests of the Company. The Company will review the composition of the Board regularly to ensure the Board possesses the appropriate and necessary expertise, skills and experience to meet the needs of the Group's business with due regard for the benefits of diversity, as set out in the diversity policy adopted by the Board.

All independent non-executive Directors are appointed for a term of three years under respective service agreement and all Directors (including both executive and non-executive) are subject to retirement by rotation at the Company's annual general meetings in accordance with the bye-laws of the Company.

All independent non-executive Directors are free from any business or other relationship with the Company. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change in his own personal particulars that may affect his independence. No such notification was received during the year under review. The Company has also received from each of the existing independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company continues to consider the three independent non-executive Directors to be independent.

The Board, which meets at least four times a year with additional meetings arranged, as and when necessary, has a schedule of matters reserved for its review and approval. The specific responsibility reserved for the Board includes matters in relation to, among others, determining strategies and objectives of the Group, monitoring the overall management and operation of the Group, reviewing capital, corporate and control structures, ensuring financial reporting and internal control measures, determining major capital projects and contracts, including material acquisitions, disposals and other significant potential investments, communication with the shareholders, determining the Board composition, the appointment of company secretary and auditors, evaluating the effectiveness of internal controls, reviewing adequacy of resources, qualification and experience of staff, delegation of authority to committees and reviewing the Group's overall corporate governance arrangements. At least 14 days' notice for each regular meeting is given to all Directors. Agendas accompanying Board papers are sent to all Directors 3 days before the date of a regular meeting of the Board to ensure that the Directors are given sufficient time to review the same. All minutes of the meetings of the Board and its committees are kept by the company secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any Director.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties set out in the code provision D.3.1 of the CG Code.

During the year under review, the Board reviewed (i) the policies and practices on corporate governance of the Company; (ii) the training and continuous professional development of Directors and senior management; (iii) the policies and practices on compliance with legal and regulatory requirements; (iv) the code of conduct applicable to employees and Directors; and (v) the compliance with the CG Code which was disclosed in this annual report.

Board Meetings and General Meetings

During the year under review, the Company held four regular meetings of the Board, the annual general meeting (the "**2015 AGM**") and three special general meetings (the "**SGM**"). The attendance of each Director is set out as follows:

	Attendance/Number of meetings		
Directors	**Regular board meetings**	**2015 AGM**	**SGM**
Executive Directors			
Mr. Chan Chun Hong, Thomas	4/4	1/1	3/3
Mr. Cheung Wai Kai	2/4	0/1	0/3
Ms. Stephanie *(appointed after the year under review)*	N/A	N/A	N/A
Mr. Wong Yiu Hung, Gary *(resigned on 10 July 2015)*	1/1	N/A	0/1
Independent Non-executive Directors			
Mr. Sin Ka Man	4/4	0/1	0/3
Mr. Yuen Kam Ho, George	4/4	1/1	1/3
Mr. Cheung Sau Wah, Joseph	4/4	1/1	0/3

ROLES OF CHAIRMAN AND MANAGING DIRECTOR

Mr. Chan Chun Hong, Thomas has been appointed as managing Director since January 2007. With effect from 2 June 2008, Mr. Chan has taken up the role of chairman and has been remaining as managing Director. Mr. Chan is responsible for overall corporate planning, strategic policy making and managing of day-to-day operations of the Group. Mr. Chan has extensive experience in the industry which is of great value to the overall development of the Group. The Company does not propose to comply with code provision A.2.1 of the CG Code for the time being as the Board considers that the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals with a balance of skills and experience appropriate for the development of the Group. The current structure also allows flexibility and enhances the efficiency of decision-making process in response to the constantly changing competitive environment.

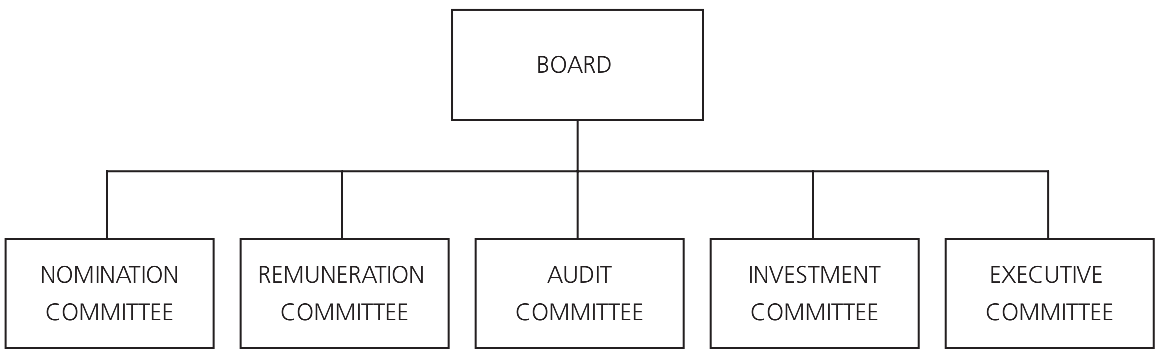
The Board will continue to review and recommend such proposals, as appropriate, in the aspect of such deviation or other aspects in order to enhance the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate the greatest returns for the shareholders of the Company.

TRAINING, INDUCTION AND CONTINUING DEVELOPMENT FOR DIRECTORS

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide a comprehensive induction package covering the summary of the responsibilities of a director of Hong Kong listed company and the Guides on Directors' Duties issued by the Companies Registry and seminar on professional knowledge of regulatory requirements related to director's duties and responsibilities to each newly appointed Director to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements.

During the year ended 31 March 2016, Mr. Chan Chun Hong, Thomas, Mr. Cheung Wai Kai, Mr. Sin Ka Man, Mr. Yuen Kam Ho, George and Mr. Cheung Sau Wah, Joseph received regular updates on corporate governance matters or news or changes to laws and regulations. Mr. Chan Chun Hong, Thomas, Mr. Sin Ka Man and Mr. Yuen Kam Ho, George attended briefings or seminars on relevant topics. All Directors are requested to provide the Company a record of the training they received.

BOARD COMMITTEES



Remuneration Committee

The remuneration committee of the Company (the "**Remuneration Committee**") is delegated by the board with the responsibility to establish, review and make recommendations to the Board on the Group's remuneration policy and practices.

The Remuneration Committee consists of three independent non-executive Directors, namely Mr. Cheung Sau Wah, Joseph (Chairman), Mr. Yuen Kam Ho, George and Mr. Sin Ka Man and two executive Directors, namely Mr. Chan Chun Hong, Thomas and Mr. Cheung Wai Kai.

The terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company. The duties, roles and functions of the Remuneration Committee are as follows:-

1. to make recommendations to the Board on the Company's policy and structure of remuneration for all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing such policy;

2. to review and approve the management's remuneration proposals by reference to the Board's corporate goals and objectives;

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

4. to make recommendations to the Board on the remuneration of non-executive Directors;

5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

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

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

8. to ensure that no Director or any of his associates is involved in deciding his own remuneration.

During the year under review, the Remuneration Committee held one meeting and the attendance of each member of the Remuneration Committee is set out below:

Members of the Remuneration Committee	Attendance
Mr. Cheung Sau Wah, Joseph *(Chairman)*	1/1
Mr. Yuen Kam Ho, George	1/1
Mr. Sin Ka Man	1/1
Mr. Chan Chun Hong, Thomas	1/1
Mr. Cheung Wai Kai	0/1

During the year under review, the Remuneration Committee reviewed the remuneration policy, assessed performance of executive Directors, reviewed existing remuneration package, structure of executive Directors and employment structure of senior management of the Company and approved the terms of executive Directors' service contracts.

After the year under review, the Remuneration Committee reviewed the remuneration package of a newly appointed Director and made recommendation to the Board.

The Remuneration Committee made recommendations, if any, to the Board on the remuneration packages of individual executive Directors and senior management of the Company.

The remuneration payable to the Directors will depend on their respective contractual terms under their employment contracts or service contracts and the same were reviewed by the Remuneration Committee. Details of the Directors' remuneration are set out in note 10 to the consolidated financial statements.

Nomination Committee

The nomination committee of the Company (the "**Nomination Committee**") is delegated by the Board with the primary responsibility to formulate and implement the policy for nominating Board candidates, assess independent non-executive Directors' independence and review the time required from Directors to perform their responsibilities.

The Nomination Committee consists of three independent non-executive Directors, namely Mr. Yuen Kam Ho, George (Chairman), Mr. Cheung Sau Wah, Joseph and Mr. Sin Ka Man and two executive Directors, namely Mr. Chan Chun Hong, Thomas and Mr. Cheung Wai Kai.

According to the terms of reference of the Nomination Committee, the Nomination Committee will consider, when designing and reviewing the Board's composition, from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, independence and length of service. The Nomination Committee will consider candidates on merit against the objective criteria, with due regard for the benefits of diversity on the Board.

The terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company. The duties, roles and functions of the Nomination Committee are as follows:-

1. to review the structure, size, composition and diversity of the Board (including without limitation, gender, age, cultural and educational background, ethnicity, experience, skills, knowledge, independence and length of service) of the Board at least annually and make recommendations to the Board on any proposed changes to complement the Company's corporate strategy;

2. to identify and nominate individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships. In identifying suitable individuals, the Nomination Committee shall consider individuals on merit against the objective criteria, with due regard for the benefits of diversity on the Board;

3. to assess the independence of independent non-executive Directors and review the independent non-executive Directors' annual confirmations on their independence and make disclosure of its review results in the corporate governance report of the Company;

4. to regularly review the time required for a director to perform his/her responsibilities;

5. to review the balance between executive and non-executive Directors and the blend of skills, knowledge, experience and diversity on the Board;

6. to keep under review the leadership and succession needs of the organisation with a view to ensuring the long term success of the Group;

7. to review the board diversity policy, as appropriate, and review the measurable objectives that the Board has set for implementing the board diversity policy, and the progress on achieving the objectives; and make disclosure of its review results in the corporate governance report annually;

8. to ensure that all Directors offer themselves for re-election every three years by shareholders;

9. to make recommendations to the Board on the appointment, re-appointment or re-designation of Directors and succession planning for Directors, in particular the chairman/chairwoman and the chief executive, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future;

10. to ensure that on appointment to the Board, every Director should receive a formal letter of appointment or enter into a service contract with the Company, as appropriate;

11. where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, the Nomination Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent; and

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

During the year under review, the Nomination Committee held one meeting and the attendance of each member of the Nomination Committee is set out below:

Members of the Nomination Committee	Attendance
Mr. Yuen Kam Ho, George *(Chairman)*	1/1
Mr. Cheung Sau Wah, Joseph	1/1
Mr. Sin Ka Man	1/1
Mr. Chan Chun Hong, Thomas	1/1
Mr. Cheung Wai Kai	0/1

During the year under review, the Nomination Committee reviewed the policy for the nomination of Directors, the nomination procedures and the process and criteria to select and recommend candidates for directorship and the board diversity policy. The Nomination Committee considers that the current Board composition has provided the Company with a good balance and diversity of skill and experience appropriate for the business of the Company. The Nomination Committee will review the implementation of the board diversity policy from time to time to ensure its effectiveness on determining the optimal composition of the Board.

After the year under review, the Nomination Committee reviewed and made recommendations to the Board regarding (i) the appointment of Ms. Stephanie as an executive Director; and (ii) the re-elections of Ms. Stephanie, Mr. Cheung Sau Wah, Joseph and Mr. Sin Ka Man in the ensuing annual general meeting of the Company. The nominations were made in accordance with the objective criteria (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out in the diversity policy adopted by the Company. As a good corporate governance practice, Ms. Stephanie, Mr. Cheung Sau Wah, Joseph and Mr. Sin Ka Man each had abstained from voting at the Nomination Committee meeting and/or Board meeting on their nominations for election by shareholders. Ms. Stephanie, Mr. Cheung Sau Wah, Joseph and Mr. Sin Ka Man do not have any service contracts with any member of the Group that are not determinable by the Group within 1 year without payment of compensation (other than statutory compensation). Their particulars will be set out in the circular to shareholders to be sent together with this annual report and posted on the websites of the Company and the Stock Exchange.

Audit Committee

The audit committee of the Company (the "**Audit Committee**") is delegated by the Board with the responsibility to provide independent oversight of the Group's financial reporting and internal control systems, and the adequacy of audit.

The Audit Committee consists of all of the independent non-executive Directors, namely Mr. Sin Ka Man (Chairman), Mr. Yuen Kam Ho, George and Mr. Cheung Sau Wah, Joseph, pursuant to Rule 3.21 of the Listing Rules with specific terms of reference.

In order to comply with the amendments to the CG Code with effect from accounting periods beginning on or after 1 January 2016, the Board had adopted a revised terms of reference of the Audit Committee on 31 December 2015 for including the responsibilities in its review of the risk management and internal control systems. The revised terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

The Audit Committee is mainly responsible for, inter alia, reviewing the interim and annual financial statements and making recommendations to the Board, reviewing the terms of engagement and making recommendations to the Board regarding the appointment of external auditors of the Company, monitoring and assessing the independence of external auditors and effectiveness of the internal control systems and oversight of the Company's financial reporting, controlling, accounting policies and practices with external auditors and the management of the Company, risk management and internal control issues.

During the year under review, the Audit Committee held two meetings and the attendance of each member of the Audit Committee is set out below:

Members of the Audit Committee	Attendance
Mr. Sin Ka Man *(Chairman)*	2/2
Mr. Yuen Kam Ho, George	2/2
Mr. Cheung Sau Wah, Joseph	2/2

During the year under review, the Audit Committee reviewed and discussed with the management and the external auditors of the Company the accounting principles and practices adopted by the Company. In addition, it also reviewed internal control measures, risk management, adequacy of resources of the Group, the annual results for the year ended 31 March 2015, the interim results for the six months ended 30 September 2015 and the continuing connected transactions with the senior management and/or the external auditors of the Company.

ACCOUNTABILITY AND AUDIT

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

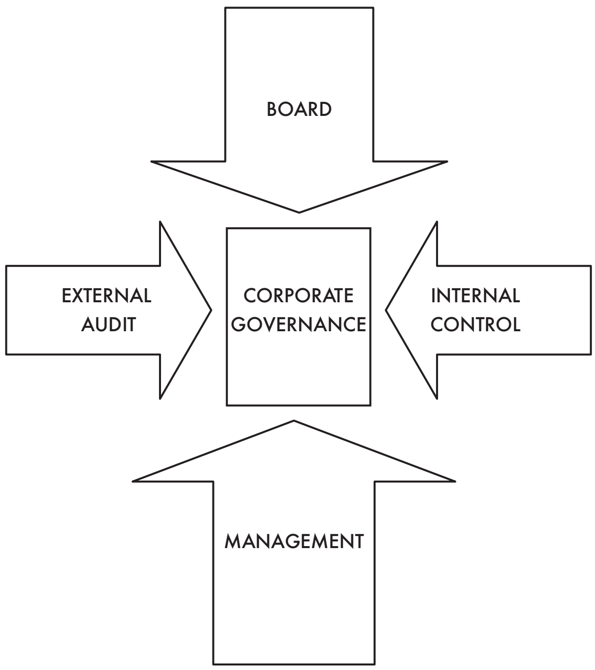
COMPANY SECRETARY

Mr. Cheung Chin Wa, Angus ("**Mr. Cheung**"), who was appointed as the company secretary of the Company, reports directly to the Board and is responsible for, inter alia, providing updated information to all Directors from time to time.

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

INTERNAL CONTROLS

The Company is of the view that, high corporate governance standard requires the support from the Board, the management team, the external audit function and the internal control system. Internal control systems have been designed to allow the Board to monitor the Group's overall financial position, to protect its assets and to assure against material financial misstatement or omission. It is the responsibility of the Board to maintain the internal control systems of the Group. During the year under review, the Board has conducted a review of the effectiveness of internal control systems of the Group which has covered the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function and their training programmes and budget. The Board satisfied that they were in compliance with the Group's policies.



WHISTLEBLOWING POLICY

The Company has adopted a whistleblowing policy to facilitate the achieving of high possible standards of openness, probity and accountability. Procedures are formulated to assist individual employee to disclose internally and at a high level, information which the individual believes that it shows malpractice or impropriety within the Group. Such policy is available on the website of the Company.

EXTERNAL AUDITORS' REMUNERATION

During the year ended 31 March 2016, the remuneration paid/payable to the Company's external auditors, HLB Hodgson Impey Cheng Limited ("**HLB**"), in respect of audit services and other services is set out as follows which has been reviewed and approved by the Audit Committee based on the scopes of their works:

Services rendered for the Group	Approximate fees paid/payable to HLB HK$'000
Audit services	1,100
Other services	963
Total	2,063

CORPORATE SOCIAL RESPONSIBILITY

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

SHAREHOLDERS ENGAGEMENT AND COMMUNICATIONS

Shareholder Engagement

Any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

Pursuant to bye-law 58 of the bye-laws of the Company, a SGM shall be convened on requisition, as provided by the Companies Act 1981 of Bermuda (the "**Companies Act**"), and, in default, may be convened by the requisitionists.

Pursuant to bye-law 59 of the bye-laws of the Company, a SGM may be called by notice in writing of not less than fourteen clear days and not less than ten clear business days.

The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Section 74 of the Companies Act once a valid requisition is received.

Shareholders Communication

Shareholders may send written enquiries, either by post, by facsimiles or by email, together with his/her contact details, such as postal address, email or fax number, via the following channels:

For corporate affairs:

Address: Easy One Financial Group Limited
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Telephone: (852) 2312 8329
Fax: (852) 2312 8148
Email: enquiry@easyonefg.com

For shareholding or entitlement affairs:

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

The Company encourages its shareholders to participate in the Company's annual general meetings and/or other general meetings, at which the Directors are on hand to answer questions raised by the shareholders on the Company's business operations.

CONSTITUTIONAL DOCUMENT

There was no significant change in the memorandum of continuance and bye-laws of the Company during the year ended 31 March 2016.

The memorandum of continuance and bye-laws of the Company are available on the websites of the Stock Exchange and the Company.

CONCLUSION

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

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

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the special general meeting of the Company held on 9 November 2015 and approved by the Registrar of Companies in Bermuda, the name of the Company has been changed from "PNG Resources Holdings Limited PNG 資源控股有限公司" to "Easy One Financial Group Limited 易易壹金融集團有限公司" with effect from 13 November 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries comprise the property development in the PRC and provision of finance in Hong Kong.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of the business and a discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the year under review and an indication of likely future development in the Group's business can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" (which form part of this report of the Directors) of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2016 and the state of affairs of the Company and of the Group at that date are set out in the consolidated financial statements on pages 43 to 133.

The Directors did not recommend the payment of any final dividend for the year ended 31 March 2016 (2015: Nil). No interim dividend was paid to the shareholders of the Company during the year under review (2014: Nil).

SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 March 2016 are set out in note 23 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTION

Details of movements in the share capital and share option of the Company during the year ended 31 March 2016, together with the reasons therefor, are set out in notes 37 and 38 to the consolidated financial statements.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the Company's audited consolidated financial statements and reclassified as appropriate, prepared on the basis set out therein is set out on pages 134 to 135 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY UNDER DEVELOPMENT AND PREPAID LEASE PAYMENTS

Details of movements in property under development and prepaid lease payments of the Group during the year ended 31 March 2016 are set out in notes 17 and 18 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 March 2016 are set out in note 16 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year ended 31 March 2016 are set out in note 39 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2016, the Company's reserves available for distribution to equity holders of the Company, calculated in accordance with the Companies Act, amounted to approximately HK$504.2 million (2015: approximately HK$511.6 million).

DIRECTORS

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

Executive Directors:

Chan Chun Hong, Thomas
Cheung Wai Kai
Stephanie (appointed on 31 May 2016)
Wong Yiu Hung, Gary (resigned on 10 July 2015)

Independent Non-executive Directors:

Sin Ka Man
Yuen Kam Ho, George
Cheung Sau Wah, Joseph

In accordance with bye-law 83 of the bye-laws of the Company, Ms. Stephanie who was appointed as an executive Director with effect from 31 May 2016 will hold office only until the forthcoming annual general meeting and will then be eligible for re-election.

In accordance with bye-law 84 of the bye-laws of the Company, Mr. Sin Ka Man and Mr. Cheung Sau Wah, Joseph will retire at the forthcoming annual general meeting by rotation and, being eligible, offer themselves for re-election.

All of the independent non-executive Directors are appointed for a term of three years and are subject to retirement by rotation in accordance with the Company's bye-laws. The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the existing independent non-executive Directors to be independent as at the date of this annual report.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 17 to 19 of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

CHANGE IN INFORMATION OF DIRECTOR

The change in the information of Director since the publication of the 2015 Interim Report is set out below pursuant to Rule 13.51B(1) of the Listing Rules:

Mr. Chan Chun Hong, Thomas is the non-executive chairman of Wang On Properties Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 12 April 2016.

PERMITTED INDEMNITY

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year under review. The Company has taken out and maintained appropriate insurance coverage in respect of potential legal actions against its Directors and officers.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with him/her had a material interest, whether directly or indirectly, subsisted during or at the end of the year under review.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

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

As at 31 March 2016, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers.

SHARE OPTION SCHEME

On 21 August 2012, the Company terminated the old share option scheme adopted on 8 October 2002 and adopted a new share option scheme (the "**Share Option Scheme**") in compliance with Chapter 17 of the Listing Rules. The Share Option Scheme became effective on 21 August 2012 and, unless otherwise cancelled or amended, will remain in force for a period of 10 years from that date. During the year under review, no share options remained outstanding and no share options were granted, exercised, lapsed and cancelled.

As at the date of this annual report, the total number of shares available for issue under the Share Option Scheme was 76,915,000, representing approximately 1.66% of the total issued share capital of the Company.

Other details of the Share Option Scheme are set out in note 38 to the consolidated financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" as set out above and in note 38 to the consolidated financial statements, at no time during the year ended 31 March 2016 were rights to acquire benefits by means of the acquisition of shares in, or debentures of, the Company granted to any Director or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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

To the best of the Directors' knowledge, as at 31 March 2016, the following person (other than the Directors or the chief executive of the Company) had, or was deemed or taken to have, interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange pursuant to section 336 of the SFO or, who had notified the Company of relevant interests or short positions in the shares and underlying shares of the Company.

Long positions in the shares of the Company:

Name of shareholder	**Capacity**	**Number of shares**	**Approximate percentage of the Company's total issued share capital** *(Note 2)* %
Wai Yuen Tong Medicine Holdings Limited ("**WYT**") *(Note 1)*	Interests of controlled corporation	1,324,186,250	28.51

Notes:

(1) Hearty Limited and Suntech Investments Limited held 1,312,342,250 shares of the Company and 11,844,000 shares of the Company, respectively. Both companies were wholly-owned subsidiaries of Total Smart Investments Limited which was an indirect wholly-owned subsidiary of WYT.

(2) The percentage stated represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms.

Save as disclosed above, as at 31 March 2016, there were no other persons (other than the Directors or the chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

EMOLUMENT POLICY

The employees of the Group and the Directors are remunerated based on their work performance, work and professional experiences and the prevailing industry practice. The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme and pays retirement contribution in accordance with the statutory requirements for our PRC employees. Particulars of these retirement schemes are set out in note 2 to the consolidated financial statements.

The Company has also adopted the Share Option Scheme as an incentive to the Directors and eligible employees. Details of the Share Option Scheme are set out in note 38 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, the turnover from the largest customer accounted for less than 3% of the Group's revenue. During the year under review, sales and purchases to the Group's five largest customers and suppliers accounted for less than 6% and 95% of the total revenue and purchases for the year respectively. In addition, the Group made approximately 41% of its total purchases from its largest supplier.

At no time during the year under review did a Director or any of their close associates or any shareholder of the Company, which to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers and suppliers.

DONATIONS

During the year under review, the Group made no charitable and other donation (2015: HK$1.3 million).

PRE-EMPTIVE RIGHTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Chan Chun Hong, Thomas, an executive director of Wang On Group Limited which principal businesses include, inter alia, money lending, was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group. Save as disclosed above, during the year ended 31 March 2016 and up to the date of this annual report, no Director was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses of which the Directors were appointed as Directors to represent the interests of the Company and/or the Group.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Information on corporate governance principles and practices adopted by the Company and any deviation to the code provisions of the CG Code during the year under review is set out in the Corporate Governance Report on pages 20 to 32 of this annual report.

CONNECTED TRANSACTION

Disposal of Greatest Wealth Limited ("**Greatest Wealth**")

On 16 March 2016, the Company announced that, All Access Limited, an indirect wholly-owned subsidiary of the Company, and Easy Verse Limited, an indirect wholly-owned subsidiary of Wang On Group Limited ("**WOG**", a company ultimately controlled by Mr. Tang Ching Ho, the brother-in-law of Mr. Cheung Wai Kai, an executive Director, WOG is thus a deemed connected person of the Company as defined in the Listing Rules) entered into an agreement dated 16 March 2016 (the "**Disposal Agreement**"), pursuant to which Easy Verse Limited agreed to acquire and All Access Limited agreed to sell all the shares held by it in Greatest Wealth, representing the entire issued share capital of Greatest Wealth as at the date of the Disposal Agreement and assign a shareholder's loan for an aggregate consideration of HK$9,000,000. Greatest Wealth held the fresh pork and related produce business of the Group. Details of the connected transaction were disclosed in the announcement of the Company dated 16 March 2016.

CONTINUING CONNECTED TRANSACTIONS

Framework Agreement for the licensing of Market Stalls for the Fresh Pork and Related Produce Business

On 28 August 2015, the Company announced that, the Company and WOG entered into a framework agreement dated 28 August 2015 (the "**Framework Agreement**") to continue the licensing of market stalls from WOG and its subsidiaries to the Group for a term of three years commencing from 1 April 2015 and ending on 31 March 2018, under which the transactions contemplated constitute continuing connected transactions of the Company. Upon the completion of the Disposal Agreement took place on 16 March 2016, the continuing connected transactions contemplated under the Framework Agreement were ceased. Details of the disposal were disclosed in the announcement of the Company dated 16 March 2016. Pursuant to the Framework Agreement, the cap amounts of the total contract value for the licensing of the market stalls under the Framework Agreement during the financial year ended 31 March 2016 and the two financial years ending 31 March 2017 and 2018 are as follows:

	For the financial year ended 31 March 2016 HK$	**For the financial year ending 31 March 2017** HK$	**For the financial year ending 31 March 2018** HK$
Cap amounts of the total contract value for the licensing of the market stalls under the Framework Agreement	9,000,000	9,500,000	9,900,000

The independent non-executive Directors have confirmed to the Board that they have reviewed the non-exempt continuing connected transactions and are of the view that:

(a) those transactions were conducted in the ordinary and usual course of business of the Group;

(b) those transactions were entered into on normal commercial terms, or if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, then in relation to the Group, those transactions were on terms no less favorable than the terms available to or from (as the case may be) independent third parties; and

(c) those transactions were conducted in accordance with the relevant agreement governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company were engaged to report on the Company's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their conclusions in respect of the above-mentioned continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules, indicating that:

(a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;

(b) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(c) with respect to the aggregate amount of the continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the maximum aggregate annual value disclosed in the previous announcements made by the Company in respect of each of the disclosed continuing connected transactions.

Certain related party transactions as disclosed in note 42 to the consolidated financial statements prepared under Hong Kong Financial Reporting Standards also constituted connected transactions under the Listing Rules required to be disclosed in accordance with Chapter 14A of the Listing Rule. The Company has complied with the applicable requirements of Chapter 14A of the Listing Rules in respect of the above non-exempted connected transactions or continuing connected transactions.

As far as the transactions set out in note 42 to the consolidated financial statements under the heading of "Material Related Party Transactions" are concerned, the transactions as set out in note 42(i) and 42(ii) did not constitute connected transactions of the Company under the Listing Rules. The transactions as set out in note 42(iii) were connected transactions exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The transactions as set out in note 42(iv) were non-exempted continuing connected transactions as disclosed on page 38 of the annual report. The transactions set out in note 42(v) were the remuneration of the Directors as determined pursuant to the service contracts which were connected transactions exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules and the remuneration of management which did not constitute connected transactions of the Company under the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

Pursuant to a subscription agreement dated 4 October 2014 entered into between Peony Finance Limited ("**Peony Finance**"), an indirect wholly-owned subsidiary of the Company and CAP, Peony Finance subscribed a bond of HK$150 million for a term of 5 years with the interest rate of 10% per annum (the "**Bonds**"). The subscription was completed on 28 November 2014. Details of the Bonds were disclosed in the announcements of the Company dated 4 October 2014, 10 November 2014 and 28 November 2014 and the circular of the Company dated 24 October 2014. The Group advanced an aggregate amount of HK$150 million to CAP under the Bonds which remained outstanding as at the end of the reporting period.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of not less than 25% of the total issued share capital of the Company as required under the Listing Rules throughout the year ended 31 March 2016 and up to the date of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events of the Group occurring after the reporting period of the Group are set out in note 48 to the consolidated financial statements.

AUDITORS

The financial statements for the year ended 31 March 2016 were audited by HLB Hodgson Impey Cheng Limited, whose term of office will expire upon the forthcoming annual general meeting. A resolution to re-appoint HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chan Chun Hong, Thomas
Chairman and Managing Director

Hong Kong, 8 June 2016

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

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

TO THE SHAREHOLDERS OF
EASY ONE FINANCIAL GROUP LIMITED
(FORMERLY KNOWN AS PNG RESOURCES HOLDINGS LIMITED)
(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

We have audited the consolidated financial statements of Easy One Financial Group Limited (Formerly known as PNG Resources Holdings Limited) (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 43 to 133, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

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

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Wong Sze Wai, Basilia
Practising Certificate Number: P05806

Hong Kong, 8 June 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000 (Restated)
Continuing operations			
Revenue	6	**625,675**	1,123,991
Cost of sales		**(426,161)**	(726,841)
Gross profit		**199,514**	397,150
Other revenue	6	**38,412**	27,348
Selling and distribution expenses		**(15,032)**	(26,489)
Administrative expenses		**(62,837)**	(77,594)
Finance costs	9	**(11,502)**	(17,592)
Net (loss)/gain on financial assets at fair value through profit or loss	8	**(55,249)**	80,016
Loss on deemed disposal of interest in an associate		**(56,958)**	(89,573)
Share of results of an associate	19	**38,887**	(73,851)
Profit before taxation		**75,235**	219,415
Taxation	12	**(31,684)**	(78,210)
Profit for the year from continuing operations	7	**43,551**	141,205
Discontinued operation			
Profit for the year from discontinued operation	13	**8,558**	4,123
Profit for the year		**52,109**	145,328
Other comprehensive (loss)/income, net of tax			
Items that may be reclassified subsequent to profit or loss:			
Share of changes in other comprehensive loss in an associate		**(42,717)**	(15,500)
Reclassification adjustment on share of changes in other comprehensive income in an associate		**1,360**	(3,126)
Exchange differences on translation of financial statements of overseas subsidiaries		**(9,696)**	1,488
Change in fair value of available-for-sale financial assets		**2,728**	(18,565)
Other comprehensive loss for the year, net of tax		**(48,325)**	(35,703)
Total comprehensive income for the year		**3,784**	109,625

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000 (Restated)
Profit/(loss) for the year attributable to:			
— Owners of the Company		**52,227**	145,463
— Non-controlling interests		**(118)**	(135)
		52,109	145,328
Total comprehensive income/(loss) attributable to:			
— Owners of the Company		**3,902**	109,690
— Non-controlling interests		**(118)**	(65)
		3,784	109,625
Earnings per share attributable to owners of the Company			(Restated)
From continuing and discontinued operations			
— Basic and diluted	15	**HK1.67 cents**	HK12.80 cents
From continuing operations			
— Basic and diluted	15	**HK1.39 cents**	HK12.43 cents

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment	16	**6,450**	6,042
Property under development	17	**47,308**	48,585
Prepaid lease payments	18	**21,579**	35,269
Interest in an associate	19	**468,286**	285,842
Available-for-sale financial assets	20	**190,876**	127,836
Loan receivables	21	**100,000**	–
Intangible assets	22	**653**	–
		835,152	503,574
Current assets			
Stock of properties	24	**471,530**	702,569
Inventories	25	**–**	167
Trade receivables	26	**–**	22
Loan receivables	21	**89,500**	–
Prepayments, deposits and other receivables	27	**86,107**	172,089
Financial assets at fair value through profit or loss	28	**116,190**	154,512
Time deposits	29	**37,840**	121,436
Cash and bank balances	30	**361,403**	402,631
		1,162,570	1,553,426
Assets classified as held for sale	31	**–**	177,131
		1,162,570	1,730,557
Less: Current liabilities			
Trade payables	32	**–**	174
Deposits received, accruals and other payables	33	**195,889**	291,611
Receipts in advance		**338**	387,309
Tax payable		**68,748**	50,787
Bank loans	35	**144,955**	145,911
		409,930	875,792
Liabilities directly associated with assets classified as held for sale	31	**–**	58,863
		409,930	934,655
Net current assets		**752,640**	795,902
Total assets less current liabilities		**1,587,792**	1,299,476

Consolidated Statement of Financial Position

At 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
Less: Non-current liabilities			
Loans from non-controlling interests	34	**19,600**	–
Bank loans	35	**121,441**	202,294
		141,041	202,294
Net assets		**1,446,751**	1,097,182
Capital and reserves			
Share capital	37	**46,443**	11,070
Reserves		**1,400,421**	1,044,696
Equity attributable to owners of the Company		**1,446,864**	1,055,766
Non-controlling interests		**(113)**	41,416
Total equity		**1,446,751**	1,097,182

Approved by the Board of Directors on 8 June 2016 and signed on its behalf by:

Chan Chun Hong, Thomas
Director

Cheung Wai Kai
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2016

	Share capital HK$'000	Share premium HK$'000	Contribution surplus HK$'000	Exchange fluctuation reserve HK$'000	Other reserve HK$'000 (note i)	Revaluation reserve HK$'000	Statutory reserve fund HK$'000 (note ii)	Retained profits/ (accumulated losses) HK$'000	Attributable to owners of the Company HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2014	92,295	631,004	–	107,244	(4,240)	–	6,144	65,110	897,557	41,481	939,038
Profit/(loss) for the year	–	–	–	–	–	–	–	145,463	145,463	(135)	145,328
Other comprehensive income/(loss) for the year	–	–	–	(17,208)	–	(18,565)	–	–	(35,773)	70	(35,703)
Total comprehensive income/(loss) for the year	–	–	–	(17,208)	–	(18,565)	–	145,463	109,690	(65)	109,625
Placing of shares	1,840	57,960	–	–	–	–	–	–	59,800	–	59,800
Expenses incurred in connection with the placing of shares	–	(2,051)	–	–	–	–	–	–	(2,051)	–	(2,051)
Share premium cancellation	–	(631,004)	631,004	–	–	–	–	–	–	–	–
Capital reorganisation	(83,065)	–	83,065	–	–	–	–	–	–	–	–
Dividend paid	–	–	–	–	–	–	–	(9,230)	(9,230)	–	(9,230)
Transfer to statutory reserve fund	–	–	–	–	–	–	10,842	(10,842)	–	–	–
At 31 March 2015 and 1 April 2015	11,070	55,909	714,069	90,036	(4,240)	(18,565)	16,986	190,501	1,055,766	41,416	1,097,182
Profit/(loss) for the year	–	–	–	–	–	–	–	52,227	52,227	(118)	52,109
Other comprehensive income/(loss) for the year	–	–	–	(51,053)	–	2,728	–	–	(48,325)	–	(48,325)
Total comprehensive income/(loss) for the year	–	–	–	(51,053)	–	2,728	–	52,227	3,902	(118)	3,784
Placing of shares (note iii)	2,200	47,300	–	–	–	–	–	–	49,500	–	49,500
Expenses incurred in connection with the placing of shares	–	(1,292)	–	–	–	–	–	–	(1,292)	–	(1,292)
Rights issue (note iv)	33,173	315,151	–	–	–	–	–	–	348,324	–	348,324
Expenses incurred in connection with the rights issue	–	(9,644)	–	–	–	–	–	–	(9,644)	–	(9,644)
Release upon disposal of a subsidiary (note 40)	–	–	–	308	–	–	–	–	308	(41,416)	(41,108)
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	5	5
Transfer to statutory reserve fund	–	–	–	–	–	–	11,444	(11,444)	–	–	–
At 31 March 2016	**46,443**	**407,424**	**714,069**	**39,291**	**(4,240)**	**(15,837)**	**28,430**	**231,284**	**1,446,864**	**(113)**	**1,446,751**

Note:

(i) Other reserve represents the share of the changes in the associate's ownership interests during the year 2012.

(ii) According to the relevant People's Republic of China (the "**PRC**") regulations applicable to the PRC group companies are foreign investment enterprises, each of these subsidiaries is required to allocate a certain portion (not less than 10%) of its profit after tax, as determined in accordance with the PRC Accounting Regulations, to the statutory reserve fund until such reserve reaches 50% of its registered capital.

(iii) On 14 April 2015, the Company entered into a placing agreement with the placing agent to place a total of 220,000,000 shares of HK$0.225 per share. The placing of shares was completed on 30 April 2015.

(iv) On 28 May 2015, the Company entered into an underwriting agreement with the underwriter to issue 3,317,375,000 rights shares of HK$0.168 per rights share, on the basis of five rights shares for every two existing shares held on 23 July 2015. On 10 July 2015, the Company entered into a supplemental agreement to the underwriting agreement with the underwriter to change the subscription price to HK$0.105 per rights share. Upon satisfaction of the conditions of the rights issues, 3,317,375,000 rights shares were issued on 22 September 2015.

The accompanying notes form an integral part of these consolidated financial statements.

	Notes	2016 HK$'000	2015 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation			
Continuing operations		**75,235**	219,415
Discontinued operation		**7,608**	4,959
Adjustments for:			
Depreciation of owned property, plant and equipment	16	**2,645**	2,008
Net loss on disposal of property, plant and equipment	7	**101**	16
Share of results of an associate	19	**(38,887)**	73,851
Dividend income	6	**(2,507)**	(688)
Interest income		**(23,963)**	(23,805)
Finance costs	9	**11,502**	17,592
Net loss /(gain) on financial assets at fair value through profit or loss	8	**55,249**	(80,016)
Loss on deemed disposal of interest in an associate		**56,958**	89,573
Gain on disposal of subsidiaries	40	**(5,625)**	(772)
Operating profit before working capital changes		**138,316**	302,133
Increase in inventories		**(14)**	(58)
Decrease in stock of properties		**425,528**	577,917
Increase in trade receivables		**(10)**	(1)
Increase in loan receivables		**(89,500)**	—
Decrease/(increase) in prepayments, deposits and other receivables		**12,441**	(32,377)
Decrease in trade payables		**(174)**	(396)
Increase in financial assets at fair value through profit or loss		**(16,927)**	(7,817)
(Decrease)/increase in deposits received, accruals and other payables		**(20,797)**	31,302
Decrease in receipts in advance		**(362,469)**	(275,004)
Cash generated from operations		**86,394**	595,699
The PRC corporate income tax paid		**(15,781)**	(38,606)
Hong Kong profits tax paid		**(276)**	(203)
Net cash generated from operating activities		**70,337**	556,890

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**32,828**	28,185
Dividend income received		**2,507**	688
Dividend paid		**–**	(9,230)
Purchase of property, plant and equipment		**(4,357)**	(3,673)
Property under development paid		**(190,452)**	(499,994)
Investment in an associate	19	**(241,871)**	–
Loan to an associate		**(100,000)**	–
Purchase of intangible assets		**(640)**	–
Capital injection from non-controlling interest		**5**	–
Net proceeds from disposal of subsidiaries		**42,744**	985
Repayment of loan to an associate		**–**	50,000
Purchase of available-for-sales financial assets		**(59,685)**	–
Net cash used in investing activities		**(518,921)**	(433,039)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(19,549)**	(64,672)
Repayment of interest-bearing loans from an immediate holding company		**–**	(200,000)
Repayment of interest-bearing loans from a related company		**–**	(107,640)
Placing of shares		**48,208**	57,750
Proceeds from rights issue		**338,680**	–
Proceeds from loans from non-controlling interests		**19,600**	–
Proceeds from interest-bearing bank loans		**22,528**	239,325
Repayment of interest-bearing bank loans		**(94,235)**	(90,827)
Net cash generated from/(used in) financing activities		**315,232**	(166,064)

	Notes	2016 HK$'000	2015 HK$'000
Net decrease in cash and cash equivalents		**(133,352)**	(42,213)
Cash and cash equivalents at the beginning of the year		**524,163**	564,891
Effects of exchange rate changes on the balance of cash held in foreign currencies		**8,432**	1,485
Cash and cash equivalents at the end of the year		**399,243**	524,163
Analysis of the balances of cash and cash equivalents			
Cash and bank balances		**361,403**	402,631
Time deposits		**37,840**	121,436
		399,243	524,067
Cash and bank balances included in assets classified as held for sale	31	**–**	96
		399,243	524,163

The accompanying notes form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

Easy One Financial Group Limited (Formerly known as PNG Resources Holdings Limited) (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. On 31 July 2014, the Company has been deregistered in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the laws of Bermuda. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The principal place of business of the Company in Hong Kong is located at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong. The principal activity of the Company is investment holding. The principal activities of its subsidiaries comprise the property development in the PRC and provision of finance in Hong Kong.

Pursuant to a special resolution passed at the special general meeting of the Company held on 9 November 2015 and approved by the Registrars of Companies in Bermuda, the name of the Company was changed from "PNG Resources Holdings Limited PNG資源控股有限公司" to "Easy One Financial Group Limited 易易壹金融集團有限公司" with effect from 13 November 2015. The new name was confirmed by the Registrar of Companies in Hong Kong on 1 December 2015 under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which also include Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure requirements of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumption that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustments in the next year are discussed in Note 3 to the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The provisions of the new Hong Kong Companies Ordinance ("**CO**") (Cap. 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 March 2016. Further, the disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 March 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 March 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

Application of new and revised HKFRSs

In the current year, the Group has applied for the first time, the following new and revised standards, amendments and interpretations ("**new HKFRSs**") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 April 2015.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior year/period and/or on the disclosures set out in these consolidated financial statements.

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after 1 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

HKFRS 9 Financial Instruments

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

Key requirements of HKFRS 9:

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

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

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported and disclosures made in respect of the Group's financial assets. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until a detailed review has been completed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

HKFRS 15 Revenue from Contracts with Customers

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

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

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

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

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

HKFRS 16 Leases

The new standard specifies how an entity to recognise, measure, present and disclose leases. HKFRS 16 requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance with HKFRS 16's approach to lessor accounting substantially unchanged from its predecessor HKAS 17.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors of the Company are currently assessing the possible impact of the above new or revised standards on the Group's results and financial position in the first year of application. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies or financial statements. Other new or revised HKFRSs that have been issued but are not yet effective are unlikely to have material impact on the Group's financial statements upon application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Except as described above, the Directors do not anticipate that the application of other new and revised HKFRSs will have a material effect on the amounts recognised in the Group's consolidated financial statements.

A summary of significant accounting policies adopted by the Group in the preparation of the consolidated financial statements is set out below:

New disclosure requirements of Hong Kong Companies Ordinance relating to the preparation of the consolidated financial statements

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

Basis of preparation

The measurement basis used in the preparation of the consolidated financial statements is historical cost convention except for financial instrument which have been carried at fair value as explained below.

The consolidated financial statements are presented in Hong Kong dollars (HK$), which is the same as the functional currency of the Company.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) for the year ended 31 March 2016. Control is achieved where the Company:

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

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

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

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

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

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation *(continued)*

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combinations *(continued)*

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the Group are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combinations *(continued)*

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

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

Subsidiaries

A subsidiary is an entity whose financial and operating policies under the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Interest in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Interest in associates *(continued)*

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Acquisition or deemed acquisition of additional interests in associates

On acquisition or deemed acquisition of additional interests in associates, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of that associate attributable to the additional interests obtained is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities attributable to the additional interests obtained over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Disposal or deemed disposal of partial interests in associates

On disposal or deemed disposal of partial interests in associates without losing significant influence, the difference between the carrying values of the underlying assets and liabilities attributable to the interests disposed of, or deemed to be disposed of and the consideration received, if any, is credited or charged to the profit or loss as gain/loss on disposal or deemed disposal of interests in associates. In addition, the Group reclassifies to profit or loss in relation to the partial interests disposed of a proportionate amount of the gain or loss previously recognised in other comprehensive income if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Goodwill

Goodwill arising on an acquisition of a business represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant business or jointly-controlled entity at the date of the acquisition. Such goodwill is carried at cost less any accumulated impairment losses, if any.

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

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

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

Plantation assets

Plantation assets comprise forest timber in Papua New Guinea. Plantation assets are stated at fair value less costs to sell at the end of each reporting period and the gain or loss from changes in the fair value less costs to sell of the plantation assets is recognised in the period in which it arises. Costs to sell include all costs that would be necessary to sell the assets, excluding costs necessary to get the assets to market. The fair value of plantation assets is determined independently by professional valuers.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the assets to its location and working condition for its intended use. Expenses incurred after item of property, plant and equipment have been put into operation, such as repair and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that assets or as a replacement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment *(continued)*

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

Furniture, fixtures and equipment	10-33$^1/_3$%
Leasehold improvements	Over the lease terms
Motor vehicles	10-33$^1/_3$%
Machineries	20-33$^1/_3$%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

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

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

Properties under development

Properties under development classified as non-current assets when the construction of the relevant properties commences and the construction period of relevant property development project is expected to complete beyond normal operating cycle.

Development cost of properties under development comprise leasehold land, construction costs and interest costs capitalised for qualifying assets and professional fees incurred during the development period, less any write downs to net realisable value.

The leasehold land are in the course of development, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of properties under development.

When the construction of relevant property development project is expected to complete within one year, the properties under development are transferred to stock of properties.

Interest in leasehold land

Interest in leasehold land represents prepaid lease payment made for leasehold land. Interest in leasehold land is stated at cost less subsequent accumulated amortisation and any accumulated impairment losses. The cost of interest in leasehold land are amortised on a straight-line basis over the shorter of relevant interest in leasehold land or the operation period of the relevant company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of non-financial assets (other than goodwill)

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

Stock of properties

Stock of properties comprise of properties under development and completed properties held for sale, which are held for trading is stated at the lower of cost and net realisable value. On completion, the properties under development are transferred to completed properties held for sale.

Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less applicable variable selling expenses, or by management estimates based on the prevailing market condition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

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

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

Financial assets

The Group's financial assets are classified into the following specified categories, including financial assets at fair value through profit or loss ("**FVTPL**"), loans and receivables and available-for-sales financial assets ("**AFS**"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Financial assets at FVTPL *(continued)*

A financial asset other than a financial asset held for trading may be designed as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other revenue" line item in the consolidated statement of profit or loss.

Loans and receivables

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

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

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sales or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at the fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets

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

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

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets (continued)

Impairment of financial assets *(continued)*

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments (continued)

Financial liabilities at FVTPL *(continued)*

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "other gains and losses" line item in the consolidated statement of profit or loss.

Other financial liabilities

Other financial liabilities (including trade payables, accruals and other payables, bank loans, loans from non-controlling interests) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Derecognition

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in the other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all cost of purchase and, where applicable, other cost those has been incurred in bringing the inventories to their present location and condition, is determined on a first-in-first-out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

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

For the purpose of the consolidated statement of financial position, cash and bank balances comprise cash on hand and at banks.

Provisions and contingent liabilities

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

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation.

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 of economic benefit 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 of economic benefits is remote.

Income tax

Income tax for the year comprises current tax and deferred tax. Income tax is recognised in the consolidated statement of profit or loss or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

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

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

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

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

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

- interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

- Interest income from loan receivables is recognised and accrued using the effective interest method. When a loan and receivables is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted of the original effective interest rate of the instrument and continues the discount as interest income.

- dividend income from investments is recognised when the shareholder's right to receive payment has been established.

- revenue from sale of completed properties is recognised when the risks and rewards of properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers and collectability of related receivables is reasonably assured. Deposits and installments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position as receipt in advance from customers under current liabilities.

Leases

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

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee benefits

Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following year. No accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward as the amount is immaterial.

Retirement benefits scheme

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

The employees of the Group's subsidiaries which operate in mainland China are required to participate in a central pension scheme operated by the local municipal government. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Share options scheme

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting periods, taking into account the probability that the options will vest.

During the vesting periods, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the consolidated statement of profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expenses is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to achieving conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed in the consolidated statement of profit or loss in the period in which they are incurred.

Related parties transactions

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

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

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

(b) has significant influence over the Group; or

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

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

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

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

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

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

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

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

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

(h) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related parties transactions *(continued)*

Close family members of an individual are those family members who may be expected to influence, or be inflecting by, that person in their dealings with the entity.

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

Current assets and current liabilities

Current assets are expected to be realised within twelve months of the date of the reporting period or in the normal course of the Group's operating cycle. Current liabilities are expected to be settled within twelve months of the date of the reporting period or in the normal course of the Group's operating cycle.

Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

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

Segment reporting

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

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

Financial guarantee contracts

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group to the banks for property purchasers and to certain subsidiaries of the Company.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initially recognition, such liabilities are measured at the higher of the present value of the best estimate of expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation of fees recognised in accordance with HKAS 18.

Financial guarantee liabilities are derecognised from the consolidated statement of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-current assets held for sale *(continued)*

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint control over the joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with HKAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives or estimated unit of production. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful life carried at cost less accumulated impairment loss.

Intangible assets acquired in a business combination

Intangible assets that are acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their costs).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition

The Group has recognised revenue from the sale of stock of properties as disclosed in Note 6. The assessment of when an entity has transferred the significant risks and rewards of ownership to buyers requires the examination of the circumstances of the transaction. In most cases, the transfer of risks and rewards of ownership coincides with the date when the equitable interest in the property vests with the buyer upon release of the respective property to the buyer.

As disclosed in Note 47 to the consolidated financial statements, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will normally be discharged upon issuance of the real estate ownership certificate which are generally be available within three months after the purchasers take possession of the relevant properties. In order to obtain mortgages, the purchasers would have settled no less than 30% of the total contract amount in accordance with related PRC regulations upon signing the sales contract. The directors of the Company are of the opinion that such settlements provide sufficient evidence of the purchasers' commitment to honour contractual obligation of the bank loans. Further disclosed in Note 4(b) to the consolidated financial statements, the credit risk of the Group under the circumstance that a purchaser defaults on the payment of its mortgage during the term of the guarantee is very low. Accordingly, the directors believe that significant risks and rewards associated to the ownership of the properties have been transferred to the purchasers.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Critical judgements in applying accounting policies *(continued)*

Impairment of trade and loan receivables

The aged debt profile of trade and loan debtors is reviewed on a regular basis to ensure that the trade and loan debtor balances are collectible and follow up actions are promptly carried out if the agreed credit periods have been exceeded. However from time to time, the Group may experience delays in collection. Where recoverability of trade and loan debtor balances are called into doubts, specific provisions for trade and loan receivable are made based on credit status of the customers, the aged analysis of the trade and loan receivable balances and write-off history. Certain receivables may be initially identified as collectible, yet subsequently become uncollectible and result in a subsequent write-off of the related receivable to the consolidated statement of comprehensive income. Changes in the collectability of trade and loan receivables for which provision are not made could affect the results of operations.

Key sources of estimation uncertainty

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

Impairment of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment in order to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, as well as technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid. The Group tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash-generating unit is determined based on value in use calculations which require the use of assumptions and estimates.

Impairment loss on available-for-sale investments

In determining whether there is objective evidence of impairment in relation to the Group's available-for-sale investments financial instrument, the Group takes into consideration significant or prolonged decline in the market prices below the respective costs. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in the consolidated statement of profit or loss.

Estimates for net realisable value of properties under development and properties held for sale

The Group assesses the carrying amounts of properties under development and properties held for sale according to their net realisable value based on the reliability of these properties. Net realisable value for properties under development is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses and the anticipated costs to completion (including land cost). Net realisable value for properties held for sale is determined by reference to management's estimates of the selling price based on prevailing market condition, less applicable variable selling expenses. Based on management's best estimates, there is no material impairment for properties under development and properties held for sale at 31 March 2016.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Key sources of estimation uncertainty *(continued)*

Income tax

The Group is subject to income taxes in Hong Kong and mainland China. Significant judgement is 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. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. 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.

PRC land appreciation taxes

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including sales charges, borrowing costs and all property development expenditures.

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its land appreciation taxes calculation and payments with any local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation taxes. The Group recognised these land appreciation taxes based on management's best estimates according to the interpretation of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and tax provisions in the periods in which such taxes have been finalised with local tax authorities.

Fair value measurements and valuation processes

Some of the Group's assets are measured at fair value for financial reporting purposes. The management determine the approximate valuation techniques and inputs for fair value measurements. The valuation is performed at the end of the reporting period. Where there is material change in the fair value of the assets, the cause of the fluctuation will be reported to the management of the Group.

In estimating the fair value of an asset, the Group uses market-observable data to the extent they are available. When Level 1 inputs are not available, the Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of financial instruments. Detailed information about the valuation techniques and inputs used in the determination of the fair value of financial assets is disclosed in Note 4(c).

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

The Group	2016 HK$'000	2015 HK$'000
Financial assets:		
Fair value through profit or loss		
— Held for trading	**116,190**	154,512
Loans and receivables (including cash and cash equivalents)	**600,157**	589,276
Available-for-sale financial assets	**190,876**	127,836
Financial liabilities:		
Amortised cost	**387,032**	585,251

(b) Financial risk management objectives and policies

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

Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates, foreign currency exchange rates and equity prices.

Market risk exposures are measured by sensitivity analysis.

There has been no change to the Group's exposure to market risk or the manner in which it manages and measures the risk.

Interest rate risk management

The Group's interest rate risk arises from interest-bearing borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group did not enter into interest rate swap to hedge against its exposures to changes in fair values of the borrowings.

The Group's cash flow interest rate risk relates primarily to floating rate bank loans. It is the Group's policy to keep its bank borrowings at floating rate of interest so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's Hong Kong dollars denominated borrowings and prevailing market rates quoted by the PRC arising from the Group's Renminbi denominated borrowings.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

Interest rate risk management *(continued)*

Sensitivity analysis on floating rate bank loans

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate bank balances and borrowings at the end of the reporting period. The analysis is prepared assuming the bank balances and borrowings outstanding at the end of the reporting period were outstanding for the whole year.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

- net profit for the year ended 31 March 2016 would increase/decrease by approximately HK$1,066,000 (2015: approximately HK$879,000). This is mainly attributable to the Group's exposure to interest rates on its floating rate bank balances and borrowings.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Foreign exchange risk management

The Group operates in Hong Kong and the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi. Foreign exchange risk arises from the foreign currency denomination of commercial transactions, assets and liabilities. The Group has no significant direct exposure to foreign currencies as most of the commercial transactions, assets and liabilities are denominated in a currency same as the functional currency of each entity of the Group.

Other price risk

The Group is exposed to equity price risk through its investment in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risk and return profiles. The Group's equity price risk is mainly concentrated on equity securities in The Stock Exchange of Hong Kong Limited.

Sensitivity analysis on other price risk

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period. For sensitivity analysis purpose, the sensitivity rate is increased to 10% in the current year as a result of the volatile financial market.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Market risk (continued)

Other price risk *(continued)*

Sensitivity analysis on other price risk (continued)

If equity prices had been 10% higher/lower:

- net profit for the year ended 31 March 2016 would increase/decrease by approximately HK$11,619,000 (2015: approximately HK$15,451,000). This is mainly due to the changes in fair value of held-for-trading investments.

Credit risk

As at 31 March 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group has put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Group performs period credit evaluations of its customers. In addition, the Group reviews the recoverable amount of each individual trade debt and debt investments at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

Liquidity risk

The Group's liquidity risk management includes diversifying the funding sources. Internally generated cash flow, issuance of shares and interest-bearing bank loans during the year are the general source of funds to finance the operation of the Group. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities which are included in the maturity analysis provided internally to the key management personnel for the purpose of managing liquidity risk. For non-derivative financial liabilities, the table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(continued)*

(b) Financial risk management objectives and policies *(continued)*

Liquidity risk (continued)

At 31 March 2016

	Weighted average effective interest rate %	On demand or within 1 year HK$'000	2 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities					
Trade and other payables	–	(195,889)	–	(195,889)	(195,889)
Loans from non-controlling interests	–	–	(19,600)	(19,600)	(19,600)
Bank loans	6.74	(162,665)	(138,453)	(301,118)	(266,396)
		(358,554)	(158,053)	(516,607)	(481,885)

At 31 March 2015

	Weighted average effective interest rate %	On demand or within 1 year HK$'000	2 to 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities					
Trade and other payables	–	(237,046)	–	(237,046)	(237,046)
Bank loans	7.06	(167,052)	(248,894)	(415,946)	(348,205)
		(404,098)	(248,894)	(652,992)	(585,251)

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(continued)*

(c) Fair value of financial instruments

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

(i) the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid and ask prices respectively;

(ii) the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models (e.g. discounted cash flow analysis using observable and/or unobservable inputs); and

(iii) the fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

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

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

The note below provide information about how the Group determines fair value of various financial assets.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(continued)*

(c) Fair value of financial instruments *(continued)*

Fair value of the Group's financial assets that are measured at fair value on recurring basis

The following table gives information about how the fair value of these financial assets are determined in particular, the valuation technique and input used.

	Fair value as at 31 March		Fair value hierarchy	Valuation techniques and key inputs
	2016 HK$'000	2015 HK$'000		
Financial assets				
Held for trading — listed equity securities	**112,848**	150,963	level 1	Quoted bid price in an active market
Held for trading — unlisted bond fund	**3,342**	3,549	level 1	Indicative market price provided by financial institutions
Available-for-sale — unlisted bonds	**139,900**	127,836	level 3	Discount for credit risk of approximately 11.57% (2015: 14.06%) determined stream of future cash flow discounted to present value
Available-for-sale — listed equity securities	**50,976**	—	level 1	Quoted bid price in an active market

Note: An increase in the discount for credit risk by 1% used in isolation would result in approximately 3% decrease in fair value measurement of the unlisted bonds, and vice versa.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(continued)*

(c) Fair value of financial instruments *(continued)*

	31 March 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
Financial assets				
Held for trading				
— listed equity securities	**112,848**	**–**	**–**	**112,848**
— unlisted bond fund	**3,342**	**–**	**–**	**3,342**
Available-for-sale				
— unlisted bonds	**–**	**–**	**139,900**	**139,900**
— listed equity securities	**50,976**	**–**	**–**	**50,976**
Total	**167,166**	**–**	**139,900**	**307,066**

	31 March 2015			
	Level 1	Level 2	Level 3	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Financial assets				
Held for trading				
— listed equity securities	150,963	–	–	150,963
— unlisted bond fund	3,549	–	–	3,549
Available-for-sale				
— unlisted bonds	–	–	127,836	127,836
Total	154,512	–	127,836	282,348

There were no transfers between Level 1 and 2 in both years.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(continued)*

(c) Fair value of financial instruments *(continued)*

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

	HK$'000
Available-for-sales	
At 1 April 2014	–
Additions	146,250
Total gains in profit or loss	151
Total losses in other comprehensive income	(18,565)
At 31 March 2015 and 1 April 2015	127,836
Total gains in profit or loss	627
Total gain in other comprehensive income	11,437
At 31 March 2016	**139,900**

There were no transfers between Level 1 and 2 and no transfers into or out of Level 3 in both years.

(d) Capital risk management

The Group's objectives when managing capital are to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt (i.e. bank loans and loans from non-controlling interests) (2015: bank loans) and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

4. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT *(continued)*

(d) Capital risk management *(continued)*

Gearing ratio

The directors review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The ratio is calculated based on net debt and total equity.

The gearing ratio at the end of the reporting period was as follows:

	2016 HK$'000	2015 HK$'000
Total debt #	**285,996**	348,205
Less: Time deposits	**(37,840)**	(121,436)
Cash and bank balances	**(361,403)**	(402,727)
Net debt	**(113,247)**	(175,958)
Total equity	**1,446,751**	1,097,182
Gearing ratio	**N/A**	N/A

Total debt comprises bank loans and loans from non-controlling interests as detailed in Notes 34 and 35 to the consolidated financial statements respectively.

5. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group operating and reportable segment under HKFRS 8 is therefore as follows:

— Property development operation

— Provision of finance business operation

Sales of fresh pork and related produce operation was discontinued during the year ended 31 March 2016. Forestry and logging operation was discontinued during the year ended 31 March 2015 and the disposal was completed during the year ended 31 March 2016. The segment information reported below does not include any amounts for this discontinued operation, which are described in more detail in Note 13 to the consolidated financial statements.

5. SEGMENT INFORMATION *(continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

2016

	Provision of finance operation HK$'000	Property development operation HK$'000	Total HK$'000
Segment revenue	2,768	622,907	625,675
Segment results	(2,112)	151,439	149,327
Unallocated interest income and gains			24,143
Corporate and other unallocated expenses			(13,413)
Finance costs			(11,502)
Net loss on financial assets at FVTPL			(55,249)
Loss on deemed disposal of interest in an associate			(56,958)
Share of results of an associate			38,887
Profit before taxation			75,235

5. SEGMENT INFORMATION *(continued)*

Segment revenue and results *(continued)*

2015

	Property development operation HK$'000	Total HK$'000 (Restated)
Segment revenue	1,123,991	1,123,991
Segment results	313,417	313,417
Unallocated interest income and gains		21,312
Corporate and other unallocated expenses		(15,086)
Finance costs		(17,592)
Gain on disposal of subsidiary		772
Net gain on financial assets at FVTPL		80,016
Loss on deemed disposal of interest in an associate		(89,573)
Share of results of an associate		(73,851)
Profit before taxation		219,415

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2015: Nil).

Segment profit represents the profit earned by each segment without allocation of corporate expenses including directors' salaries, finance costs, loss on deemed disposal of interest in an associate, share of results of an associate, net (loss)/gain on financial assets at FVTPL and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

5. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities

	2016 HK$'000	2015 HK$'000
Segment assets		
Provision of finance operation	**142,542**	–
Property development	**737,768**	1,210,509
Total segment assets	**880,310**	1,210,509
Sales of fresh pork and related produce (discontinued)	**–**	7,038
Forestry and logging (discontinued)	**–**	177,131
Unallocated	**1,117,412**	839,453
Consolidated assets	**1,997,722**	2,234,131
Segment liabilities		
Provision of finance operation	**20,087**	–
Property development	**522,550**	996,908
Total segment liabilities	**542,637**	996,908
Sales of fresh pork and related produce (discontinued)	**–**	2,732
Forestry and logging (discontinued)	**–**	58,863
Unallocated	**8,334**	78,446
Consolidated liabilities	**550,971**	1,136,949

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than interest in an associate, financial assets at FVTPL, available-for-sale financial assets and corporate assets.
- all liabilities are allocated to reportable segments other than corporate liabilities.

5. SEGMENT INFORMATION *(continued)*

Other segment information

	Provision of finance operations 31 March		Property development 31 March		Unallocated 31 March		Total 31 March	
	2016 HK$'000	2015 HK$'000	**2016 HK$'000**	2015 HK$'000 (Restated)	**2016 HK$'000**	2015 HK$'000 (Restated)	**2016 HK$'000**	2015 HK$'000 (Restated)
Depreciation and amortisation	**451**	–	**2,194**	1,770	**–**	–	**2,645**	1,770
Additions to non-current assets	**4,012**	–	**193,359**	207,526	**–**	–	**197,371**	207,526
Gain on disposal of subsidiary	**–**	–	**–**	–	**(5,625)**	(772)	**(5,625)**	(772)
Loss on deemed disposal of interest in an associate	**–**	–	**–**	–	**56,958**	89,573	**56,958**	89,573
Loss on disposal of property, plant and equipment	**–**	–	**–**	–	**101**	16	**101**	16
Net loss/(gain) on financial assets at fair value through profit or loss	**–**	–	**–**	–	**55,249**	(80,016)	**55,249**	(80,016)

5. SEGMENT INFORMATION *(continued)*

Revenue from major products and services

The Group's revenue from its major products and services were as follows:

	2016 HK$'000	2015 HK$'000 (Restated)
Segment revenue		
Property development	622,907	1,123,991
Loan interest income	2,768	—
	625,675	1,123,991

Geographical information

The Group operates in two principal geographical areas — mainland China and Hong Kong.

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

	Revenue from external customers Year ended		Non-current assets* As at	
	31 March 2016 HK$'000	31 March 2015 HK$'000 (Restated)	31 March 2016 HK$'000	31 March 2015 HK$'000
Mainland China	622,907	1,123,991	72,428	88,822
Hong Kong	2,768	—	2,909	—
	625,675	1,123,991	75,337	88,822

* Non-current assets exclude those relating to the interest in an associate, available-for-sale financial assets, loan receivables and intangible assets at 31 March 2016 (2015: exclude interest in an associate and available-for-sale financial assets).

Information about major customers

During the years ended 31 March 2016 and 2015, no single customer of the Group contributed 10% or more to the Group's revenue.

6. REVENUE AND OTHER REVENUE

Revenue represents the interest income earned and stock of properties sold, after allowances for returns and trade discounts. All significant intra-group transactions have been eliminated on consolidation.

An analysis of the Group's revenue and other revenue for the year is as follows:

	2016 HK$'000	2015 HK$'000 (Restated)
Continuing operations		
Revenue		
Sales of stock of properties	622,907	1,123,991
Interest income earned	2,768	—
	625,675	1,123,991
Other revenue		
Interest income on bank deposits	3,042	4,035
Interest income on an interest-bearing loan to an associate	5,261	14,526
Interest income on unlisted bonds	15,660	5,244
Dividend income on listed securities	2,507	688
Rental income	11,712	545
Gain on disposal of subsidiary (Note 40)	—	772
Sundry income	230	1,538
	38,412	27,348

Other revenue from financial assets are analysed as follows:

	2016 HK$'000	2015 HK$'000
Loans and receivables (including cash and bank balances)	8,303	18,561
Available-for-sale financial assets	15,660	5,244
Dividend income from FVTPL	2,507	688
	26,470	24,493

7. PROFIT FOR THE YEAR

Operating profit from continuing operations is stated at after charging/(crediting):

	2016 HK$'000	2015 HK$'000 (Restated)
Continuing operations		
Cost of completed properties sold	**357,657**	578,172
Business taxes and other levies	**38,337**	66,202
Depreciation of owned property, plant and equipment	**2,645**	1,770
Auditors' remuneration		
— audit services	**1,100**	1,050
— other services	**963**	400
Exchange losses/(gain)	**568**	(229)
Minimum lease payments under operating lease for land and buildings	**4,419**	3,506
Net loss on disposal of property, plant and equipment	**101**	16
Salaries and other short-term employee benefits (excluding directors' remuneration)	**22,877**	30,840
Retirement benefits scheme contributions	**1,995**	2,398
	24,872	33,238

8. NET (LOSS)/GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 HK$'000	2015 HK$'000
Continuing operations		
Realised loss on financial assets at fair value through profit or loss	**(1,166)**	—
Unrealised (loss)/gain on financial assets at fair value through profit or loss	**(54,083)**	80,016
	(55,249)	80,016

9. FINANCE COSTS

	2016 HK$'000	2015 HK$'000
Continuing operations		
Interest on interest-bearing loans from an immediate holding company wholly repayable within five years	–	10,959
Interest on interest-bearing bank loans wholly repayable within five years	20,611	18,559
Interest on interest-bearing loans wholly repayable within five years	–	3,303
	20,611	32,821
Less: Amounts capitalised in the cost of property under development	(9,109)	(15,229)
	11,502	17,592

The weighted average capitalisation rate on funds borrowed generally is 6.74% per annum (2015: 7.06%).

10. DIRECTORS' REMUNERATION

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance and Companies (Disclosure of Information about Benefits of Directors) Regulations (Cap. 622G) are as follows:

The remuneration of every director for the years ended 31 March 2016 and 2015 are set out below:

Name of director	Salaries and other benefits HK$'000	Director's fee HK$'000	Provident fund contributions HK$'000	Total HK$'000
2016:				
Executive directors				
Mr. Chan Chun Hong, Thomas *(Chairman and Managing Director)*	**2,672**	**–**	**18**	**2,690**
Mr. Cheung Wai Kai	**163**	**–**	**8**	**171**
Mr. Wong Yiu Hung, Gary	**216**	**–**	**–**	**216**
Independent non-executive directors				
Mr. Sin Ka Man	**–**	**160**	**–**	**160**
Mr. Yuen Kam Ho, George	**–**	**160**	**–**	**160**
Mr. Cheung Sau Wah, Joseph	**–**	**190**	**–**	**190**
	3,051	**510**	**26**	**3,587**
2015:				
Executive directors				
Mr. Chan Chun Hong, Thomas *(Chairman and Managing Director)*	3,562	–	18	3,580
Mr. Cheung Wai Kai	158	–	8	166
Mr. Wong Yiu Hung, Gary	225	–	–	225
Independent non-executive directors				
Mr. Sin Ka Man	–	160	–	160
Mr. Yuen Kam Ho, George	–	160	–	160
Mr. Cheung Sau Wah, Joseph	–	190	–	190
	3,945	510	26	4,481

During the year, no emoluments were paid by the Group to the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office (2015: Nil). None of the directors has waived any emoluments during the year (2015: Nil).

11. FIVE HIGHEST PAID EMPLOYEES AND SENIOR MANAGEMENT

The aggregate emoluments of the five highest paid individuals included one (2015: one) executive director of the Company, whose emoluments are included in Note 10 above. The aggregate emoluments of the remaining four (2015: four) highest paid individuals who is neither director nor senior management are as follows:

	2016 **HK$'000**	2015 HK$'000
Basic salaries and allowances	**3,001**	3,377
Retirement benefits scheme contributions	**71**	54
	3,072	3,431

The emoluments of the remaining highest paid individuals fell within the following bands:

	2016	2015
Nil to HK$1,000,000	**3**	3
HK$1,000,001 to HK$1,500,000	**1**	1
	4	4

During the year, no emoluments were paid by the Group to the senior management, highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office (2015: Nil).

12. TAXATION

Continuing operations

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The PRC corporate income tax has been provided at the rate of 25% on the estimated assessable profits arising in the PRC during the year (2015: 25%).

	2016 HK$'000	2015 HK$'000 (Restated)
The Group:		
Current taxation:		
— Hong Kong profit tax	8	—
— PRC corporate income tax	31,676	78,210
Total tax charge for the year	31,684	78,210

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

2016

Continuing operations	Hong Kong HK$'000	%	Mainland China HK$'000 (Note 1)	%	Total HK$'000	%
Profit/(loss) before taxation:	(74,340)		149,575		75,235	
Tax at the applicable income tax rate	(12,266)	(16.5)	37,394	25.0	25,128	33.4
Tax effect of income and expenses not taxable or deductible for tax purposes	10,308	13.9	(8,450)	(5.6)	1,858	2.5
Tax effect of tax losses not recognised	1,966	2.6	2,732	1.8	4,698	6.2
Tax charge at the effective tax rate for the year	8	–	31,676	21.2	31,684	42.1

12. TAXATION *(continued)*

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows: *(continued)*

2015

Continuing operations	Hong Kong HK$'000 (Restated)	%	Mainland China HK$'000 (Note 1)	%	Papua New Guinea HK$'000 (Note 2)	%	Total HK$'000 (Restated)	%
Profit/(loss) before taxation:	(96,411)		316,445		(619)		219,415	
Tax at the applicable income tax rate	(15,908)	(16.5)	79,111	25.0	(186)	(30.0)	63,017	28.7
Tax effect of income and expenses not taxable or deductible for tax purposes	13,568	14.1	(2,880)	(0.9)	–	–	10,688	4.9
Tax effect of tax losses not recognised	2,340	2.4	1,979	0.6	186	30.0	4,505	2.1
Tax charge at the effective tax rate for the year	–	–	78,210	24.7	–	–	78,210	35.7

Notes:

1. Subsidiaries in mainland China are subject to PRC corporate income tax at 25% for the years ended 31 March 2016 and 2015.

2. The standard Papua New Guinea profit tax rate is 30% for the year ended 31 March 2015.

13. DISCONTINUED OPERATIONS

On 19 September 2013, an indirect wholly-owned subsidiary of the Company entered into a sale agreement to, inter alia, dispose its 51% interest in Skywalker Global Resources Company Limited ("**Skywalker**") which held all of the Group's forestry and logging project. Pursuant to the agreement, the purchaser has agreed to acquire 1,428,000 shares of HK$1.00 each in the issued share capital of Skywalker, representing 51% of the issued share capital of Skywalker; and the shareholder's loan for a consideration of HK$62,000,000. The disposal constitutes a connected transaction under the Listing Rules. The disposal was completed on 17 April 2015.

13. DISCONTINUED OPERATIONS *(continued)*

On 16 March 2016, an indirect wholly-owned subsidiary of the Company entered into a sale agreement to, inter alia, dispose its 100% interest in Greatest Wealth Limited ("**Greatest Wealth**") which held all of the Group's selling of fresh pork and related produce business. Pursuant to the agreement, the purchaser has agreed to acquire 100 ordinary shares of HK$1.00 each in the issued share capital of HK$100, representing 100% of the issued share capital of Greatest Wealth and the shareholder's loan for a consideration of HK$9,000,000. The disposal constitutes a connected transaction under the Listing Rules. The disposal was completed on 16 March 2016.

The result of the discontinued operations included in the consolidated statement of profit or loss and other comprehensive income for the year are set out below:

	Skywalker 2016 HK$000	Greatest Wealth 2016 HK$'000	Total 2016 HK$'000
Profit for the year from discontinued operation			
Revenue	–	83,562	83,562
Cost of sales	–	(54,428)	(54,428)
Gross profit	–	29,134	29,134
Other revenue	–	517	517
Selling and distribution expenses	–	(24,142)	(24,142)
Administrative expenses	–	(3,526)	(3,526)
Profit before taxation	–	1,983	1,983
Taxation	–	950	950
Profit for the year	–	2,933	2,933
Gain on disposal of operation	140	5,485	5,625
Profit for the year from discontinued operation	140	8,418	8,558
Profit for the year attributable to:			
Owners of the Company	140	8,418	8,558
Non-controlling interest	–	–	–
	140	8,418	8,558

13. DISCONTINUED OPERATIONS *(continued)*

	Skywalker 2016 HK$000	Greatest Wealth 2016 HK$'000	Total 2016 HK$'000
Profit for the year from discontinued operation including the following:			
Reversal of impairment loss	–	36	36
Depreciation of property, plant and equipment	–	326	326
Cash flows from discontinued operation			
Net cash (outflow)/inflow from operating activities	–	5,629	5,629

	Skywalker 2015 HK$000	Greatest Wealth 2015 HK$'000	Total 2015 HK$'000 (Restated)
Profit for the year from discontinued operation			
Revenue	–	64,143	64,143
Cost of sales	–	(39,149)	(39,149)
Gross profit	–	24,994	24,994
Other revenue	–	91	91
Selling and distribution expenses	–	(18,566)	(18,566)
Administrative expenses	(275)	(1,285)	(1,560)
(Loss)/profit before taxation	(275)	5,234	4,959
Taxation	–	(836)	(836)
(Loss)/profit for the year from discontinued operation	(275)	4,398	4,123
(Loss)/profit for the year attributable to:			
Owners of the Company	(140)	4,398	4,258
Non-controlling interest	(135)	–	(135)
	(275)	4,398	4,123

13. DISCONTINUED OPERATIONS *(continued)*

	Skywalker 2015 HK$000	Greatest Wealth 2015 HK$'000	Total 2015 HK$'000 (Restated)
(Loss)/profit for the year from discontinued operation including the following:			
Depreciation of property, plant and equipment	66	172	238
Cash flows from discontinued operation			
Net cash (outflow)/inflow from operating activities	(115)	2,321	2,206

14. DIVIDEND

	2016 HK$'000	2015 HK$'000
Dividends recognised as distributions during the year:		
Final, paid — HK0.1 cents per ordinary share	**–**	9,230

The Directors do not recommend the payment of any dividend for the year ended 31 March 2016 and 2015.

15. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE YEAR

From continuing and discontinued operations

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

	2016 HK$'000	2015 HK$'000
Profit		
Profit for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	**52,227**	145,463

	2016	2015 (Restated)
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**3,131,874,292**	1,136,746,770

15. EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE YEAR *(continued)*

From continuing and discontinued operations *(continued)*

Diluted earnings per share from continuing and discontinued operations for the years ended 31 March 2016 and 31 March 2015 was the same as the basic earnings per share as there was no dilutive event existed during both years.

From continuing operations

The calculation of the basic earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	2016 **HK$'000**	2015 HK$'000
Profit		
Profit for the year attributable to owners of the Company	**52,227**	145,463
Less: Profit for the year from discontinued operation attributable to owners of the Company	**(8,558)**	(4,258)
	43,669	141,205

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

Diluted earnings per share from continuing operations for the years ended 31 March 2016 and 31 March 2015 was the same as the basic earnings per share. There was no dilutive event existed during both years.

For the year ended 31 March 2015, the weighted average number of ordinary shares for the purpose of basic earnings per share has been restated and adjusted with the effect of rights issue which occurred during the year ended 31 March 2016.

From discontinued operation

Basic profit per share from discontinued operations is HK0.27 cents per share (2015 : HK0.37 cents per share (restated)), based on the profit for the year from discontinued operation attributable to owners of the Company of approximately HK$8,558,000 (2015: approximately HK$4,258,000 (restated)). The denominators used are the same as those detailed above for both basic and diluted earnings per share.

Diluted profit per share from discontinued operations for the years ended 31 March 2016 and 31 March 2015 was the same as the basic profit per share. There was no dilutive event existed during both years.

16. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and equipment HK$'000	Leasehold improvements HK$'000	Motor vehicles HK$'000	Machineries HK$'000	Total HK$'000
Cost					
At 1 April 2014	4,481	5,530	3,354	215	13,580
Additions	2,178	870	625	–	3,673
Disposals	(67)	–	(279)	(1)	(347)
Disposal of subsidiary	(160)	(109)	–	–	(269)
Exchange realignment	1	–	1	–	2
At 31 March 2015 and 1 April 2015	6,433	6,291	3,701	214	16,639
Additions	1,851	2,427	–	79	4,357
Disposals	(316)	–	(487)	–	(803)
Disposal of subsidiary	(1,069)	(1,722)	–	(293)	(3,084)
Exchange realignment	(202)	(47)	(86)	–	(335)
At 31 March 2016	**6,697**	**6,949**	**3,128**	**–**	**16,774**
Accumulated depreciation					
At 1 April 2014	2,069	5,303	1,412	204	8,988
Charge for the year	903	397	636	6	1,942
Written back on disposals	(65)	–	(265)	(1)	(331)
Exchange realignment	(1)	(1)	–	–	(2)
At 31 March 2015 and 1 April 2015	2,906	5,699	1,783	209	10,597
Charge for the year	1,430	603	594	18	2,645
Written back on disposals	(306)	–	(395)	(1)	(702)
Disposal of subsidiary	(540)	(1,258)	–	(226)	(2,024)
Exchange realignment	(114)	(31)	(47)	–	(192)
At 31 March 2016	**3,376**	**5,013**	**1,935**	**–**	**10,324**
Carrying amounts					
At 31 March 2016	**3,321**	**1,936**	**1,193**	**–**	**6,450**
At 31 March 2015	3,527	592	1,918	5	6,042

17. PROPERTY UNDER DEVELOPMENT

	HK$'000
At 1 April 2014	73,074
Additions	204,701
Transfer to stock of properties	(229,212)
Exchange realignment	22
At 31 March 2015 and 1 April 2015	48,585
Additions	37,549
Transfer to stock of properties	(36,660)
Exchange realignment	(2,166)
At 31 March 2016	**47,308**

Analysis of property under development:

	2016 HK$'000	2015 HK$'000
Amortisation of prepaid lease payments	**2,671**	3,459
Construction costs	**44,637**	45,126
	47,308	48,585

18. PREPAID LEASE PAYMENTS

	HK$'000
Cost	
At 1 April 2014	79,003
Transfer to stock of properties	(39,692)
Exchange realignment	21
At 31 March 2015 and 1 April 2015	39,332
Transfer to stock of properties	(14,037)
Exchange realignment	(1,389)
At 31 March 2016	**23,906**
Accumulated amortisation	
At 1 April 2014	6,460
Charge for the year	569
Transfer to stock of properties	(3,541)
Exchange realignment	1
At 31 March 2015 and 1 April 2015	3,489
Charge for the year	275
Transfer to stock properties	(1,664)
Exchange realignment	(122)
At 31 March 2016	**1,978**
Carrying amounts	
At 31 March 2016	**21,928**
At 31 March 2015	35,843

The prepaid lease payments comprise of leasehold land situated in mainland China held under long-term leases.

Amortisation expenses on prepaid lease payments of approximately HK$275,000 (2015: approximately HK$569,000) has been capitalised to properties under development for the year.

18. PREPAID LEASE PAYMENTS *(continued)*

Analysed for reporting purposes as:

	2016 HK$'000	2015 HK$'000
Current assets (included in prepayments, deposits and other receivables)	**349**	574
Non-current assets	**21,579**	35,269
	21,928	35,843

19. INTEREST IN AN ASSOCIATE

	2016 HK$'000	2015 HK$'000
Cost of investment in an associate		
— listed in Hong Kong	**520,727**	278,856
Share of results	**(15,563)**	2,508
Share of other comprehensive income	**(32,638)**	8,718
Share of other reserve	**(4,240)**	(4,240)
	468,286	285,842

Note:

i) On 23 December 2014, an associate of the Group, China Agri-Products Exchange Limited ("**CAP**"), entered into the underwriting agreement which raised gross proceeds of approximately HK$517.3 million, before expenses, by way of the rights issue. CAP had allotted and issued 1,724,168,248 rights shares at the subscription price of HK$0.30 per rights share. The net proceeds raised from the rights issue was approximately HK$501.7 million, which was intended to be used for development of existing and future agricultural exchange projects, repayment of indebtedness and general working capital of CAP. Details of the capital reorganisation and the rights issue were disclosed in the announcements of CAP dated 8 January 2015, 29 January 2015, 8 April 2015, 13 May 2015, 26 May 2015 and 16 June 2015 and the circular of CAP dated 13 March 2015.

Upon completion of the rights issue, the Group's interest in CAP increased from approximately 20.08% to approximately 27.28% and an aggregate gain on bargain purchase of equity interest in CAP of approximately HK$85,773,000 was recognised for the year ended 31 March 2016 and included in share of results of an associate in the consolidated statement of profit or loss and other comprehensive income.

ii) On 23 June 2015, CAP entered into a shares placing agreement with Kingston Securities Limited in relation to a placing of 387,000,000 ordinary shares (the "**Shares Placing**") in CAP with the nominal value of HK$3,870,000 to not less than six placees who were independent third parties under the general mandate of CAP. The Share Placing represented an opportunity for CAP to raise capital while broadening its shareholder and capital base.

Upon completion of the Shares Placing, the Group's equity interests in CAP were diluted from approximately 27.28% to approximately 22.75% and an aggregate loss on deemed disposal of equity interests in CAP of approximately HK$56,958,000 was recognised for the year ended 31 March 2016 and included in "Loss on deemed disposal of interests in an associate" in the consolidated statement of profit or loss and other comprehensive income.

19. INTEREST IN AN ASSOCIATE *(continued)*

Note: *(continued)*

iii) In January 2016, CAP raised gross proceeds of approximately HK$293 million, before expenses, by way of the rights issue. Pursuant to the rights issue, CAP shall allot and issue 698,006,782 rights shares at the subscription price of HK$0.42 per rights share, on the basis of three (3) rights shares for every two (2) adjusted shares held on the record date. For details, please refer to the announcements of CAP dated 4 November 2015 and 27 January 2016.

Upon completion of the rights issue, the Group's equity interests in CAP increased from approximately 22.75% to approximately 28.76% and an aggregate gain on bargain purchase of equity interests in CAP of approximately HK$67,089,000 was recognised for the year ended 31 March 2016 and included in "Share of results of an associates" in the consolidated statement of profit or loss and other comprehensive income.

Details of the Group's associate which is held indirectly by the Company at 31 March 2016 are as follows:

Name of associate	Form of entity	Place of incorporation	Principal place of operation	Class of shares held	Proportion of nominal value of issued share capital held		Proportion of voting power held		Principal activities
					2016	2015	**2016**	2015	
CAP	Limited company	Bermuda	HK and the PRC	Ordinary	**28.76%**	20.08%	**28.76%**	20.08%	Agricultural produce exchange market management and property sales

The financial year end date for CAP is 31 December. For the purpose of applying the equity method of accounting, the consolidated financial statements of CAP for the years ended 31 December 2015 and 2014 have been used and adjustments have been made for the effects of significant transactions that occur between that date and the date of the financial statements.

19. INTEREST IN AN ASSOCIATE *(continued)*

The summarised financial information in respect of the Group's interests in associates is set out below:

	2016 HK$'000	2015 HK$'000
Revenue for the year	**365,192**	298,043
Loss for the year attributable to the owners of the associate	**(489,117)**	(340,420)
Loss attributable to the Group	**(113,965)**	(73,851)
Other comprehensive loss attributable to the Group	**(42,717)**	(15,500)
Total comprehensive loss attributable to the Group	**(156,682)**	(89,351)
Non-current assets	**3,495,688**	3,633,184
Current assets	**3,834,642**	3,272,841
Non-current liabilities	**(2,613,233)**	(2,759,196)
Current liabilities	**(2,652,224)**	(2,270,571)
	2,064,873	1,876,258
Non-controlling interests	**(436,588)**	(452,967)
Total equity attributable to the owners of the associate	**1,628,285**	1,423,291
Net assets attributable to the Group	**468,286**	285,842
Market value of interest in an associate	**142,212**	299,128

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2016 HK$'000	2015 HK$'000
Share of net assets of the associate	**468,286**	285,842
Net assets of the associate	**1,628,285**	1,423,291
Proportion of the Group's ownership interest	**28.76%**	20.08%

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016 **HK$'000**	2015 HK$'000
At fair value		
— unlisted bonds in Hong Kong (Note a)	**139,900**	127,836
— listed equity securities (Note b)	**50,976**	—
	190,876	127,836

Notes:

a) On 4 October 2014, the Group entered into a subscription agreement with CAP, subscribe the 5-years bonds at the interest rate of 10% per annum issued by CAP with the principal amount of HK$150 million. The bonds will be matured and redeemed by CAP on 28 November 2019. Details of the transaction were disclosed in the Company's joint announcement dated 4 October 2014 and 28 November 2014 and circular dated 24 October 2014.

The bonds were independently valued by the independent third party valuer as at 31 March 2016 based on the contractually determined stream of future cash flow discounted to present value at a discount rate for credit risk of approximately 11.57% (2015: 14.06%).

b) The Group acquired on-market the shares in a series of transactions conducted between 10 April 2015 and 15 April 2015 at the aggregate consideration of approximately HK$19.80 million (exclusive of transaction costs). Upon completion of the acquisitions, the Group holds 61,000,000 Wang On Group Limited ("**WOG**") shares, representing approximately 0.93% of the entire issued share capital of WOG.

The Group further acquired on-market the additional shares in a series of transactions conducted between 16 April 2015 and 20 April 2015 at an aggregate consideration of approximately HK$26.77 million (exclusive of transaction costs). Upon completion of the further acquisitions, the Group holds 140,000,000 WOG shares, representing approximately 2.15% of the entire issued share capital of WOG as of 20 April 2015.

21. LOANS RECEIVABLES

The maturity profile of the loan receivables at the end of the reporting period, analysed by the maturity date, is as follow:

	2016 HK$'000	2015 HK$'000
Loan receivables:		
Within one year (Note 1)	89,500	–
Two to five years (Note 2)	100,000	–
	189,500	–
Less: classified as current portion	(89,500)	–
	100,000	–

Note 1: Before approving any loans to new borrowers, the Group has assessed the potential borrower's credit quality and defined credit limits individually. The Group has policy for allowance of doubtful debts which is based on the evaluation of collectability and aging analysis of accounts and on management's judgment, including the current creditworthiness, collaterals and the past collection history of each client.

Note 2: During the year ended 31 March 2016, Peony Finance Limited, an wholly-owned subsidiary of the Group has provided an unsecured loan of HK$100,000,000 to CAP. The amount is neither past due nor impaired for which there was no recent history of default. The effective interest rates on the loan receivables are 12.0% per annum.

Ageing analysis is prepared based on contractual due date:

	2016 HK$'000	2015 HK$'000
Neither past due nor impaired	89,500	–

As at 31 March 2016, no loan receivables of the Group was individually determined to be impaired.

22. INTANGIBLE ASSETS

	Money lender license HK$'000
Cost:	
At 1 April 2015	–
Acquisition of assets (Note 45)	653
At 31 March 2016	**653**
Accumulated amortisation:	
At 1 April 2015	–
Amortisation provided during the year	–
At 31 March 2016	**653**
Carrying amounts	
At 31 March 2016	**653**
At 31 March 2015	–

Note:

The money lender license represents the right granted to the Group for carrying on the business of a money lender for an indefinite period of time. Such intangible assets is carried at cost less accumulated impairment losses. The recoverable amount of the intangible asset has been determined based on a value in use calculation. No impairment loss was recognised during the year in which, the recoverable amount was determined on discounted cash flow method. The calculation uses cash flow projections based on financial budgets approved by the management covering 5 years. The discount rate applied was approximately 19.1%. The directors of the Company are not aware of any expected impediment with respect to the renewal of the license and consider that the possibility of failing in license renewal is remote. Therefore, the directors of the Company consider that the intangible assets are treated as having indefinite useful lives.

23. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries are as follows:

Name	Place of incorporation and operation	Nominal value of issued share capital/paid up registered capital	Percentage of equity and voting power attributable to the Company	Principal activities
Directly held				
Loyal Fame International Limited	BVI	US$1	100%	Investment holding
Indirectly held				
Billion Trader Investments Limited	BVI	US$1	100%	Securities investment
Fuzhou Wang On Property Development Co., Limited	the PRC	RMB371,119,590	100%	Property development
Golden Maker Investment Limited	Hong Kong	HK$10,000	100%	Investment holding
Golden Maker (Dongguan) Property Development Co., Limited	the PRC	RMB199,047,370	100%	Property development
Easy One Financial Management Services Limited	Hong Kong	HK$1	100%	Provision of administrative services
Onger Investments Limited	BVI	US$1	100%	Investment
Vast Time Limited	Hong Kong	HK$1,000	100%	Investment holding
Easy Reach (Far East) Limited	Hong Kong	HK$10,000	51%	Provision of finance operation
Easy One Finance Limited	Hong Kong	HK$1	100%	Provision of finance operation
Premium Financial Limited	Hong Kong	HK$1	100%	Provision of finance operation

None of the subsidiaries issued debt securities during the year or at the year end.

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

24. STOCK OF PROPERTIES

	2016 HK$'000	2015 HK$'000
Completed properties	**425,976**	453,253
Properties under development	**45,554**	249,316
	471,530	702,569

At 31 March 2016, approximately HK$36,660,000 and HK$12,373,000 (2015: approximately HK$229,212,000 and HK$36,151,000) was transferred from property under development and prepaid lease payments respectively because the property under development was scheduled to be completed in the coming twelve months.

As at 31 March 2016, stock of properties amounting approximately of HK$15,133,000 were seal by the 廣東省東莞市第二人民法院. Since the court case has been closed during the year ended 31 March 2016, the Group is applying for the unseal of those stock of properties.

25. INVENTORIES

	2016 HK$'000	2015 HK$'000
Fresh pork and related produce	**–**	167

26. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit terms are generally for a period of 30 days for sales of fresh pork and related produce operation segment. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. No trade receivables is past due at the reporting date. The Group does not hold any collateral over these balances.

	2016 HK$'000	2015 HK$'000
Trade receivables	**–**	58
Less: Impairment loss	**–**	(36)
	–	22

26. TRADE RECEIVABLES *(continued)*

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

	2016 HK$'000	2015 HK$'000
Within 30 days	–	22

Movements of impairment loss on trade receivables:

	2016 HK$'000	2015 HK$'000
At the beginning of the year	36	36
Impairment loss reversed	(36)	–
At the end of the year	–	36

As at 31 March 2016, no trade receivables of the Group (2015: approximately HK$36,000) was individually determined to be impaired. The individual impaired receivables related to customers that were in financial difficulties and directors assessed that the receivables were not expected to be recovered.

27. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2016 HK$'000	2015 HK$'000
Rental and other deposits (Note i)	23,443	19,961
Other prepayments and other receivables (Note ii)	49,431	42,690
Prepayments for the PRC tax	1,470	19,257
Prepayments for construction	–	68,701
Interest receivable	11,414	20,906
Prepaid lease payments	349	574
	86,107	172,089

Notes:

i) Other deposits mainly represent deposit guarantee for certain purchasers of the Group properties which would be refundable upon issuance of real estate ownership certificate which are generally be available for the purchasers.

ii) Other prepayments and other receivables mainly represent sales agency commission of properties held for pre-sale and the prepayments of levies to certain government department of properties held for pre-sale. Other receivables mainly represent payments to certain government departments which would be refundable upon completion of development project.

28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss comprise:

	2016 HK$'000	2015 HK$'000
Current assets:		
Held for trading:		
— Equity securities listed in Hong Kong (Note i)	**112,848**	150,963
— Unlisted bond fund (Note ii)	**3,342**	3,549
	116,190	154,512

Notes:

i) The fair values of the listed equity securities are determined based on the quoted market bid prices available on The Stock Exchange of Hong Kong Limited.

ii) The unlisted bond fund is denominated in US dollar. The fair value of unlisted bond fund is by reference to indicative market price.

29. TIME DEPOSITS

At the end of the reporting period, the time deposits are denominated in HK$. Time deposits carry interest rates which range from 0.01% to 0.55% per annum.

30. CASH AND BANK BALANCES

a. At the end of the reporting period, the cash and bank balances of the Group included currencies denominated in RMB amounted to approximately HK$119,856,000 (2015: approximately HK$238,875,000) which is not freely convertible into other currencies.

b. In accordance with certain PRC regulations, property development companies of the Group are required to place the proceeds received from pre-sale of properties as guarantee deposits for constructions of properties. At the end of reporting period, the deposits of approximately HK$49,572,000 (2015: approximately HK$180,768,000) can only be used to pay for relevant property development projects when approval from PRC State-Owned Land and Resource Bureau is obtained. The restriction will be released upon the construction is completed or the real estate ownership certificate of pre-sold properties is issued, whichever is the earlier.

c. For the year ended 31 March 2015, the Group entered into the non-cash transaction in relation to the subscription of 5-years bonds amount to HK$150 million issued by CAP. According to the subscription agreement, the outstanding loan owed by CAP to the Group will be set off against the subscription consideration by dollar-for dollar basis.

31. ASSETS CLASSIFIED AS HELD FOR SALE

As described in Note 13 to the consolidated financial statements, the Group has entered into a sale agreement to dispose of Skywalker and its subsidiaries ("**Skywalker Group**") and was completed on 17 April 2015. The assets and liabilities of Skywalker Group at the end of the reporting period are as follows:

	2016 **HK$'000**	2015 HK$'000
Property, plant and equipment	–	705
Plantation assets	–	163,561
Concession rights	–	4,924
Prepayments, deposits and other receivables	–	7,845
Cash and bank balances	–	96
Assets classified as held for sale	–	177,131
Deposits received, accruals and other payables	–	5,876
Deferred taxation	–	52,987
Liabilities directly associated with assets classified as held for sale	–	58,863
	–	118,268

As at 31 March 2015, the assets and liabilities held for sale were written down to their fair value less costs to sell. This is a non-recurring fair value which has been measured using observable inputs, being the price in a binding sale and purchase agreement on disposal of Skywalker Group, and is therefore within level 2 of the fair value hierarchy.

32. TRADE PAYABLES

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

	2016 **HK$'000**	2015 HK$'000
Within 30 days	–	174

The credit terms generally for a period of 30 days.

33. DEPOSITS RECEIVED, ACCRUALS AND OTHER PAYABLES

	2016 HK$'000	2015 HK$'000
Accruals	**7,218**	7,994
Deposits received	**–**	54,565
Interest payables	**1,062**	–
Other payables (Note)	**4,907**	23,218
Other payables for construction	**96,129**	152,441
Other tax and levies payables	**86,573**	53,393
	195,889	291,611

Note:

Included under other payables as at 31 March 2015 was the consideration in acquisition of Skywalker at the amount of HK$15,300,000 which is payable upon certain conditions being met and other payables to the fellow subsidiaries of a non-controlling shareholder.

34. LOANS FROM NON-CONTROLLING INTERESTS

As at 31 March 2016

A loan with aggregate principal amount of HK$19,600,000 borrowed from Even Value Limited ("**Even Value**") which is a minority interest of Easy Reach (Far East) Limited. The loans are unsecured, interest-free and has no fixed term of repayment and will not be repaid within one year.

35. BANK LOANS

The carrying amount of the bank loans are denominated in the following currencies:

	2016 HK$'000	2015 HK$'000
Hong Kong dollars	**52,978**	52,978
Renminbi	**213,418**	295,227
	266,396	348,205
Carrying amount repayable:		
On demand or within one year	**144,955**	145,911
More than one year, but not exceeding two years	**121,441**	202,294
	266,396	348,205
Interest-bearing bank loans at:		
Floating interest rate	**266,396**	348,205

The ranges of effective interest rates (which equal to contracted interest rates) on the Group's borrowings are as follows:

	2016	2015
Floating interest rate loans	**3.9%-7.2%**	3.9%-8.0%

The bank loans denominated in RMB bear interest at the prevailing market rates quoted by the People's Bank of China. The loans of approximately HK$213,418,000 (2015: approximately HK$295,227,000) are secured by pledge of the Group's prepaid lease payments and properties under development of approximately HK$43,849,000 and HK$271,947,000 respectively (2015: prepaid lease payments and properties under development of approximately HK$84,490,000 and HK$281,280,000 respectively). The loans of approximately HK$213,418,000 are secured by corporate guarantees from subsidiaries of the Group and the Company (2015: approximately HK$295,227,000 are secured by corporate guarantee from the subsidiaries of the Group and the Company).

The bank loans denominated in Hong Kong dollars is at the prevailing market rates with reference to HIBOR+ 3.75%. As at 31 March 2016, the loan of approximately HK$52,978,000 (2015: 52,978,000) is secured by pledge of the Group's properties under development of approximately HK$271,947,000 (2015: 281,280,000) and mortgage over shares of a wholly owned subsidiary of the Company. The loan is secured by corporate guarantees from a subsidiary of the Group and the Company.

36. DEFERRED TAXATION

As at 31 March 2016, the Group has estimated tax losses arising of approximately HK$124,014,000 (2015: approximately HK$146,678,000). Tax losses arising in Hong Kong are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Tax losses arising in mainland China may be carried forward for a maximum of five years. No deferred tax assets have been recognised due to the unpredictability of future profits streams.

37. SHARE CAPITAL

	Number of shares		Share capital	
	2016	2015	**2016**	2015
	'000	'000	**HK$'000**	HK$'000
Authorised:				
At the beginning of the year, ordinary shares of HK$0.01 each	**20,000,000**	20,000,000	**200,000**	200,000
At the end of the year, ordinary shares of HK$0.01 each	**20,000,000**	20,000,000	**200,000**	200,000
Issued and fully paid:				
At the beginning of the year, ordinary shares of HK$0.01 each	**1,106,950**	9,229,500	**11,070**	92,295
Capital reorganisation (Note i)	**–**	(8,306,550)	**–**	(83,065)
Rights issue (Note iii)	**3,317,375**	–	**33,173**	–
Placing of shares (Note ii and iv)	**220,000**	184,000	**2,200**	1,840
At the end of the year, ordinary shares of HK$0.01 each	**4,644,325**	1,106,950	**46,443**	11,070

37. SHARE CAPITAL *(continued)*

Note:

(i) On 20 August 2014, the capital reorganisation was completed. The issued share capital of the Company was reduced by approximately HK$83 million and credited to the contributed surplus account.

(ii) On 12 September 2014, the Company entered into (i) a top-up placing and subscription agreement with Ever Task Limited, a wholly-owned subsidiary of WOG, and Kingston Securities Limited in relation to, the top-up placing of 150,000,000 shares in the Company (the "**2014 Top-up Placing**") and the top-up subscription of 150,000,000 shares in the Company at the top-up placing price and the top-up subscription price of HK$0.325 per share and HK$0.325 per share, respectively (the "**2014 Top-up Subscription**"); and (ii) a new issue placing agreement with Kingston Securities Limited in relation to the placing of 34,000,000 new shares in the Company at the price of HK$0.325 per share (the "**New Issue Placing**"). The net proceeds raised per share upon completion of each of the 2014 Top-up Subscription and the New Issue Placing were approximately HK$0.314 per share and HK$0.314 per share, respectively. The closing price of the shares in the Company on 12 September 2014, being the date on which the terms of the issue were fixed, is HK$0.4. The aggregate nominal value of the shares issued under the 2014 Top-up Subscription and the New Issue Placing was HK$1,840,000. The 2014 Top-up Placing, the 2014 Top-up Subscription and the New Issue Placing completed on 22 September 2014, 26 September 2014 and 29 September 2014, respectively. The aggregate gross and net proceeds from the 2014 Top-up Subscription and the New Issue Placing were approximately HK$60 million and approximately HK$58 million, respectively. The Company intended to utilise all the net proceeds for future development and other potential investment.

(iii) On 4 June 2015, the Company entered into the underwriting agreement (as revised on 10 July 2015) regarding the rights issue. The Company had allotted and issued 3,317,375,000 rights shares at the subscription price of HK$0.105 per rights share. The net proceeds raised from the rights issue was approximately HK$338 million, which is intended to provide further funding for the Group's business development and expansion, a loan to CAP, general working capital, and to assist with the Group's repayment of financial indebtedness.

(iv) On 14 April 2015, the Company entered into a placing agreement with the placing agent. Pursuant to the placing agreement, the Company has conditionally agreed to allot and issue, and the placing agent has conditionally agreed to place on a best effort basis, a maximum of 220,000,000 placing shares to currently expected to be not less than six placees who and whose ultimate beneficial owners are third parties independent of the Company and connected persons of the Company at the placing price of HK$0.225 per placing share. The net proceeds raised from the placing was approximately HK$48 million, which is intended to raise capital while broadening its shareholder base as well as its capital base.

Share option scheme

Details of the Company's share option scheme are included in Note 38 to the consolidated financial statements.

38. SHARE OPTION SCHEME

The Company operated a share option scheme (the "**Scheme**") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, and customers of the Group. The Scheme became effective on 8 October 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

38. SHARE OPTION SCHEME *(continued)*

In view of the termination of the Scheme, the Company approved for the adoption of a new share option scheme ("**New Share Option Scheme**") on 21 August 2012.

The purpose of the New Share Option Scheme is providing incentives and rewards to eligible participants who contribute or potentially contribute to the development and growth of the Group. Eligible participants include directors, including independent non-executive directors, other employees, individual who work for any member of the Group or any substantial shareholder or any company controlled by a substantial shareholder, holder of securities issued by the member of the Group and any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group.

The maximum number of unexercised share options currently permitted to be granted under the New Share Option Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the New Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of the offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the New Share Option Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the nominal value of a share of the Company; (ii) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; and (iii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer of the share options.

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

As at the date of this report, the total number of shares available for issue under the New Share Option Scheme is 76,915,000 shares, representing 1.66% of the share capital of the Company in issue as at the date of this report.

Up to the date of this report, no share options have been granted by the Company under the New Share Option Scheme.

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2016 HK$'000	2015 HK$'000
Non-current asset			
Interests in subsidiaries		**–**	–
Current assets			
Prepayments, deposits and other receivables		**1,095**	852
Amounts due from subsidiaries	39(a)	**1,670,899**	1,209,389
Time deposits		**30,010**	121,215
Cash and bank balances		**173,602**	74,790
		1,875,606	1,406,246
Less: Current liabilities			
Accruals and other payables		**2,498**	1,222
Amounts due to subsidiaries	39(a)	**915,040**	826,473
		917,538	827,695
Net current assets		**958,068**	578,551
Total assets less current liabilities		**958,068**	578,551
Net assets		**958,068**	578,551
Capital and reserves			
Share capital	37	**46,443**	11,070
Reserves	39(b)	**911,625**	567,481
Total equity		**958,068**	578,551

Approved by the Board of Directors on 8 June 2016 and signed on its behalf by:

Chan Chun Hong, Thomas
Director

Cheung Wai Kai
Director

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

Note:

(a) Amounts due from/to subsidiaries

The amounts are unsecured, non-interest bearing and repayable on demand. The fair values of the amounts at the end of the reporting period approximated to the corresponding carrying amounts due to their short-term maturities.

(b) Reserve

	Share premium HK$'000 (Note i)	**Contribution surplus** HK$'000	**Accumulated losses** HK$'000	**Total** HK$'000
At 1 April 2014	680,109	—	(222,676)	457,433
Share premium cancellation (Note ii)	(680,109)	631,004	49,105	—
Placing of shares	57,960	—	—	57,960
Expenses incurred in connection with the placing of shares	(2,051)	—	—	(2,051)
Capital reorganisation	—	83,065	—	83,065
Dividend paid	—	—	(9,230)	(9,230)
Net loss for the year	—	—	(19,696)	(19,696)
At 31 March 2015 and 1 April 2015	55,909	714,069	(202,497)	567,481
Placing of shares	47,300	—	—	47,300
Expenses incurred in connection with the placing of shares	(1,292)	—	—	(1,292)
Rights issue	315,151	—	—	315,151
Expenses incurred in connection with the placing of shares	(9,644)	—	—	(9,644)
Net loss for the year	—	—	(7,371)	(7,371)
At 31 March 2016	**407,424**	**714,069**	**(209,868)**	**911,625**

Note:

(i) Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is distributable to its shareholders under certain circumstances.

At 31 March 2016, the Company's reserves available for distribution to shareholders amounting to approximately HK$504,201,000 (2015: approximately HK$511,572,000) and calculated in accordance with the Companies Act of Bermuda and the articles of association of the Company.

(ii) On 16 July 2014, the share premium cancellation has been approved in the annual general meeting of the Company. The share premium account of the Company with credit balance of approximately HK$631,004,000 was transferred to contribution surplus account as of that date.

(iii) The amounts of the Group's reserves and the movement therein for the current and prior years are presented in the consolidated statement of the changes in equity of the consolidated financial statements.

40. DISPOSAL OF SUBSIDIARIES

(a) On 16 March 2016, an indirectly wholly-owned subsidiary of the Company disposed its 100% interest in Greatest Wealth. Pursuant to the agreement, the purchaser has agreed to purchase the sale shares and the shareholder loan by consideration of HK$9,000,000. The principal activity of Greatest Wealth is selling of fresh pork and related produce. The disposal constitutes a connected transaction under the Listing Rules.

Summary of the effects of the disposal of Greatest Wealth is as follows:

	HK$'000
Net assets disposal of:	
Property, plant and equipment	1,060
Inventory	181
Trade receivables	32
Prepayments, deposits and other receivables	2,274
Cash and bank balances	1,060
Other payables and accruals	(1,092)
Net assets disposed of	3,515
Consideration received in cash and cash equivalents	9,000
Net assets disposed of	(3,515)
Gain on disposal	5,485
Net cash inflow arising on disposal:	
Cash consideration	9,000
Less: Cash and cash equivalents disposed of	(1,060)
	7,940

40. DISPOSAL OF SUBSIDIARIES *(continued)*

(b) On 19 September 2013, an indirect wholly-owned subsidiary of the Company entered into a sale agreement to, inter alia, dispose of its 51% interest in Skywalker which held all of the Group's forestry and logging project. Pursuant to the agreement, the purchaser has agreed to acquire 1,428,000 shares of HK$1.00 each in the issued share capital of Skywalker, representing 51% of the issued share capital of Skywalker; and the shareholder's loan for a consideration of HK$62,000,000. The disposal constitutes a connected transaction under the Listing Rules. The disposal was completed on 17 April 2015.

Summary of the effects of the disposal of Skywalker and its subsidiary are as follows:

	HK$'000
Net assets disposal of:	
Property, plant and equipment	705
Plantation assets	163,561
Concession rights	4,924
Prepayments, deposits and other receivables	7,845
Cash and bank balances	96
Deposits received, accruals and other payables	(5,876)
Deferred taxation	(52,987)
Net assets disposed of	118,268
Non-controlling interests	(41,416)
Release of exchange reserve	308
Net assets disposed of	77,160
Consideration received in cash and cash equivalents	62,000
Waiver of consideration payable by the Group in relation to the sale and purchase agreement to acquire Skywalker's shares in 2009	15,300
Net assets disposed of	(77,160)
Gain on disposal	140
Net cash inflow arising on disposal:	
Cash consideration	62,000
Less: Cash and cash equivalents disposed of	(96)
	61,904

41. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its office premises, pork stalls and retail shops under operating lease arrangements which are negotiated for lease terms from one to three years.

At 31 March 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2016 **HK$'000**	2015 HK$'000
Within one year	**752**	6,357
In the second to fifth years, inclusive	**1,948**	2,133
	2,700	8,490

42. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, during the years ended 31 March 2016 and 2015, the Group had entered into the following transactions with related parties which, in the opinion of the directors, were carried out in the ordinary course of the Group's business.

(i) During the year ended 31 March 2016, a wholly-owned subsidiary received an loan interest income from CAP at the amount of approximately HK$5,261,000 (2015: approximately HK$14,526,000).

(ii) During the year ended 31 March 2016, a wholly-owned subsidiary received a bond interest income from CAP at the amount of approximately HK$15,660,000 (2015: approximately HK$5,244,000).

(iii) During the year ended 31 March 2016, the leasing of office from WYT to Easy One Financial Management Services Limited (formerly known as "PNG Resources Corporate Management Services Limited") for head office of approximately HK$699,600 (2015: approximately HK$654,000).

(iv) During the period from 1 April 2015 to 31 March 2016, the leasing of retail stalls from Wang On Majorluck Limited, Majorluck Limited and Greatest Wealth (Fresh Food) Limited, which were indirect wholly-owned subsidiaries of WOG, to Greatest Wealth Limited for the operation of its sales of fresh pork and related produce business of approximately HK$8,171,000 (for the year ended 31 March 2015: approximately HK$5,001,000).

(v) On 16 March 2016, the Company has entered into a sale and purchase agreement ("**Agreement**") with Easy Verse Limited ("**Purchaser**"), an indirect wholly-owned subsidiary of Wang On Group Limited. According to the Agreement, the Company agreed to dispose the 100% shares and shareholder loan of Greatest Wealth to the Purchaser with a consideration of HK$9,000,000.

For the transactions constitute non-exempted connected transactions under the Listing Rules, please refer to the sections "Connected Transaction" and "Continuing Connected Transactions" under the "Report of the Directors".

42. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(v) Key Management Personnel Compensation

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in Note 10 to the consolidated financial statements is as follows:

	2016 HK$'000	2015 HK$'000
Salaries and other short-term employee benefits	**3,561**	4,455
Employer contribution to pension scheme	**26**	26
	3,587	4,481

43. CAPITAL COMMITMENT

At 31 March 2016, the Group had the following capital commitments:

	2016 HK$'000	2015 HK$'000
Contracted but not provided for:		
Additions of property under development	**9,856**	154,959
Additions of construction in progress	**–**	31,131
	9,856	186,090

44. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure interest-bearing bank loans of the Group as disclosed in Note 35 to the consolidated financial statements is as follows:

	2016 HK$'000	2015 HK$'000
Prepaid lease payments	**43,849**	84,490
Property under development	**271,947**	281,280
	315,796	365,770

45. ACQUISITION OF ASSETS

For the year ended 31 March 2016

On 7 October 2015, the Group acquired 51% of the issued share capital of Easy Reach Limited ("**Easy Reach**") for an aggregate consideration of HK$100,000. Major asset of Easy Reach is the money lending license.

On 3 February 2016, the Group acquired 100% of the entire issued share capital of Premium Financial Limited ("**Premium Financial**") for an aggregate consideration of HK$540,000. Major asset of Premium Financial is the money lending license.

The purpose of both acquisitions is for the Group to collaborate on the development of money lending business in the future and as such. The target companies are inactive and do not operate in any money lending business during the acquisition, the acquisition did not constitute a business combination and therefore, it has been recognised as acquisition of assets.

	Premium Financial HK$'000	Easy Reach HK$'000	Total HK$'000
Net assets acquired:			
Cash and bank balances	5	5	10
Prepayments, deposits and other receivables	–	–	–
Other payables	(23)	–	(23)
Intangible assets arising on acquisition (Note 22)	558	95	653
	540	100	640
Total consideration satisfied by:			
Cash consideration	540	100	640
Net cash outflow/(inflow) arising on acquisition:			
Cash consideration	540	100	640
Cash and cash equivalents acquired	–	(10)	(10)
	540	90	630

46. FINANCIAL GUARANTEE CONTRACTS

The Group has guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees terminate upon earlier of (i) issuance of the real estate ownership certificate which are generally be available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgaged loan by the purchasers of properties.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the consolidated financial statements for the guarantees.

47. GUARANTEES

As further disclosed in Note 35 to the consolidated financial statements, the bank loan of approximately HK$266,396,000 is unconditionally and irrevocably guaranteed by the Company and a subsidiary of the Group (2015: approximately HK$348,205,000 is unconditionally and irrevocably guaranteed by the Company and a subsidiary of the Group).

48. EVENTS AFTER THE REPORTING PERIOD

(i) On 6 May 2016, a non-wholly owned subsidiary of the Company entered into a loan agreement to grant a loan to a customer which is a company incorporated in Hong Kong with limited liability. The principal amount of the loan is HK$31,800,000 for a term of one year with the interest of HK$561,800 for the first month and the monthly interest of HK$212,000 for the remaining eleven months, respectively. For details, please refer to the Company's announcement dated 6 May 2016.

(ii) On 6 June 2016, a wholly-owned subsidiary of the Company entered into a loan agreement to grant a loan to a customer which is a company incorporated in Hong Kong with limited liability. The principal amount of the loan is HK$32,000,000 for a term of one year with the interest of HK$432,267 for the first month and the monthly interest of HK$266,667 for the remaining eleven months, respectively. For details, please refer to the Company's announcement dated 6 June 2016.

49. COMPARATIVE INFORMATION

The comparative statement of profit or loss has been re-presented as the selling of fresh pork and related produce operation had discontinued during the current year and as if it had been discontinued at the beginning of the comparative year. Certain comparative amounts have been reclassified to conform with the current year presentation. In the opinion of the Company's directors, such reclassifications provide a more appropriate presentation on the Group's business segments.

50. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 8 June 2016.

Five Year Financial Summary

31 March 2016

SUMMARY OF THE RESULTS, ASSETS AND LIABILITIES OF THE GROUP FOR THE LAST FIVE YEARS IS AS FOLLOWS:

	Consolidated year ended 31 March				
	2016	2015	2014	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
Results					
Continuing operations					
Revenue	**625,675**	1,123,991	965,703	886,206	205,868
Cost of sales	**(426,161)**	(726,841)	(740,705)	(732,994)	(173,587)
Gross profit	**199,514**	397,150	224,998	153,212	32,281
Other revenue	**38,412**	27,348	23,045	1,825	2,190
Selling and distribution expenses	**(15,032)**	(26,489)	(32,375)	(24,833)	(6,890)
Administrative expenses	**(62,837)**	(77,594)	(71,093)	(41,159)	(38,618)
Finance costs	**(11,502)**	(17,592)	(28,721)	(36,176)	(37,088)
Loss on deemed disposal of interest in an associate	**(56,958)**	(89,573)	(25,667)	–	–
Share of results of an associate	**38,887**	(73,851)	75,804	41,118	74,677
Net gain/(loss) on financial assets at fair value through profit or loss	**(55,249)**	80,016	55,539	(4,178)	(22,829)
Impairment of available-for-sale financial assets	**–**	–	–	–	(9,827)
Profit/(loss) before taxation	**75,235**	219,415	221,530	89,809	(6,104)
Taxation	**(31,684)**	(78,210)	(39,541)	(26,381)	(1,491)
Profit/(loss) for the year from continuing operations	**43,551**	141,205	181,989	63,428	(7,595)
Discontinued operation					
Profit/(loss) for the year from discontinued operation	**8,558**	4,123	(206,943)	(42,478)	21,192
Profit/(loss) for the year	**52,109**	145,328	(24,954)	20,950	13,597

SUMMARY OF THE RESULTS, ASSETS AND LIABILITIES OF THE GROUP FOR THE LAST FIVE YEARS IS AS FOLLOWS: *(continued)*

	Consolidated year ended 31 March				
	2016	2015	2014	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results *(continued)*					
Profit/(loss) for the year attributable to:					
— Owners of the Company	**52,227**	145,463	77,000	42,262	3,790
— Non-controlling interests	**(118)**	(135)	(101,954)	(21,312)	9,807
	52,109	145,328	(24,954)	20,950	13,597
Earnings per share attributable to owners of the Company From continuing and discontinued operations					
— Basic and diluted (HK cents)	**1.67**	12.80	9.37	5.49	0.49

	Consolidated as at 31 March				
	2016	2015	2014	2013	2012
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Total assets	**1,997,722**	2,234,131	2,435,110	1,980,801	2,135,606
Total liabilities	**(550,971)**	(1,136,949)	(1,496,072)	(1,176,799)	(1,362,964)
	1,446,751	1,097,182	939,038	804,002	772,642
Equity attributable to owners of the Company	**1,446,864**	1,055,766	897,557	659,311	607,392
Non-controlling interests	**(113)**	41,416	41,481	144,691	165,250
	1,446,751	1,097,182	939,038	804,002	772,642

Note:

The results of the Group for the years ended 31 March 2016 and 2015 are those set out on pages 43 to 44 of this annual report.

List of Group Properties

31 March 2016

STOCK OF PROPERTIES

Project	City/ Province	Approximate site area (sq.ft.)	Development plan	Approximate saleable gross floor area (sq. ft.)	Percentage ownership interest (%)	Stage of completion	Expected year of completion
The Central Park	Fuzhou, Jiangxi	70,000	Residential/ Commercial	210,000	100	Completed	–
The Central Park	Fuzhou, Jiangxi	60,000	Residential/ Commercial	130,000	100	Construction in progress	2016-2017
Trendy Square	Dongguan, Guangdong	240,000	Commercial	430,000	100	Completed	–

PROPERTIES UNDER DEVELOPMENT

Project	City/ Province	Approximate site area (sq.ft.)	Development plan	Approximate saleable gross floor area (sq. ft.)	Percentage ownership interest (%)	Stage of completion	Expected year of completion
The Central Park	Fuzhou, Jiangxi	160,000	Residential/ Commercial	290,000	100	Construction in progress	2017-2018