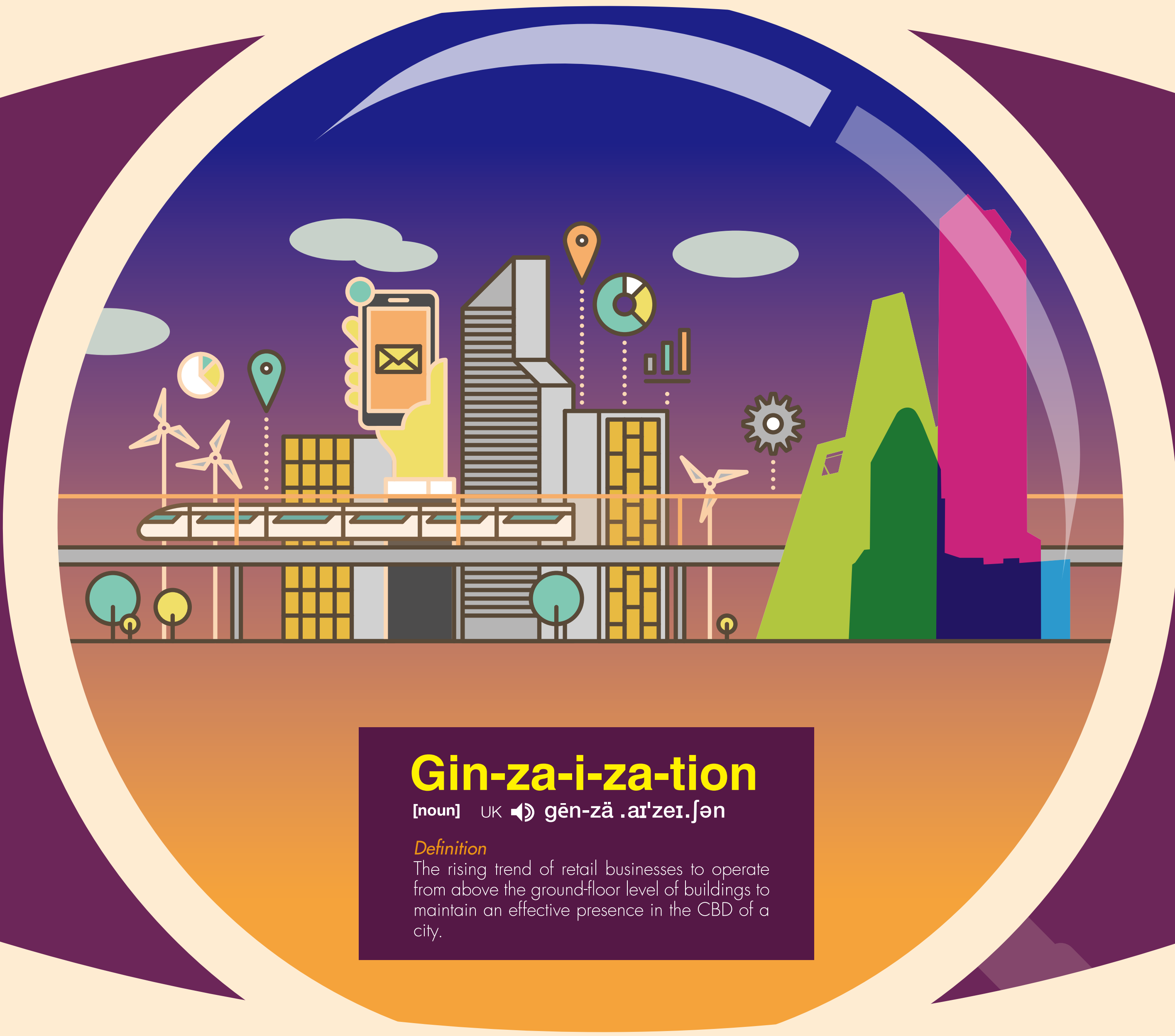
HENRY GROUP HOLDINGS LIMITED
鎮科集團控股有限公司



Gin-za-i-za-tion

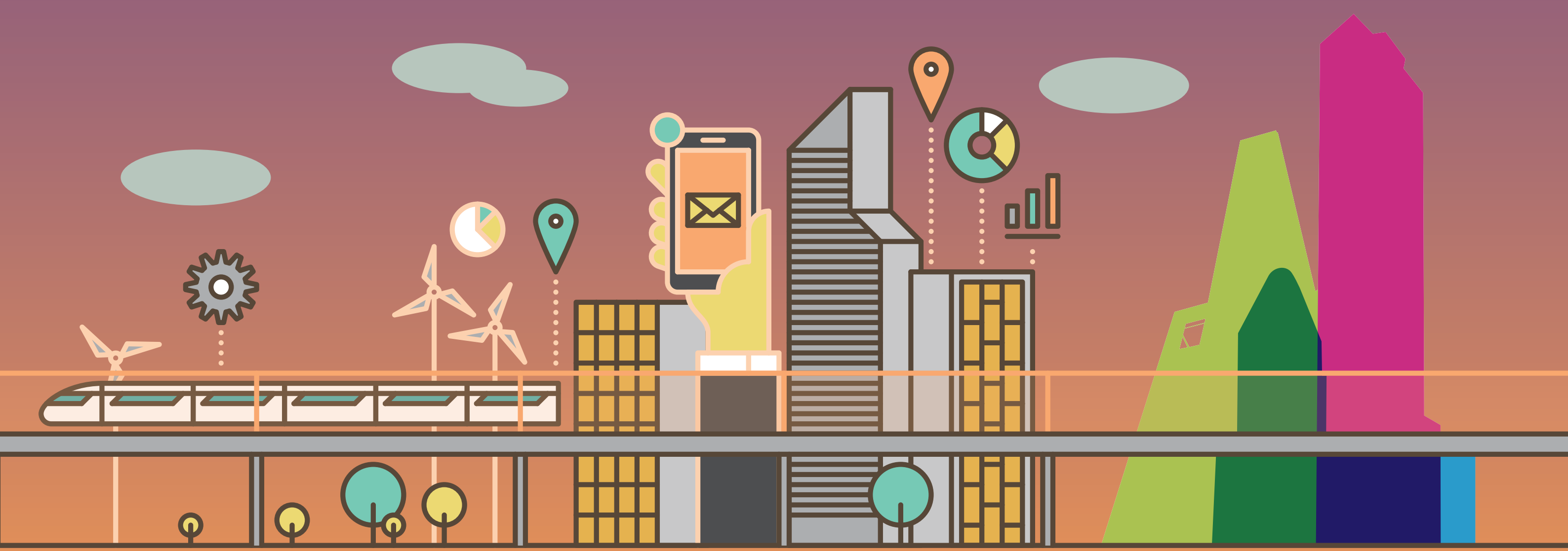
[noun] UK gēn-zä .aɪˈzeɪ.ʃən

Definition

The rising trend of retail businesses to operate from above the ground-floor level of buildings to maintain an effective presence in the CBD of a city.

Annual Report **2015/16**

Contents



Corporate Information

BOARD OF DIRECTORS

Executive directors

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

Non-executive directors

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

Independent non-executive directors

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

COMPANY SECRETARY

Mr. Lee Pui Lam

AUTHORISED REPRESENTATIVES

Mr. Chan Kwok Hung
Mr. Lee Pui Lam

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Dah Sing Bank, Limited
China Construction Bank (Asia) Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited

LEGAL ADVISERS

as to Hong Kong law:
Cheung, Tong & Rosa

as to Bermuda law:
Conyers Dill & Pearman

FINANCIAL ADVISER

Lego Corporate Finance Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

WEBSITE

www.henrygroup.hk

INVESTOR AND MEDIA RELATIONS

Strategic Financial Relations Limited

STOCK CODE

859

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Director(s)"), I would like to present the annual report of Henry Group Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 March 2016.

BUSINESS REVIEW

Overview

The year 2015 presented challenges as we experienced new levels of market volatility arising from, *inter alias*, trepidation about the negative spillover of the US interest rate hike, a sharp one-off devaluation of the Chinese yuan causing concern of instability of related exchange rates, the sharp swings in the Mainland stock market amid the deleveraging of market participants, the flare-up of the Greek debt crisis, the Euro Zone extending its quantitative easing programme to further protect its fragile economic recovery, the decrease in oil prices and emerging markets experiencing capital outflows.

Against this backdrop, the Hong Kong economy was inevitably affected, and modestly expanded by 2.4% in real terms in 2015, slightly lower than the 2.6% growth recorded in 2014. Thanks to the remarkable resilience the local domestic consumption held up well and cushioned the overall economy against the adverse global currents. Domestic demand remained the key force propelling economic growth to maintain virtually full employment through the year as the labour market remained broadly stable in 2015. The decline in retail sales was exacerbated by local stock market turmoil — the Hang Seng Index reached a seven-year high in April 2015 and subsequently lost ground. Other negative factors included a continued slowdown in inbound visitors, dragged by diminishing numbers of inbound tourists under the individual visit scheme; a continuous downward spiral in the retail market primarily caused by structural changes in Mainland consumer behaviour; and a greater drop in retail market sales over concern about the significant devaluation of the yuan which prompted Mainland tourists to curb their spending in dollar-denominated Hong Kong. As a result of the retail sales downturn, retail rentals faced their biggest drop in a decade, with high street-shop rents likely to be hit hardest by faltering retail sales.

Looking on the brighter side, the softening retail-leasing market is encouraging the gradual return of mass-market retailers and mid-range brands to prime shopping districts. Statistics of Cushman & Wakefield represented encouraging indicators for ginza-style buildings: (i) street-shop rentals in Hong Kong's core four largest prime shopping districts all dropped by 34% and 48% on average compared with 2014 and 2013 respectively, however, rentals of restaurants for the ginza-style buildings in Causeway Bay recorded an increase of 6.7% and 18.1% as compared with 2014 and 2013 respectively; and (ii) despite their decline street-shop rentals remain up to about 20 times more than rentals of ginza-style buildings. Our Group investment properties at Jardine's Bazaar are predominantly located in the heart of Hong Kong's Causeway Bay, clustered in traditional tourist street market areas, Jardine's Crescent as recommended by the Hong Kong Tourism Board. Leveraging this inherent competitive advantage, Henry Group could continue to implement its distinctive Gin-za-i-za-tion strategy and pivot the retail portfolio towards the mid-range-to-affordable market segments to cope with a generally weak retail environment.

Business Review

The Group recorded an audited revenue for the year ended 31 March 2016 of approximately HK$57.2 million compared with approximately HK$51.3 million in the same period of 2015, representing an increase of 11.5% over last year. The increase of revenue was due to additional recurring rental income contributed by the leasing of four investment properties which the acquisitions are approved by the Company's independent shareholders at two special general meetings held on 13 May 2015 and 11 November 2015 and completed during the year ("Acquisitions"). The Acquisitions presented a unique opportunity to add four properties including one residential house located at Island South, a street-shop located in a traditional luxury residential area located at Midlevels West and two street-shops located in traditional shopping districts in Causeway Bay thereby further diversifying the Group's asset portfolio to expand its recurring income base. For details of the Acquisitions, please refer to the Company's circulars dated 20 April 2015 and 26 October 2015.

Profit and total comprehensive income for the year attributable to the owners of the Company was approximately HK$1.6 million compared with approximately HK$486.2 million in the corresponding period last year. The decrease in profit was mainly due to the decreases in net gain in fair value of investment properties taken into account of the relatively stable year-end valuation of investment properties (other than the Acquisitions) as at 31 March 2016 as compared to that of as at 31 March 2015. If the aforementioned financial impact of non-cash flow accounting adjustments in relation to unrealised fair value gains on investment properties held for long term for both years in 2016 and 2015 were excluded, the profit and total comprehensive income for the year attributable to the owners of the Company for the two financial years ended 31 March 2016 would have adjusted to loss and total comprehensive loss for the year attributable to the owners of the Company of approximately $8.3 million and approximately $1.8 million respectively.

	2016 **HK$'000**	2015 HK$'000
Profit and total comprehensive income for the year attributable to the owners of the Company	**1,571**	486,169
Excluding effect of unrealised net gain in fair value of investment properties	**(9,862)**	(488,000)
Adjusted loss and total comprehensive loss for the year attributable to the owners of the Company	**(8,291)**	(1,831)

After completion of the Acquisitions, the Group's investment properties portfolio included two core ginza-style buildings, four street-shops, one residential flat and one residential house, with a total appraised fair values of HK$3,034.8 million as of 31 March 2016, which are predominantly clustered in the heart of Hong Kong's bustling Causeway Bay.

Details of our portfolio of investment properties (included the Acquisitions) as of 31 March 2016 are shown in the following table:

Properties and location	Type of property	Appraised Valuation approximately (HK$'000)
Causeway Bay		
Jardine Center, No. 50, Jardine's Bazaar	Ginza-style building	1,280,000
L'hart, Nos. 487–489 Lockhart Road	Ginza-style building	1,100,000
Ground Floor of No. 38, Jardine's Bazaar	Street-shop	102,000
Ground Floor of No. 41, Jardine's Bazaar[3]	Street-shop	139,000
Ground Floor of No. 57, Jardine's Bazaar[1, 3]	Street-shop	143,000
1st Floor, Nos. 38–40, Jardine's Bazaar	Residential flat	12,800
Mid-levels West		
Ground Floor of K.K. Mansion, Nos. 119, 121, 125 Caine Road[1, 2]	Street-shop	56,000
Island South		
House No. 12, Villa Bel-Air, Bel-Air on the Peak[2]	Residential house	202,000
		3,034,800

1. The Acquisitions were financed by net proceeds of the open offer announced by the Company on 22 July 2014 (the "Open Offer"), details of usage of proceeds of the Open Offer has been disclosed in the Company's announcement dated 8 June 2016.

2. Discloseable and connected transaction in relation to acquisition of two properties approved by independent shareholders of the Company at a special general meeting held on 13 May 2015. For details of the transaction, please refer to the Company's circular dated 20 April 2015.

3. Major and connected transaction in relation to acquisition of two commercial properties through acquisition of two companies involving the issue of the convertible notes approved by independent shareholders of the Company at a special general meeting held on 11 November 2015. For details of the transaction, please refer to the Company's circular dated 26 October 2015.

Overall leasing rate of the Group's investment property portfolio was around 96% with 2% vacancy due to our structural construction works at prime ground floor leasable areas and the lobby of Jardine Center. These works were initiated with a view to maximise layout efficiency to better cater to peak customer traffic hours and boosting the attraction of the building to shoppers as a whole in order to reap a long term benefit and strengthen its competitive advantage as well as differentiate itself from several new ginza-style buildings opening in Causeway Bay. Good progress was made in Jardine Center's refurbishment and enhancement work which is expected to be completed by the end of June 2016.

Thanks to the dedicated efforts and capability of our management we are able to configure a strategic well-balanced and diverse tenant mix responsive to the market and business environment while nurturing the portfolio growth of our investment properties. During the financial year, food and beverage tenants accounted for 51.9% of the total leased areas of the Group's portfolio of investment properties. According to the Report on Quarterly Survey of Restaurant Receipts and Purchase issued by the Census and Statistics Department of the HKSAR, the total estimated value of restaurants receipts in the third quarter of 2015, has reached $26.2 billion, increasing by 3.3% over the previous year. Rentals of restaurants at upper-levels of retail buildings located in prime district shopping areas have outperformed street shop rentals in the same district, surprisingly recording a moderate year-on year growth of 6.7% in Causeway Bay and Tsimshatsui, 6.2% in Central and 5.7% in Mongkok, according to statistics produced by Cushman & Wakefield. The Group intends to continue to ride on this opportunity and translate our properties into value and returns to our shareholders.

Corporate Social Responsibility

The Group proactively believes strongly in environmental protection and sustainable development. The Group is a responsible corporate citizen and promulgates ecofriendly in its operations of investment properties. It again supported the World Wide Fund for 10th Earth Hour held in March 2016. The Group cares about its employees and procured additional production equipment and daily necessities for its employees, with a view to effectively resolve practical problems encountered by its employees and improve the work environment.

Outlook

Going forward, Hong Kong is an open economy and inevitably will be constrained by the slower growth of the global economy affected by a number of factors including the shifting of the economic growth in Mainland China to a lower gear, the uncertainties associated with US interest rate normalization and diverging monetary policies including adoption of negative interest rates among major foreign central banks potentially leading to global financial volatility. Against this backdrop, the Hong Kong economy is projected to expand by 1–2% in 2016, compared to the 2.4% growth in 2015 and the average annual growth of 3.4% in the past ten years, according to official Financial Secretary's Office Government of the HKSAR report announced in February 2016. The prospects for reduced growth takes into account Hong Kong's retail sales sector continuing to face headwinds arising from the dual adverse effects of the structural changes of consumer behaviour in Mainland China and the expected depreciation of the yuan dampening tourists spending. Mitigating these factors to some extent is Hong Kong's favorable position to seize the opportunities arising from the "Belt and Road" strategic initiative and to contribute a wide range of high-end services to Mainland China. The Group continues to ride on the opportunities in response to the changing consumption patterns of local consumers and Mainland visitors to refine and solidify its tenant mix. Its tenant portfolio of differentiated services-based retailers offering top quality services as well as food and beverage outlets generate synergies to uplift the value of investment properties and maximise the interest of our shareholders. During the year, the Company established a record of delivering attractive returns for its shareholders through the cash distribution out of its credit standing in the contributed surplus account in a total of HK$0.5767 per ordinary share or approximately HK$550 million.

I would also like to take this opportunity to express my gratitude to my fellow directors for their guidance, to all staff for their dedication and hard work and to our principal bankers for their continuing support.

Ng Ian
Chairman
Hong Kong, 24 June 2016

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's audited consolidated revenue for the year was approximately HK$57.2 million (2015: HK$51.3 million) which represented rental income generated from investment properties in Hong Kong. The increase in rental revenue was mainly due to additional recurring rental income contributed by the leasing of four investment properties which the acquisitions are approved by independent shareholders of the Company at two special general meetings held on 13 May 2015 and 11 November 2015 ("Acquisitions"). Details of the Acquisitions are set out on pages 14 to 15 of this annual report.

Other income and gains

Other income and gains for the year was approximately HK$11.2 million (2015: HK$20.5 million). The decrease was mainly due to reduction in bank deposits interest income.

Other operating expenses

Other operating expenses for the year was approximately HK$27.1 million (2015: HK$13.2 million). The increase was mainly due to (i) realisation of exchange loss of approximately HK$5.4 million arose from conversion of fixed deposits from RMB to HKD; (ii) legal and professional fee incurred for the Acquisitions of approximately HK$2.9 million; and (iii) share base payments of approximately HK$6.4 million.

Finance costs

Finance costs for the year was approximately HK$26.9 million (2015: HK$26.1 million). The decrease was mainly due to repayment of bank borrowings.

Profit and total comprehensive income for the year attributable to owners of the Company

Profit and total comprehensive income for the year attributable to owners of the Company was approximately HK$1.6 million, representing a decrease of approximately 99.7% from approximately HK$486.2 million recorded in the corresponding year in 2015. The decrease was mainly attributable to the decrease in net gain in fair value of investment properties of approximately HK$478.1 million.

DIVIDENDS AND DISTRIBUTION

On 31 March 2015, the Board resolved to make the distribution of an aggregate payment of approximately HK$550,000,000 to the shareholders of the Company on the record date out of the credit standing in the contributed surplus account of the Company (the "Distribution"). The Distribution was approved by the shareholders of the Company at a special general meeting held on 13 May 2015 and it was paid by the Company at HK$0.5767 per ordinary share on 27 May 2015.

Save as the above, no dividend was paid or proposed during the year ended 31 March 2016, nor has any dividend been proposed since the end of year under review (2015: Nil).

Liquidity and financial resources

Save for the Acquisitions was partially financed by the issue of 1.68% convertible notes due on 7 December 2020 with an aggregate principal amounts of HK$125 million issued in December 2015, the Group mainly finances its business operations by its internal resources and bank borrowings. As at 31 March 2016, the Group's cash and bank balances amounted to approximately HK$299.7 million (2015: HK$1,146.0 million). The decrease in cash and bank balances was mainly due to the Acquisitions and the Distribution. As of 31 March 2016, the Group has a undrawn standby revolving credit facility of approximately HK$100 million in place for unanticipated and non-recurring extraordinary needs of business operation. Accordingly the Board considered that the Group has maintained adequate financial resources to satisfy its working capital requirements and to meet its financial obligations when they fall due in the foreseeable future.

As of 31 March 2016, the Group's total bank borrowings all denominated in Hong Kong Dollars ("HKD") and are on a floating rate based in aggregate of approximately HK$1,081.4 million (2015: HK$1,008.1 million) with maturity profile set out as follows:

	2016 HK$'000	2015 HK$'000
Repayable		
Within 1 year	26,750	26,750
After 1 year but within 2 years	29,750	26,750
After 2 years but within 5 years	498,251	395,252
Over 5 years	526,622	559,372
	1,081,373	1,008,124

The Group's gearing ratio as of 31 March 2016, which was calculated on the basis of total liabilities over total assets, was approximately 35.7% (2015: 28.5%). Whilst the Group's current ratio as of 31 March 2016, which was expressed a ratio of current assets over current liabilities, was approximately 9.0 (2015: 29.1).

Capital Structure

During the year under review, the Company issued and allotted of 20,921,688 ordinary shares by virtue of exercise of 20,921,688 share options pursuant to the Company's share option schemes and accordingly the issued share capital of the Company enlarged to 971,798,352 ordinary shares as of 31 March 2016. In addition, pursuant to a special resolution passed by shareholders of the Company at a special general meeting held on 13 May 2015, entire amount standing to the credit of share premium account of approximately HK$720.6 million transferred to the contributed surplus account to facilitate the payment of the Distribution ("Share Premium Reduction"). The Share Premium Reduction became unconditional effective on 14 May 2015.

As at 31 March 2016, the audited net assets of the Group amounted to approximately HK$2,161.9 million (as at 31 March 2015: HK$2,619.1 million), representing a decrease of approximately 17.5% as compared with the same as of 31 March 2015, by reason of the Distribution. With the total number of 971,798,352 ordinary shares in issue as of 31 March 2016, the audited net assets value per share was approximately HK$2.22 (as at 31 March 2015: HK$2.75).

Treasury Policy

It is the Group's treasury management policy restricted to engage in speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management. The Group's business has been conducted in Hong Kong and its monetary assets and liabilities are mainly denominated in HKD. Save for an interest rate swap contract for hedging purpose was expired and terminated during the year, the Group has not employed any interest rate swap to manage interest rate risk for its banking facilities are principally on floating rate basis.

CONTINGENT LIABILITIES

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

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

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

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

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

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

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

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

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

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

As of 31 March 2016, there was no Relevant Claims reported. Save as disclosed aforesaid, the Group did not have any significant contingent liabilities as at 31 March 2016.

EMPLOYEES AND REMUNERATION POLICY

As of 31 March 2016, the Group had about 8 employees based in Hong Kong. The Group offers its employees competitive remuneration packages which commensurate with their performance, experience and job nature. The Group also provides other benefits including but not limited to medical insurance, discretionary bonus, share options and mandatory provident fund schemes.

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

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

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Apart from the discloseable and connected transaction announced on 31 March 2015 and major and connected transaction announced on 5 October 2015 regarding the Acquisitions, the Group did not have any significant investments, material acquisitions or disposals during the year. Details of the Acquisitions are set out on pages 14 to 15 of this annual report.

Report of the Directors

The directors of the Company ("Directors") are pleased to present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 41 to the consolidated financial statements on pages 109 to 111 of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2016 are set out in the consolidated financial statements on page 35 of this annual report.

DIVIDENDS AND DISTRIBUTION

On 31 March 2015, the board of directors resolved to make the distribution of an aggregate payment of approximately HK$550,000,000 to the shareholders of the Company on the record date (the "Distribution"). The Distribution was approved by the shareholders of the company at a special general meeting held on 13 May 2015 and it was paid to the shareholders whose name appear on the register of members of the Company as at the close of business on 19 May 2015 (being the record date for the Open Offer) out of the credit standing in the contributed surplus account of the Company in total of HK$0.5767 per share on 27 May 2015.

Save as the above, no dividend was paid or proposed during the year ended 31 March 2016, nor has any dividend been proposed since the end of year under review (2015: Nil).

RESERVES

Movements in reserves of the Group and the Company during the year are set out on pages 38 and 113 of this annual report respectively.

INVESTMENT PROPERTIES

The Group's investment properties as at 31 March 2016 were revalued by an independent firm of professional properties valuers using income capitalisation approach and direct comparison approach. Details of movements in the investment properties of the Group during the year are set out in note 16 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 25 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

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

DIRECTORS

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

Executive Directors

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

Non-executive Directors

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

Independent non-executive Directors

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

In accordance with the Company's Bye-laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the executive Director, Mr. Chan Kwok Hung, the non-executive Directors, Mr. Ng Chun For, Henry and Mr. Mak Wah Chi and all the independent non-executive Directors, Mr. Chan Kam Man, Mr. Li Kit Chee and Mr. Chu Tak Sum, will retire from office at the forthcoming annual general meeting and being eligible, will offer themselves for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management as at the date of this report are set out on pages 22 to 23 of this annual report.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Details of the connected transactions under the Listing Rules and related party transactions under applicable accounting principles are set out on pages 14 to 15 and 98 respectively of this annual report.

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS' on pages 16 to 20 of this annual report, at no time during the year were rights to acquire benefits by means of the acquisitions of shares, or underlying shares in, or debenture of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company to acquire such rights in any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

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

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate turnover attributable to the Group's five largest customers was approximately 30% of the Group's total turnover and the Group's largest customer accounted for approximately 16% of the Group's total turnover.

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

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

CONNECTED TRANSACTIONS

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

Connected Transaction required reporting, announcement and independent shareholders approval

Discloseable and connected transaction in relation to acquisition of two properties ("March Acquisition Agreements")

(a) On 31 March 2015, Joyfield Global Holdings Limited, a company incorporated in the British Virgin Islands ("BVI") with limited liability and an indirect wholly-owned subsidiary of the Company ("First Purchaser"); Ms. Li Yuen Ting, the spouse of Mr. Ng Ian ("First Vendor"); and Mr. Ng Ian, the Chairman of the Company and executive Director, entered into an agreement for sale and purchase of shares in South Shine Limited and debt owing by its group companies (collectively included Sunny Coast Limited and Asia Goal International Limited ("Asia Goal")) ("First March Acquisition Agreement"), pursuant to which, the First Purchaser indirectly acquired a residential property located at House No.12, Villa Bel-Air, Bel-Air of the Peak, Island South, No. 12 Bel-Air Peak Rise, Hong Kong held by Asia Goal for an aggregate consideration of HK$197.96 million (subject to post completion adjustment). The completion of First March Acquisition Agreement took place on 20 May 2015 and its consideration adjusted downwards from approximately HK$197.96 million to approximately HK$197.65 based on the post completion adjustment confirmed by the First Purchaser and the First Vendor on 29 June 2015. Details of the assets acquired and liabilities recognised at the date of acquisitions are set out in note 31(a) to the consolidated financial statements.

(b) On 31 March 2015, Crystal City Global Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company ("Second Purchaser"); Trade Icon Holdings Limited and Billion Sincere Limited both are wholly-owned by Mr. Ng Ian (collectively "Second Vendors"); and Mr. Ng Ian, entered into an agreement for sale and purchase of shares in and debt owing by Pioneer Delight Limited ("Pioneer Delight") ("Second March Acquisition Agreement"), pursuant to which, the Second Purchaser indirectly acquired a commercial property located at Shop 1 on Ground Floor. K.K. Mansion Caine Road Hong Kong held by Pioneer Delight for an aggregate consideration of approximately HK$56.15 million (subject to post completion adjustment). The completion of Second March Acquisition Agreement took place on 28 May 2015 and its consideration adjusted downward from approximately HK$56.15 million to approximately HK$55.73 million based on the post completion adjustment confirmed by the Second Purchaser and Second Vendors on 29 June 2015. Details of the assets acquired and liabilities recognised at the date of acquisitions are set out in note 31(b) to the consolidated financial statements. The Company utilised approximately HK$56.2 million out of net proceeds of the Open Offer of approximately HK$123.6 million for the settlement of consideration of the Second March Acquisition Agreement.

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

Major and Connected Transaction in relation to acquisition of two commercial properties through acquisition of two companies involving the issue of the convertible notes under the specific mandate ("October Acquisition Agreements")

(c) On 3 October 2015, Perfect Shield Investment Limited, a company incorporated in the BVI with Limited liability and an indirect wholly-owned subsidiary of the Company ("Third Purchaser") and Superb Global Group Limited, a company incorporated in the BVI with Limited liability and wholly-owned by Mr. Ng Ian ("Third Vendor") entered into an agreement for sale and purchase of shares in and debt owned by Top Grade Properties Limited ("Top Grade") ("First October Acquisition Agreement"), pursuant to which, the Third Purchaser or its nominee indirectly acquired a commercial property located at the ground floor including cockloft, No. 41 Jardine's Bazaar, Hong Kong for an aggregate consideration of approximately HK$135.6 million (subject to post completion adjustment), of which approximately HK$63.5 million would be settled by cash and the rest would be settled by the issue of convertible note due on 7 December 2020 (under special general mandate) with a principal amount of approximately HK$72 million.

The completion of First October Acquisition Agreement took place on 7 December 2015 and the Third Purchaser nominated Red Ribbon Group Limited ("Red Ribbon"), being its fellow subsidiary as nominee for the completion of the First October Acquisition Agreement. The consideration of the First October Acquisition Agreement adjusted downwards from approximately HK$135.6 million to approximately HK$134.9 million based on the post completion adjustment confirmed by the Third Purchaser, Red Ribbon and Third Vendor on 11 January 2016. Details of the assets acquired and liabilities recognised at the date of acquisitions are set out in note 31(c) to the consolidated financial statements.

(d) On 3 October 2015, the Third Purchaser and the Third Vendor entered into an agreement for sale and purchase of shares in and debt owing by Wealth Properties Limited ("Wealth Properties") ("Second October Acquisition Agreement"), pursuant to which, the Third Purchaser indirectly acquired a commercial property located at the ground floor, No. 57 Jardine's Bazaar, Hong Kong held by Wealth Properties for an aggregate consideration of approximately HK$139.5 million (subject to post completion adjustment) of which approximately HK$86.5 million would be settled by cash and the rest would be settled by the issue of a convertible note due on 7 December 2020 (issued under special general mandate) with a principal amount of approximately HK$53 million. The completion of Second October Acquisition Agreement took place on 7 December 2015 and its consideration adjusted downwards from approximately HK$139.5 million to approximately HK$138.8 million based on the post completion adjustment confirmed by the Third Purchaser and Third Vendor on 11 January 2016. The Company utilised the remaining balance of approximately HK$67.4 million out of the net proceeds of the Open Offer for the partial settlement of consideration of the Second October Acquisition Agreement. Details of the assets acquired and liabilities recognised at the date of acquisitions are set out in note 31(d) to the consolidated financial statements.

The October Acquisition Agreements (collectively included First October Acquisition Agreement and Second October Acquisition Agreement), when aggregate with the transactions contemplated under the March Acquisition Agreements as announced by the Company on 31 March 2015 pursuant to Rule 14.22 of the Listing Rules, constitute major transactions for the Company under Chapter 14 of the Listing Rules as the highest applicable percentage ratio set out in Rule 14.07 of the Listing Rules in respect of the October Acquisition Agreements (on an aggregated basis) is more than 25% but less than 100%.

The October Acquisition Agreements announced on 5 October 2015 and their details disclosed in the circular dated 26 October 2015. The October Acquisition Agreements also approved by independent shareholders at the special general meeting held on 11 November 2015.

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

As at 31 March 2016, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

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

	Number of ordinary shares held (long position)		Number of underlying shares in respect of			Approximate percentage of issued share capital of the Company
Name of Directors	Personal Interest	Corporate Interest	share options	Convertible notes	Total	
Mr. Ng Ian*	113,529,071	581,240,665 (note 1)	5,300,000 (note 2)	133,832,976 (note 3)	833,902,712	85.81%
Mr. Ng Chun For, Henry	127,200	—	—	—	127,200	0.01%
Mr. Chan Kwok Hung	2,000	—	13,579,612 (note 2)	—	13,581,612	1.4%
Mr. Mak Wah Chi	2,029,225	—	—	—	2,029,225	0.21%

* Son of Mr. Ng Chun For, Henry

Notes:

(1) Mr. Ng Ian is deemed to be interested in 581,240,665 shares which represented an aggregate of (i) 568,676,782 shares were held by Golden Tool International Limited ("Golden Tool"); and (ii) 12,563,883 shares were held by Trade Icon Holdings Limited ("Trade Icon"). Golden Tool and Trade Icon both are wholly and beneficially owned by him.

(2) these interests represented the interests in underlying shares in respect of share options granted by the Company to these directors as beneficial owners, the details of which are set out in the share options section as out on pages 19 to 20 of this annual report.

(3) Mr. Ng Ian is deemed to be interested in 133,832,976 underlying shares which represented convertible notes in an aggregate principal amount of HK$125 million carrying rights to convert into 133,832,976 Shares at an initial conversion price of HK$0.938 per share, (subject to adjustment) upon full conversion issued by the Company to Superb Global Group Limited ("Superb"), a company wholly and beneficial owned by him.

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

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

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

Save as disclosed above, as at 31 March 2016, none of the Directors or chief executives of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executives of the Company, as at 31 March 2016, shareholders who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or had otherwise notified to the Company and the Stock Exchange were as follows:

Name of substantial shareholder	Capacity and nature of interest	Number of ordinary shares held (long position)	Number of underlying shares held	Total	Approximate percentage of issued share capital of the Company
Mr. Ng Ian	Personal and interests in corporation	694,769,736 (note 1)	139,132,976 (note 2)	833,902,712	85.81%
Golden Tool	beneficial owner	568,676,782 (note 1)	—	568,676,782	58.52%
Superb	beneficial owner	—	133,832,976 (note 2)	133,832,976	13.78%

Notes:

(1) Ng Ian is deemed to be interested in 694,769,736 shares (which represented an aggregate of (i) 113,529,071 shares held by his personal interest; and (ii) 581,240,655 shares held by corporate interest via his controlled corporations, of which 568,676,782 shares held by Golden Tool and 12.563.883 shares held by Trade Icon.

(2) Ng Ian is deemed to be interested in 139,132,976 underlying shares (which represented an aggregate of (i) 5,300,000 underlying shares by his personal interests in 5,300,000 share options; and (ii) 133,832,976 underlying shares through his controlled corporation, Superb which is the beneficial owner of convertible notes

Save as disclosed above, as at 31 March 2016, the Company had not been notified by any person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange.

SHARE OPTIONS

Particulars of the Company's share option schemes are set out in note 19 to the consolidated financial statements.

The following table discloses details of share options outstanding under the share option scheme previously adopted on 3 September 2003 and lapsed on 2 September 2013 ("2003 Scheme") and movement during the year:

Name of Grantee	Notes	Date of grant of share options	Exercise price HK$	Exercise price per share after adjustments (Note 7) HK$	Number of share options: Outstanding as at 1 April 2015	Exercised during the year	Outstanding as at 31 March 2016
Mr. Ng Ian *(Director)*	(5)	12 April 2012	0.55	0.5421	7,102,290	(7,102,290)	—
	(6)	25 April 2013	0.642	0.6328	7,102,290	(7,102,290)	—
Mr. Mak Wah Chi *(Director)*	(2)	2 April 2007	0.686	0.6761	2,029,225	(2,029,225)	—
Eligible participants	(1)	28 October 2005	0.676	0.6663	649,352	(649,352)	—
	(2)	2 April 2007	0.686	0.6761	2,029,225	(2,029,225)	—
	(3)	31 August 2007	1.156	1.1394	1,014,612	—	1,014,612
Employees	(2)	2 April 2007	0.686	0.6761	507,306	(507,306)	—
	(4)	18 April 2011	0.66	0.6505	3,551,144	—	3,551,144
					23,985,444	(19,419,688)	4,565,756

Notes:

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

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

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

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

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

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

(7) Adjustments for the open offer applicable to share options of the 2003 Scheme remained outstanding as of 4 September 2014 with effect from 4 September 2014. Details of the adjustments to the share options, please refer to the Company's announcement dated 4 September 2014.

The following table discloses details of share options outstanding under the share option scheme pursuant to shareholders' resolution passed at annual general meeting held on 3 September 2013 ("2013 Scheme") and movement during the year:

Name of Grantee	Notes	Date of grant of share options	Exercise price HK$	Exercise price per share after adjustments (Note 5) HK$	Number of share options: Outstanding as at 1 April 2015	Granted during the year	Exercised during the year	Outstanding as at 31 March 2016
Mr. Ng Ian *(Director)*	(3)	28 August 2015	0.878	N/A	—	5,300,000	—	5,300,000
Mr. Chan Kwok Hung *(Director)*	(1)	30 April 2014	1.036	1.0211	1,014,612	—	—	1,014,612
	(2)	5 September 2014	0.9100	N/A	4,350,000	—	(1,500,000)	2,850,000
	(3)	28 August 2015	0.878	N/A	—	5,200,000	(2,000)	5,198,000
	(4)	31 March 2016	1.382	N/A	—	4,517,000	—	4,517,000
Eligible participants	(1)	30 April 2014	1.036	1.0211	7,102,290	—	—	7,102,290
	(4)	31 March 2016	1.382	N/A	—	9,717,000	—	9,717,000
					12,466,902	24,734,000	(1,502,000)	35,698,902

Notes:

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

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

(3) The exercisable period is from 28 August 2015 to 27 August 2025 (both dates inclusive).

(4) The exercisable period is from 31 March 2016 to 30 March 2026 (both dates inclusive).

(5) Adjustments for the open offer applicable to share options of the 2013 Scheme remained outstanding as of 4 September 2014 with effect from 4 September 2014. Details of the adjustments to the share options, please refer to the Company's announcement dated 4 September 2014.

Apart from the foregoing, at no time during the year was the Company, its holding Company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

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

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as required under the Listing Rules throughout the year ended 31 March 2016.

EVENTS AFTER THE REPORTING PERIOD

There is no important event affecting the Company and its subsidiaries which had occurred after the reporting period.

AUDITORS

The accounts 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 for the re-appointment of HLB Hodgson Impey Cheng Limited as auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Ng Ian
Chairman
Hong Kong, 24 June 2016

Directors and Senior Management Profile

DIRECTORS

Executive Directors

Ng Ian (Aged 50)

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

Chan Kwok Hung (Aged 52)

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

Non-executive Directors

Ng Chun For, Henry (Aged 79)

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

Mak Wah Chi (Aged 63)

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

Independent non-executive Directors

Li Kit Chee (Aged 61)

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

Chan Kam Man (Aged 53)

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

Chu Tak Sum (Aged 69)

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

SENIOR MANAGEMENT

Lee Pui Lam (Aged 46)

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

Yang Ki Kit (Aged 37)

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

Corporate Governance Report

The Board of Directors of the Company ("Board") is committed to maintaining and achieving high standards of corporate governance practices in order to safeguard the interests of the shareholders and enhance the performance of the Group.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules throughout the year, with the following exceptions:

1. Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. After the appointment of Mr. Ng Ian as the Chairman of the Company with effect from 28 March 2013, he resigned as the Deputy Chairman and Chief Executive Officer ("CEO") of the Company. The Board considered that the management structure of the Board could be optimised by Mr. Ng Ian (the former CEO of the Company, the current Chairman and executive Director of the Company) taking up both the roles of Chairman and CEO of the Company after considering the following factors:

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

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

    c. it is beneficial to the Company and its shareholders as a whole having taken into account that the Group's business scale has been narrowed down to business operation in Hong Kong after disposal of the joint-venture-based property under construction in Mainland China.

2. Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive directors should attend the general meetings of the Company. Mr. Ng Chun For, Henry did not attend two special general meetings of the Company held on 13 May 2015 and 11 November 2015 ("SGMs") as well as Mr. Ng Chun For, Henry and Mr. Chu Tak Sum did not attend annual general meeting of the Company 2014–2015 held on 12 August 2015 ("2015 AGM") due to their respective other prior business engagement.

3. Under Code Provision D.1.4, all directors should clearly understand delegation arrangements in place, and the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment.

    The Company has no formal letters of appointment for all Directors as most of them have been serving as Directors for a considerable period of time, clear understanding of the terms and conditions of their appointment already exists between the Company and the Directors, and so there is no written record of the same. In any event, all Directors, including those without a letter of appointment and those appointed for a specific term, shall be subject to retirement by rotation in the manner prescribed under the Bye-laws of the Company and on re-election of the retiring Directors, shareholders are given information that is reasonably necessary for them to make an informed decision on the reappointment of the relevant Directors.

BOARD OF DIRECTORS

The Board, led by the Chairman, oversees the management, business, strategic directions and financial performance of the Group. It has delegated the day-to-day responsibility to the executive Directors and senior management of the Company who perform their duties under the leadership of the Chairman. The functions reserved to the Board and delegated to the executive Directors and senior management are reviewed by the Board to ensure that such delegation remains appropriate to the needs of the Group. The Directors meet regularly to review the Group's business and financial performance. Regular Board Meetings are attend by a majority of the directors in person or through other electronic means of communication. Additional Board Meetings concerning special matters requiring the Board's decisions will be held and when required.

BOARD COMPOSITION

The Board comprises 7 Directors, including 2 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors. The Company has 3 independent non-executive Directors, representing more than one-third of the Board. At least one of the independent non-executive Directors has appropriate professional qualifications, or accounting or related financial management expertise. Biographical details of the Directors are set out on pages 22 to 23 of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

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

3. it is beneficial to the Company and its shareholders as a whole having taken into account that the Group's business scale has been narrowed down to business operation in Hong Kong after disposal of the joint-venture based property development project in Mainland China.

THE BOARD

The Board held 8 regular meetings and 24 additional meetings during the financial year ended 31 March 2016. As regards general meetings, the Company held the 2015 AGM and 2 SGMs during the year to approve the following matters: inter alias, (i) Share premium reduction, distributions and discloseable and connected transactions in relations to acquisition of two properties; and (ii) major and connected transaction in relations to acquisition of two commercial properties through acquisition of two companies involving the issue of the convertible notes under the specific mandate.

Attendance of individual Directors at the Board meetings and general meetings for the year ended 31 March 2016 is as follows:

Name of Directors	Regular Board Meetings attendance/ Number of meetings[2]	Special Board Meetings attendance/ Number of meetings[3]	General Meetings attendance/ Number of meetings
Executive Directors			
Mr. Ng Ian *(Chairman)*[1]	8/8	21/24	1/3
Mr. Chan Kwok Hung	8/8	19/24	3/3
Non-executive Directors			
Mr. Ng Chun For, Henry[1]	8/8	1/24	0/3
Mr. Mak Wah Chi	8/8	7/24	3/3
Independent non-executive Directors			
Mr. Li Kit Chee	8/8	5/24	3/3
Mr. Chu Tak Sum	8/8	5/24	2/3
Mr. Chan Kam Man	8/8	5/24	3/3

Notes:

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

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

(3) Additional Board Meetings are convened from time to time for the Board to discuss major matters that require the Board's timely attention.

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

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

The Company has arranged appropriate insurance covering for its Directors.

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

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

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

At the 2015 AGM held on 12 August 2015, Mr. Ng Ian, Mr. Mak Wah Chi, Mr. Chan Kam Man, Mr. Chu Tak Sum and Mr. Li Kit Chee retired from office by rotation pursuant to Bye-laws, and were re-elected as Directors.

The code provision A.4.1 of the CG Code stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. The non-executive Director Mr. Ng Chun For, Henry was elected at the annual general meeting held on 3 September 2013 to hold office as a non-executive Director of the Company until the next annual general meeting of the Company to be held in 2016 subject to retirement and rotation in accordance with the Bye-laws of the Company. The non-executive Director, Mr. Mak Wah Chi and all the independent non-executive Directors Mr. Li Kit Chee, Mr. Chu Tak Sum and Mr. Chan Kam Man were re-elected at the 2015 AGM to hold office until the conclusion of the next annual general meeting to be held in 2016. As such, all non-executive Directors including the independent non-executive Directors have been appointed for a specific term and accordingly the Company has been in compliance with the code provision A.4.1.

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

Mr. Li Kit Chee has served the Company for about 9 years, since his appointment in 2007. However, the Company believes that Mr. Li Kit Chee is still independent. Mr. Li Kit Chee 's further appointment was subject to a separate resolution approved by shareholders in the next annual general meeting to be held in August 2016. The circular accompanying that resolution has included the reasons why the Board believed he was still independent and should be re-elected.

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

RESPONSIBILITIES OF DIRECTORS

The Directors acknowledge their responsibility for preparing the financial statements for the financial year ended 31 March 2016. Every Director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Group. On appointment, new Directors will receive a comprehensive, formal induction on the Group's business and his responsibilities as a Director.

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

DIRECTORS' SECURITIES TRANSACTIONS COMPLIANCE WITH MODEL CODE

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

DIRECTORS' TRAINING AND PROFESSIONAL DEVELOPMENT

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

Under the code provision A.6.5 of the CG Code, all Directors should participate in continuous development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Directors are continuously updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. The Company has provided timely technical updates, including the briefing on the amendments to the Listing Rules and the news release published by the Stock Exchange to the Directors. Continuous briefing and seminars on professional development for Directors are arranged where necessary. During the year ended 31 March 2016, regulatory updates and relevant materials on amendment to Listing Rules were sent to the Directors for their awareness of the latest development on statutory requirements.

The training each Director received during the year ended 31 March 2016 is summarized as below:

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

BOARD COMMITTEES

The Board has established 3 Board Committees, namely, the Remuneration Committee, the Audit Committee and the Nomination Committee, for overseeing particular aspects of the affairs of the Group. All Board committees have been established with defined written terms of reference, which are available on the Company's website at http://www.henrygroup.hk. All the Board Committees should report to the Board on their decisions or recommendations made.

All Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses. The duties and work done by the foregoing three Board Committees for the year ended 31 March 2016 are detailed below.

Remuneration Committee

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

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

During the year under review, the Remuneration Committee reviewed and made recommendations on the remuneration packages of the Board.

Details of Directors' emoluments on named basis for the year ended 31 March 2016 are set out in note 10 to the consolidated financial statements. In addition, pursuant to the code provision B.1.5, the annual remuneration of the senior management by bands for the year ended 31 March 2016 is set out below:

Remuneration bands	No. of senior management 2016
HK$Nil–HK$1,000,000	1
HK$1,000,001–HK$1,500,000	1
	2

The Remuneration Committee held 1 meeting during the year under review and the record of attendance of its members is as follows:

Name of member	Attendance/Number of meetings
Mr. Li Kit Chee *(Independent non-executive Director and the Chairman of Remuneration Committee)*	1/1
Mr. Mak Wah Chi *(Non-executive Director)*	1/1
Mr. Chu Tak Sum *(Independent non-executive Director)*	1/1

Audit Committee

The Company was established the Audit Committee on 20 May 2015 and is governed by its terms of reference, which has been revised on 4 December 2015 and are closely aligned with the relevant CG code and are available on the Company website at http://www.henrygroup.hk.

The audit committee comprises a non-executive Director and two independent non-executive Directors, namely, Mr. Mak Wah Chi, Mr. Li Kit Chee (Committee Chairman) and Mr. Chan Kam Man. The audit committee had reviewed and discussed with management the accounting principles and practices adopted by the Group, audit, internal control and financial reporting matters including the review of the audited consolidated financial statements for the year ended 31 March 2016 as set out in this announcement have been agreed by the Group's auditor.

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

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

Nomination Committee

The Company was established the Nomination Committee on 19 March 2012 and is governed by its terms of reference which has been revised with effective from 1 September 2013 are available on the Company website http://www.henrygroup.hk. The Nomination Committee currently comprises a non-executive Director and two independent non-executive Directors, namely, Mr. Mak Wah Chi, Mr. Chan Kam Man (Committee Chairman) and Mr. Chu Tak Sum.

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

During the year under review, the Nomination Committee reviewed the composition and rotation of the Board; and consideration was given to the independence of Mr. Li Kit Chee who has been serving on the Board for more than 9 years.

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

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

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

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

The Nomination Committee held 1 committee meeting during the year under review and the record at attendance of its members is as follows:

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

EXTERNAL AUDITORS AND AUDITORS' REMUNERATION

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

The reporting responsibilities of HLB Hodgson Imply Cheng Limited are stated in the Independent Auditors' Report on pages 33 to 34 of the annual report.

The amount of fees charged by the auditors generally depends on the scope and volume of the auditors' work. For the year under review, the remuneration charged to the Group for statutory audit services HK$780,000 and other audit services provided by the auditors amounted to approximately HK$600,000.

INTERNAL CONTROL

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

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

During the year under review, the Board has discussed and reviewed the internal control systems on leasing and account receivable procedures and the relevant report in order to ensure that the Group has adequate and effective internal control systems in place.

COMPANY SECRETARY

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

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

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

The Company formulated a Shareholders' Communication Policy and adopted on 19 March 2012 which is available at the Company's website at http://www.henrygroup.hk. The Company communication channels include the annual general meeting, special general meeting, the annual and interim reports, notices, announcements and circulars, the Company's website at http://www.henrygroup.hk and meetings with investors and analysts.

SHAREHOLDERS' RIGHTS

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

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

Convening a Special General Meeting by Shareholders

Pursuant to Bye-law 58, a special general meeting may be convened by the Board upon requisition by any shareholder(s) holding at the date of deposit of the written requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company. The shareholder(s) shall make a written requisition to the Board or the Company Secretary of the Company at the head office address of the Company, specifying the shareholding information of the shareholder(s), his/her contact details and the proposal regarding any specified transaction/ business and its supporting documents.

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

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

Put Forward Proposals at a General Meeting by Shareholders

Pursuant to the Companies Act, either any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered Shareholders, can request the Company in writing to (a) give to Shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to Shareholders entitled to receive notice of the next general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists may consist of several documents in like form, each signed by one or more of the requisitionists; and it must be deposited at the Registered Office with a sum reasonably sufficient to meet the Company’s relevant expenses, not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that if an annual general meeting is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required by the Companies Act shall be deemed to have been properly deposited for the purposes thereof.

Putting Forward Enquiries to the Board

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

Independent Auditors' Report

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

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

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

We have audited the consolidated financial statements of Henry Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 114, 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' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

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

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Wong Sze Wai, Basilia
Practising Certificate Number: P05806

Hong Kong, 24 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
Revenue	5	57,247	51,270
Other income and gains	7	11,215	20,450
Net gain in fair value of investment properties	16	9,862	488,000
Staff costs	8	(17,678)	(32,489)
Depreciation of property, plant and equipment	15	(80)	(141)
Other operating expenses		(27,144)	(13,159)
Profit from operations	8	33,422	513,931
Finance costs	9	(26,877)	(26,070)
Profit before taxation		6,545	487,861
Taxation	12	(4,974)	(1,692)
Profit for the year		1,571	486,169
Other comprehensive income for the year, net of tax		—	—
Total comprehensive income for the year		1,571	486,169
Profit and total comprehensive income for the year attributable to the owners of the Company		1,571	486,169
EARNINGS PER SHARE			
— Basic (in HK cents)	14	0.16	56.52
— Diluted (in HK cents)	14	0.05	55.93

Consolidated Statement of Financial Position

As at 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment	15	82	128
Investment properties	16	3,034,800	2,494,800
Deferred tax assets	24	—	1,027
		3,034,882	2,495,955
CURRENT ASSETS			
Trade and other receivables	17	6,220	4,939
Available-for-sale financial assets	18	74	74
Derivative financial instruments	22	21,300	—
Pledged bank deposits	19	—	15,004
Cash and bank balances	19	299,680	1,146,096
		327,274	1,166,113
CURRENT LIABILITIES			
Other payables, rental deposits received and accruals, current portion	20	7,783	11,016
Bank borrowings, current portion (secured)	21	26,750	26,750
Derivative financial instruments	22	—	1,732
Tax payable		1,924	640
		36,457	40,138
NET CURRENT ASSETS		290,817	1,125,975
TOTAL ASSETS LESS CURRENT LIABILITIES		3,325,699	3,621,930
NON-CURRENT LIABILITIES			
Other payable and rental deposits received, non-current portion	20	14,679	9,933
Bank borrowings, non-current portion (secured)	21	1,054,623	981,374
Convertible notes	23	73,170	—
Deferred tax liabilities	24	21,325	11,531
		1,163,797	1,002,838
NET ASSETS		2,161,902	2,619,092

As at 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
CAPITAL AND RESERVES			
Share capital	25	97,180	95,088
Reserves		2,064,722	2,524,004
TOTAL EQUITY		2,161,902	2,619,092

These consolidated financial statements were approved and authorised for issue by the board of directors on 24 June 2016 and signed on its behalf by:

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

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

Consolidated Statement of Changes in Equity

For the year ended 31 March 2016

	Attributable to the owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Special reserve HK$'000 (note 26)	Capital reserve HK$'000 (note 26)	Share-based payment reserve HK$'000 (note 26)	Convertible notes equity reserve HK$'000 (note 26)	Contributions from shareholders HK$'000	Contribution surplus HK$'000 (note 26)	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2014	74,302	558,303	9,628	926	21,719	—	250,139	—	1,119	1,043,302	1,959,438
Profit and total comprehensive income for the year	—	—	—	—	—	—	—	—	—	486,169	486,169
Recognition of share-based payment (note 29)	—	—	—	—	11,535	—	—	—	—	—	11,535
Exercise of share options (note 25)	5,926	51,519	—	—	(19,082)	—	—	—	—	—	38,363
Issue of shares pursuant to open offer	14,860	111,453	—	—	—	—	—	—	—	—	126,313
Transaction costs in relation to issue of shares pursuant to open offer	—	(2,726)	—	—	—	—	—	—	—	—	(2,726)
At 31 March 2015 and 1 April 2015	95,088	718,549	9,628	926	14,172	—	250,139	—	1,119	1,529,471	2,619,092
Profit and total comprehensive income for the year	—	—	—	—	—	—	—	—	—	1,571	1,571
Issue of convertible notes (note 23)	—	—	—	—	—	72,816	—	—	—	—	72,816
Deferred tax liability arising from issue of convertible notes (note 24)	—	—	—	—	—	(8,957)	—	—	—	—	(8,957)
Recognition of share-based payment (note 29)	—	—	—	—	14,067	—	—	—	—	—	14,067
Exercise of share options (note 25)	2,092	18,113	—	—	(6,976)	—	—	—	—	—	13,229
Reduction of share premium and transfer between share premium and contributed surplus	—	(720,617)	—	—	—	—	—	720,617	—	—	—
Distribution (note 13)	—	—	—	—	—	—	—	(549,916)	—	—	(549,916)
At 31 March 2016	**97,180**	**16,045**	**9,628**	**926**	**21,263**	**63,859**	**250,139**	**170,701**	**1,119**	**1,531,042**	**2,161,902**

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

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		6,545	487,861
Adjustments for:			
Depreciation of property, plant and equipment	15	80	141
Net gain in fair value of investment properties	16	(9,862)	(488,000)
Written off of property, plant and equipment		—	4
Share-based payment expenses		14,067	11,535
Interest income	7	(4,961)	(15,662)
Finance costs	9	26,877	26,070
Fair value gain of derivative financial instruments		(1,732)	(3,151)
Change in fair value of derivative financial asset component of convertible notes	23	(3,799)	—
Operating cash flows before movements in working capital		27,215	18,798
Increase in trade and other receivables		(1,067)	(872)
(Decrease)/increase in other payables, rental deposits received and accruals		(1,642)	3,899
CASH GENERATED FROM OPERATIONS		24,506	21,825
Interest paid		(23,754)	(26,070)
Income tax paid		(2,140)	(307)
NET CASH USED IN OPERATING ACTIVITIES		(1,388)	(4,552)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	15	(34)	(6)
Net cash outflow from acquisition of assets through acquisition of subsidiaries	31	(401,521)	—
Interest received		4,961	15,662
Withdrawal of pledged bank deposits		15,004	—
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(381,590)	15,656

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares pursuant to open offer		—	126,313
Expenses in relation to issue of shares pursuant to open offer		—	(2,726)
Repayment of bank loans		(26,751)	(91,750)
Issue of shares pursuant to exercise of share options		13,229	38,363
New bank loans raised		100,000	100,000
Distribution paid	13	(549,916)	—
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		(463,438)	170,200
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(846,416)	181,304
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,146,096	964,792
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	19	299,680	1,146,096

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2016

1. GENERAL

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

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

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

At 31 March 2016, the ultimate holding company of the Company is Golden Tool International Limited, a company incorporated in the British Virgin Islands.

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

In the current year, the Group has adopted all of the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods on or after 1 April 2015.

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

Except for the Amendments to HKFRSs — Annual Improvements to HKFRS 2011–2013 Cycle on HKAS 40 Investment Property, the application of the above new and revised HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

Annual Improvements to HKFRS 2011–2013 Cycle

- HKAS 40 Investment Property: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisition of investment properties. During the year, the Group had acquired certain investment properties through acquisition of subsidiaries and the relevant transactions are classified as acquisition of assets through acquisition of subsidiaries.

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

New and revised HKFRSs in issue not yet effective

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

1 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with early application permitted.
2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted that apply HKFRS 15 on or before the date of initial application of HKFRS 16.
5 Effective for annual periods beginning on or after a date to be determined.

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 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

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

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

HKFRS 9 Financial Instruments (Continued)

Key requirements of HKFRS 9:

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

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

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 of the Company anticipate that HKFRS 9 in the future may have a material impact on amounts reported and disclosures made in the consolidated financial statements. However, it is not practical to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

For the year ended 31 March 2016

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

New and revised HKFRSs in issue not yet effective (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 of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's 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.

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

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

HKFRS 16 Leases

HKFRS 16 supersedes HKAS 17 Leases, HK(IFRIC) — Int 4 "Determining whether an Arrangement contain a Lease", HK(SIC) — Int 15 "Operating Lease — Incentives" and HK(SIC) — Int 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". HKFRS 16 eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with HKAS 17 "Leases". Under HKFRS 16, leases are recorded on the statement of financial position by recognising a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognised lease assets and financial liabilities. There are some exemptions. HKFRS 16 contains options which do not require a lessee to recognise assets and liabilities for (a) short term leases (i.e. lease of 12 months or less, including the effect of any extension options) and (b) leases of low value assets (for example, a lease of a personal computer). HKFRS 16 substantially carries forward the lessor's accounting requirements in HKAS 17.

Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. In classifying a sublease, an intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows:

(a) if the head lease is a short-term lease that the entity, as a lessee, the sublease shall be reclassified as an operating lease; (b) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. HKFRS 16 clarifies that a lessee separates lease components and service components of a contract, and applies the lease accounting requirements only to the lease components.

The Company is in the process of making an assessment of the potential impact of application of HKFRS 16, the directors consider that it is not practicable to provide a reasonable estimate of the effect of the adoption of HKFRS 16 until the Company performs a detailed review.

Amendments to HKAS 1 Disclosure Initiative

The amendments to HKAS 1 Presentation of Financial Statements give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKAS 1 will have a material impact on the amounts recognised in the Group's consolidated financial statements.

For the year ended 31 March 2016

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

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

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

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

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

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

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

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

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

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

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

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

Amendments to HKAS 27 Equity Method in Separate Financial Statements

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

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

The accounting option must be applied by category of investments.

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

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

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

For the year ended 31 March 2016

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

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

Annual Improvement to HKFRSs 2012–2014 Cycle

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

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

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

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

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

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

The directors of the Company do not anticipate that the application of other new and revised HKFRSs will have a material effect on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the disclosures requirements of the Hong Kong Companies Ordinance ("CO").

The provisions of the new Hong Kong Companies Ordinance (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 2016 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.

(ii) Basis of preparation of financial statements

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Basis of consolidation

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

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

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

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

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

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

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

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

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

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

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

(iv) Business combinations

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

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

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

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

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

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iv) Business combinations (Continued)

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Property, plant and equipment

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

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

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

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

(vi) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

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

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(vii) Impairment of assets excluding goodwill

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

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

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

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

(viii) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(viii) Financial instruments (Continued)

(a) Financial assets

Financial assets are classified into the following specified categories: loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales of financial assets 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 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Available-for-sale financial assets

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(viii) Financial instruments (Continued)

(a) Financial assets (Continued)

Loans and receivables

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

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

Impairment of financial assets

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(viii) Financial instruments (Continued)

(a) Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

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

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

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

(b) 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 to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(viii) Financial instruments (Continued)

(b) Financial liabilities and equity instruments (Continued)

Other financial liabilities

Other financial liabilities including other payables and accruals and bank borrowings are initially measured at fair value, net of transaction costs. They 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 premium or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

(c) Convertible notes

The component parts of the convertible notes issued by the Company are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. A redemption option that will be settled by the exchange of a fixed amount of cash or another financial asset is a redemption option derivative.

At the date of issue, both the liability component and redemption option derivative are recognised at fair value. In subsequent periods, the liability component of the convertible note is carried at amortised cost using the effective interest method. The redemption option derivative is measured at fair value with changes in fair value recognised in profit or loss.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the convertible notes, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability component, equity component and derivative financial asset component in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to the equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using the effective interest method. Transaction costs relating to the derivative financial asset component are charged to profit or loss immediately.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(viii) Financial instruments (Continued)

(d) Derivative financial instruments

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

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

(e) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a 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, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it is no longer recognises on the basis of the relative fair values of those parts on the date of 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 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 derecognised financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(ix) Cash and cash equivalents

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

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Leases

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

The Group as lessor

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

The Group as lessee

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

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

(xi) Employees' benefits

(a) Short term benefits

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

(b) Pension obligations

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

(c) Share option granted to certain directors and employees

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xii) Foreign currencies

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xiii) Provisions

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

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

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

(xiv) Contingent liabilities

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

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

(xv) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xv) Taxation (Continued)

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(xvi) Borrowing costs

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

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xvii) Related party

A related party is a person or entity that is related to the entity that is preparing the financial statements:

(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 Group.

(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 the Group's parent.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependents of that person or that person's spouse or domestic partner.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xviii) 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.

(xix) Revenue recognition

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

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(a) Useful lives of property, plant and equipment

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

(b) Impairment of trade and other receivables

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

For the year ended 31 March 2016

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(c) Assessment of impairment of assets

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

(d) Valuation of share options

As explained in note 29, share option expense is subject to the limitations of the option pricing models adopted and the uncertainty in estimates used by management in the assumptions. Should the estimates including limited early exercise behavior, expected interval and frequency of open exercise periods in the share option life and the relevant parameters of the share option model be changed, there would be material changes in the amount of share option benefits recognised in the profit or loss and share-based payment reserve.

(e) Fair value of investment properties

As set out in note 16, investment properties were revalued as at 31 March 2016 on an open market value existing use basis by a firm of independent professional valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each of reporting period.

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

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

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flow.

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

(f) Fair value of derivatives and other financial instruments

As explained in notes 22 and 23, the directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. Other financial instruments are valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(g) Income taxes and deferred taxation

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

5. REVENUE

The Group's revenue comprises:

	2016 **HK$'000**	2015 HK$'000
Gross rental income from investment properties in Hong Kong	**57,247**	51,270

6. SEGMENT INFORMATION

The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. For the year ended 31 March 2016 and 2015, the Group only engaged operating segment in property leasing and development. No analysis of the Group's results, assets and liabilities of other reportable segment is presented.

Revenue from major products and services

All of the Group's revenue for the year ended 31 March 2016 and 2015 represented gross rental income from investment properties in Hong Kong.

Geographical information

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

For the year ended 31 March 2016

6. SEGMENT INFORMATION (Continued)

Information about major customers

Revenue for the year ended 31 March 2016 and 2015 represented gross income from leasing of investment properties in Hong Kong. Included in revenue of approximately HK$57,247,000 (2015: HK$51,270,000) are revenue of approximately HK$9,173,000 (2015: HK$12,967,000) which arose from the Group's largest one (2015: two) customers with whom transactions in aggregate have exceeded 10% of the Group's revenue during the year.

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

	2016 HK$'000	2015 HK$'000
Customer A	9,173	7,740
Customer B (Note)	—	5,227

Note:

No information was disclosed as the corresponding revenue did not contribute over 10% of the Group's revenue.

7. OTHER INCOME AND GAINS

	2016 HK$'000	2015 HK$'000
Bank interest income	4,961	15,662
Change in fair value of derivative financial asset component of convertible notes (note 23)	3,799	—
Fair value gains of derivative financial instruments	1,732	3,151
Net exchange gain	—	1,290
Sundry income	723	347
	11,215	20,450

For the year ended 31 March 2016

8. PROFIT FROM OPERATIONS

	2016 HK$'000	2015 HK$'000
Profit from operations is arrived at after charging/(crediting):		
Directors' emoluments (note 10)	13,661	24,334
Other staff costs		
Salaries and allowances	3,535	3,573
Retirement benefit scheme contributions	95	95
Other benefits in kind	387	4,487
	4,017	8,155
Total staff costs	17,678	32,489
Net exchange loss/(gain)	5,486	(1,290)
Auditors' remuneration		
— Audit services	780	650
— Non-audit services	600	150
Depreciation of property, plant and equipment	80	141
Share-base payment expenses	14,067	11,535
Written off of property, plant and equipment	—	4
Gross rental income from investment properties	(57,247)	(51,270)
Less: Direct operating expenses from investment properties that generated rental income during the year	3,491	2,351
	(53,756)	(48,919)

9. FINANCE COSTS

	2016 HK$'000	2015 HK$'000
Interest on bank borrowings		
— wholly repayable within five years	8,285	9,612
— wholly repayable after five years	15,469	16,458
Effective interest expense on convertible notes (note 23)	3,123	—
	26,877	26,070

For the year ended 31 March 2016

10. DIRECTORS' EMOLUMENTS

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, is as follows:

Year ended 31 March 2016

	Directors' fees HK$'000	Basic salaries, allowances and other benefits HK$'000	Retirement benefit scheme contributions HK$'000 (note 30)	Share options HK$'000 (note 29)	Total HK$'000
Executive directors					
Ng Ian	4	3,515	18	2,073	5,610
Chan Kwok Hung	—	1,451	18	5,232	6,701
	4	4,966	36	7,305	12,311
Non-executive directors					
Mak Wah Chi	520	—	—	—	520
Ng Chun For, Henry	8	522	—	—	530
	528	522	—	—	1,050
Independent non-executive directors					
Li Kit Chee	100	—	—	—	100
Chan Kam Man	100	—	—	—	100
Chu Tak Sum	100	—	—	—	100
	300	—	—	—	300
Total	832	5,488	36	7,305	13,661

10. DIRECTORS' EMOLUMENTS (Continued)

Year ended 31 March 2015

	Directors' fees HK$'000	Basic salaries, allowances and other benefits HK$'000	Retirement benefit scheme contributions HK$'000 (note 30)	Share options HK$'000 (note 29)	Special bonus and tax provision HK$'000	Total HK$'000
Executive directors						
Ng Ian	4	6,863	17	2,496	3,450	12,830
Chan Kwok Hung	—	1,240	17	3,023	—	4,280
	4	8,103	34	5,519	3,450	17,110
Non-executive directors						
Mak Wah Chi	520	—	—	—	—	520
Ng Chun For, Henry	8	450	—	2,496	3,450	6,404
	528	450	—	2,496	3,450	6,924
Independent non-executive directors						
Li Kit Chee	100	—	—	—	—	100
Chan Kam Man	100	—	—	—	—	100
Chu Tak Sum	100	—	—	—	—	100
	300	—	—	—	—	300
Total	832	8,553	34	8,015	6,900	24,334

There was no arrangement under which a director waived or agreed to waive any emoluments in respect of each of the two years ended 31 March 2016 and 2015.

During the year, certain directors were granted share options, in respect of their services to the Group under the share option schemes of the Company. Details of the share option schemes are set out in note 29 to the Group's consolidated financial statements.

No emoluments were paid or payable by the Group to any of the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2016 and 2015. No directors waived or agreed to waive any remuneration during the years ended 31 March 2016 and 2015.

For the year ended 31 March 2016

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included 3 directors (2015: three directors), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining 2 (2015: two) highest paid employees who are neither a director or chief executive of the Company are as follows:

	2016 HK$'000	2015 HK$'000
Salaries, allowances and other benefits	2,152	2,046
Retirement benefit scheme contributions	36	35
	2,188	2,081

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	No. of individuals 2016	2015
HK$ Nil–HK$1,000,000	1	1
HK$1,000,001–HK$1,500,000	1	1
	2	2

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

	No. of senior management 2016	2015
HK$ Nil–HK$1,000,000	1	1
HK$1,000,001–HK$1,500,000	1	1
	2	2

No emoluments were paid or payable by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office during the years ended 31 March 2016 and 2015. No five highest paid individuals waived or agreed to waive any remuneration during the years ended 31 March 2016 and 2015.

12. TAXATION

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

	2016 HK$'000	2015 HK$'000
Current tax — Hong Kong		
— Provision for the year	2,111	902
— Under/(over) provision in prior years	999	(555)
	3,110	347
Deferred taxation		
— Charged to the consolidated statement of profit or loss and other comprehensive income (note 24)	1,864	1,345
	4,974	1,692

Hong Kong profits tax has been provided at 16.5% (2015: 16.5%) of the estimated assessable profits for the year ended 31 March 2016.

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

	2016 HK$'000	%	2015 HK$'000	%
Profit before taxation	6,545		487,861	
Tax at the Hong Kong profits tax rate of 16.5% (2015 :16.5%)	1,080	16.5	80,497	16.5
Tax effect of expenses not deductible for tax purpose	6,342	96.9	2,311	0.4
Tax effect of income not taxable for tax purpose	(3,605)	(55.1)	(76,481)	(15.7)
Under/(over)-provision in respect of prior years	999	15.3	(555)	(0.1)
Utilisation of tax losses previously not recognised	(444)	(6.8)	(4,080)	(0.8)
Tax effect of tax losses not recognised	602	9.2	—	—
Income tax expense and effective tax rate for the year	4,974	76.0	1,692	0.3

For the year ended 31 March 2016

13. DIVIDENDS AND DISTRIBUTION

	2016 HK$'000	2015 HK$'000
Distribution, paid, of HK$0.5767 (2015: Nil) per ordinary share	**549,916**	—

On 31 March 2015, the board of directors has resolved to make the distribution of an aggregate payment of approximately HK$550,000,000 to the shareholders of the Company on the record date out of the credit standing in the contributed surplus account of the Company (the "Distribution"). The Distribution was approved by the shareholders of the Company at a special general meeting held on 13 May 2015 and it was paid in cash at HK$0.5767 per ordinary share of approximately HK$549,916,000 on 27 May 2015.

Save as the above, no dividend was paid or proposed during the year ended 31 March 2016, nor has any dividend been proposed since the end of reporting period (2015: nil).

14. EARNINGS PER SHARE

The diluted earnings per share for the year ended 31 March 2016 was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The outstanding share options and convertible notes were assumed to have been converted into ordinary shares, and the profit for the year ended 31 March 2016 was adjusted to reflect the interest expense on convertible notes less tax effect, if any.

	2016 HK$'000	2015 HK$'000
Earnings		
Earnings for the purpose of basic earnings per share	**1,571**	486,169
Effects of dilutive potential ordinary shares		
Effective interest expenses on convertible notes, net of tax	**2,718**	—
Fair value gains on the derivative financial asset component of convertible notes	**(3,799)**	—
Earnings for the purpose of diluted earnings per share	**490**	486,169

	2016 '000	2015 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**965,518**	860,109
Effect of dilutive potential ordinary shares:		
Share options	**6,220**	9,061
Convertible notes	**42,167**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,013,905**	869,170

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture fixtures and equipment HK$'000	Total HK$'000
COST			
At 1 April 2014	1,426	1,873	3,299
Additions	—	6	6
Written-off	—	(17)	(17)
At 31 March 2015 and 1 April 2015	1,426	1,862	3,288
Additions	—	34	34
Written-off	—	(77)	(77)
At 31 March 2016	1,426	1,819	3,245
ACCUMULATED DEPRECIATION			
At 1 April 2014	1,405	1,627	3,032
Provided for the year	14	127	141
Written-off	—	(13)	(13)
At 31 March 2015 and 1 April 2015	1,419	1,741	3,160
Provided for the year	7	73	80
Written-off	—	(77)	(77)
At 31 March 2016	1,426	1,737	3,163
CARRYING VALUES			
At 31 March 2016	—	82	82
At 31 March 2015	7	121	128

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

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

For the year ended 31 March 2016

16. INVESTMENT PROPERTIES

	Completed investment properties, in Hong Kong HK$'000
FAIR VALUE:	
At 1 April 2014	2,006,800
Net gain in fair value recognised in the consolidated statement of profit or loss and other comprehensive income	488,000
At 31 March 2015 and 1 April 2015	2,494,800
Acquired during the year (note 31)	530,138
Net gain in fair value recognised in the consolidated statement of profit or loss and other comprehensive income	9,862
At 31 March 2016	3,034,800
Unrealised net gain in fair value of investment properties included in profit or loss	9,862

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

	2016 HK$'000	2015 HK$'000
In Hong Kong		
— medium-term leases	202,000	—
— long-term leases	2,832,800	2,494,800
	3,034,800	2,494,800

(b) Pledge of investment properties

Investment properties with a carrying amount in aggregate of HK$2,740,000,000 (2015: HK$2,482,000,000) are pledged to several banks for Group's borrowings, details of which set out in note 21.

(c) Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31 March 2016 and 31 March 2015 has been arrived at on the basis of a valuation carried out on the respective dates by CBRE Limited (2015: CBRE Limited), independent qualified professional valuers not connected to the Group.

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

16. INVESTMENT PROPERTIES (Continued)

(c) Fair value measurement of the Group's investment properties (Continued)

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

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

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

During the year ended 31 March 2016, the valuation technique of certain investment properties, were changed from direct comparison approach to income capitalisation approach because of the information previously used in no longer available for those particular investment properties. The fair value of certain investment properties of approximately HK$1,112,800,000 categorised into Level 2 fair value hierarchy was changed to Level 3 of the fair value hierarchy.

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

Details of the Group's investment properties and information about the fair value hierarchy as at 31 March 2016 and 2015 are as follows:

	Level 2 HK$'000	**Level 3 HK$'000**	**Fair values as at 31 March 2016 HK$'000**
Residential units located in Hong Kong	**202,000**	**12,800**	**214,800**
Commercial units located in Hong Kong	**440,000**	**2,380,000**	**2,820,000**
Total	**642,000**	**2,392,800**	**3,034,800**

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

For the year ended 31 March 2016

16. INVESTMENT PROPERTIES (Continued)

(c) Fair value measurement of the Group's investment properties (Continued)

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

	Fair value 2016 HK$'000	2015 HK$'000	Valuation technique	Significant unobservable inputs	Sensitivity
Investment properties located in Hong Kong	642,000	1,214,800	Direct comparison approach	Market unit value, taking into account the differences in location, and individual factor, such as frontage and size, between the comparables and the property.	A significant increase in the market unit value used would result in significant increase in fair value, and vice versa.
Investment properties located in Hong Kong	2,392,800	1,280,000	Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of property, and prevailing market condition, of 1.9% to 3.5% (2015: 2.2% to 3.5%).	The higher the capitalisation rate, the lower the fair value.
				Monthly market rent, taking into account the differences in location, and individual factor, such as frontage and size, between the comparables and the property.	A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.

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

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

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

	Residential properties in Hong Kong HK$'000	Commercial properties in Hong Kong HK$'000	Total HK$'000
Carrying amount at 1 April 2014	12,800	1,994,000	2,006,800
Fair value changes	—	488,000	488,000
Transfer to level 2 fair value hierarchy	(12,800)	(1,202,000)	(1,214,800)
Carrying amount at 31 March 2014 and 1 April 2015	—	1,280,000	1,280,000
Transfer to level 3 fair value hierarchy	12,800	1,100,000	1,112,800
Carrying amount at 31 March 2016	12,800	2,380,000	2,392,800

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

17. TRADE AND OTHER RECEIVABLES

	2016 HK$'000	2015 HK$'000
Trade receivables	2,855	1,773
Less: Impairment loss on trade receivables	—	—
	2,855	1,773
Other receivables, deposits and prepayments	3,365	3,166
	6,220	4,939

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

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

(ii) The trade receivables included in trade and other receivables mainly consist of rental receivables. Rentals and deposits are payable in advance by tenants. The ageing analysis of the Group's trade receivables are as follows:

	2016 HK$'000	2015 HK$'000
Effective rental receivables (0 days)	2,506	1,585
Up to 30 days	349	188
	2,855	1,773

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

	2016 HK$'000	2015 HK$'000
Neither past due nor impaired	2,506	1,585
Less than 1 month past due	349	188
	2,855	1,773

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

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

For the year ended 31 March 2016

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016 HK$'000	2015 HK$'000
Unlisted bond	74	74

The bond bears interest at 0.25% per annum.

19. CASH AND BANK BALANCES/PLEDGED BANK DEPOSITS

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

	2016 HK$'000	2015 HK$'000
Cash and bank balances	299,680	44,582
Time deposits	—	1,101,514
	299,680	1,146,096

Cash and bank balances comprise cash held by the Group and bank balances that bear interest at prevailing market rates ranging from 0.001 % to 0.35% (2015: 0.001% to 4.6%) per annum and have original maturity of three months or less. As at 31 March 2015, the pledged bank deposits carry fixed interest rate of 0.001% per annum.

As at 31 March 2016, the cash and bank balances of the Group included currencies denominated in Renminbi amounted to approximately HK$190,000 (2015: HK$739,300,000).

As at 31 March 2015, pledged bank deposits of approximately HK$15,004,000 represents deposits pledged to a bank to secure banking facilities for interest rate swap contract agreement granted to the Group. During the year ended 31 March 2016, the pledged bank deposits was released upon the termination of interest rate swap agreement.

20. OTHER PAYABLES, RENTAL DEPOSITS RECEIVED AND ACCRUALS

	2016 HK$'000	2015 HK$'000
Rental deposits received	19,380	16,532
Accruals and other payables	2,895	3,950
	22,275	20,482
Advance rental received	187	467
	22,462	20,949
Less: Other payables and rental deposits received — Non-current portion	(14,679)	(9,933)
	7,783	11,016

21. BANK BORROWINGS — SECURED

	2016 HK$'000	2015 HK$'000
Bank loans	**1,081,373**	1,008,124
Less: Current portion	**(26,750)**	(26,750)
Non-current portion	**1,054,623**	981,374
The carrying amount of the above bank borrowings are repayable as follows:		
On demand or within one year	**26,750**	26,750
Within a period of more than one year but within two years	**29,750**	26,750
Within a period of more than two years but within five years	**498,251**	395,252
Within a period of more than five years	**526,622**	559,372
	1,081,373	1,008,124
Less: Amounts due within one year shown under current liabilities	**(26,750)**	(26,750)
Amount shown under non-current liabilities	**1,054,623**	981,374

Bank borrowings with total outstanding principal amounts approximately HK$1,081,373,000 (2015: HK$1,008,124,000) bearing floating interest rate at HIBOR plus under certain banking facilities granted to the Company's several wholly-owned subsidiaries provided by several banks in Hong Kong. These bank borrowings are secured by the Group's investment properties in Hong Kong of approximately HK$2,740,000,000 (2015: HK$2,482,000,000), rent assignments in respect the investment properties, share mortgage of several wholly-owned subsidiaries of the Company and corporate guarantees to the extent of approximately HK$1,877,500,000 (2015: HK$1,575,000,000) given by the Company.

22. DERIVATIVE FINANCIAL INSTRUMENTS

	2016 HK$'000	2015 HK$'000
Current assets:		
Derivative financial asset component of convertible notes (note 23)	**21,300**	—
Current liabilities:		
Interest rate swap	**—**	1,732

The Group entered into interest rate swaps agreement thereby to minimise the exposure to movements in interest rates fluctuation in relation to its floating rate bank loans by swapping from floating rates to fixed rates. The interest rate swaps are measured and recognised at fair value. The interest rate swap agreement was expired during the year ended 31 March 2016.

For the year ended 31 March 2016

22. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

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

As at 31 March 2015, the interest rate swap agreement is secured by the Group's pledged bank deposits of approximately HK$15,004,000 and a corporate guarantee to the extent of HK$30,000,000 given by the Company.

23. CONVERTIBLE NOTES

The Company issued in aggregate of HK$125,000,000 1.68% convertible notes on 7 December 2015 (the "Issue Date") and recognised its book as of fair values appraised by BMI Appraisals Limited, being an independent financial valuer. The convertible notes entitle the holders to convert them into ordinary shares of the Company at any time between the date of issue of the notes and their settlement date on (i) the fifth anniversary of the Issue Date or (ii) if it is not a business date, the first business day immediately following the fifth anniversary date of the Issue Date (the "Maturity Date") at a conversion price of HK$0.934 per share per convertible notes. If the notes have not been converted, they will be redeemed by the Company on the Maturity Date at the aggregate of (i) its principal amount outstanding as at the Maturity Date; and (ii) all interest accrued thereon up to and including the Maturity Date. Interest of 1.68% will be payable by the Company on maturity date.

The Company shall have the right to redeem the convertible notes, in full or in part (provided that in the case of a partial redemption the aggregate principal amount of the convertible notes being redeemed shall be at least HK$3,000,000 or above), held by the noteholder at an amount equal to the aggregate of (a) the aggregate principal amount of the convertible notes held by such noteholder being the subject of the redemption (the "Redeemed Principal"); and (b) all interest accrued thereon up to and including the date of such redemption at any time on or after the first month from the Issue Date by giving a redemption notice setting out the Redeemed Principal, the Company redemption amount and the early redemption date to such noteholder not less than five business days prior to the early redemption date.

The convertible notes contain three components: liability component, equity component and redemption option derivative, which is classified as derivative financial asset component. The equity component is presented in equity heading "convertible notes equity reserve". The redemption option derivative is measured at fair value with changes in fair value recognised in profit or loss. The effective interest rate of the liability component is 13.73% per annum.

The key inputs used for the calculation of the fair value of redemption option derivative component of convertible notes are as follows:

	At 31 March 2016	At 7 December 2015
Risk-free rate	**0.96%**	1.05%
Expected life	**4.69 years**	4.92 years
Expected volatility	**67.40%**	67.44%
Expected dividend yield	**Nil**	Nil

23. CONVERTIBLE NOTES (Continued)

The movement of the equity component, liability component and redemption option derivative of the convertible notes for the year is set out below:

	Liability component HK$'000	Equity component HK$'000	Redemption option derivate HK$'000	Total HK$'000
At 1 April 2014, 31 March 2015 and 1 April 2015	—	—	—	—
Issue of convertible notes (note 31)	70,715	72,816	(17,501)	126,030
Deferred tax liability arising from issue of convertible notes (note 24)	—	(8,957)	—	(8,957)
Interest charged (note 9)	3,123	—	—	3,123
Interest payable	(668)	—	—	(668)
Change in fair value of derivative financial asset component of convertible notes (note 7)	—	—	(3,799)	(3,799)
At 31 March 2016	73,170	63,859	(21,300)	115,729

As at 31 March 2016, the outstanding principal of the convertible notes was approximately HK$125,000,000.

24. DEFERRED TAX

	2016 HK$'000	2015 HK$'000
At 1 April	10,504	9,159
Deferred tax liability arising from issue of convertible notes recognised directly in equity (note 23)	8,957	—
Charged to the consolidated statement of profit or loss and other comprehensive income (note 12)	1,864	1,345
At 31 March	21,325	10,504

For the year ended 31 March 2016

24. DEFERRED TAX (Continued)

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

	Deferred tax liabilities		Deferred tax assets	
	Depreciation allowances in excess of the related depreciation HK$'000	Convertible notes HK$'000	Tax loss HK$'000	Total HK$'000
At 1 April 2014	10,296	—	(1,137)	9,159
Charged to the consolidated statement of profit or loss and other comprehensive income (note 12)	1,235	—	110	1,345
At 31 March 2015 and 1 April 2015	11,531	—	(1,027)	10,504
Deferred tax liability arising from issue of convertible notes recognised directly in equity (note 23)	—	8,957	—	8,957
Charged/(credited) to the consolidated statement of profit or loss and other comprehensive income (note 12)	1,242	(405)	1,027	1,864
At 31 March 2016	**12,773**	**8,552**	**—**	**21,325**

As at 31 March 2016, the Group had unused tax losses of approximately HK$45,473,000 (2015: HK$19,046,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses of approximately HK$45,473,000 (2015: HK$12,822,000) due to the unpredictability of future profit streams.

25. SHARE CAPITAL

	Number of shares		Amount	
	2016 Number '000	2015 Number '000	**2016 HK$'000**	2015 HK$'000
Authorised:				
Ordinary shares of HK$0.10 each				
At 1 April	**2,000,000**	1,000,000	**200,000**	100,000
Increase in authorised share capital (note (a))	**—**	1,000,000	**—**	100,000
At 31 March	**2,000,000**	2,000,000	**200,000**	200,000
Issued and full paid:				
Ordinary shares of HK$0.10 each				
At 1 April	**950,876**	743,019	**95,088**	74,302
Issue of shares pursuant to open offer (note (b))	**—**	148,604	**—**	14,860
Issue of shares on exercise of the share options (note (c) and (d))	**20,922**	59,253	**2,092**	5,926
At 31 March	**971,798**	950,876	**97,180**	95,088

25. SHARE CAPITAL (Continued)

Notes:

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

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

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

(d) During the year ended 31 March 2016, 1,502,000 and 19,419,688 ordinary shares of HK$0.10 each were issued as a result of exercise of share options under the 2013 Scheme and 2003 Scheme respectively.

26. RESERVES

Nature of reserves

Capital reserve

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

Special reserve

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

Share-based payment reserve

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

Contributed surplus

Pursuant to the approval of a special resolution at the special general meeting of the Company on 13 May 2015, the amount of approximately HK$720,617,000 standing to the credit of share premium has been reduced and transferred to the contributed surplus. The contributed surplus is a distributable reserve and will be used for payment of dividends and for such other purposes as allowed by the Companies Act 1981 of Bermuda.

For the year ended 31 March 2016

26. RESERVES (Continued)

Nature of reserves (Continued)

Convertible notes equity reserve

The convertible notes equity reserve represents the equity component (conversion rights) of convertible notes issued by the Company. If the convertible notes are not converted at the maturity date, the convertible notes equity reserve will be reclassified subsequently to profit or loss.

27. CAPITAL COMMITMENTS

As at 31 March 2016, the Group has no material capital commitments (2015: Nil).

28. OPERATING LEASES

The Group as lessee

	2016 HK$'000	2015 HK$'000
Minimum lease payments paid under operating leases during the year	1,102	1,084

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

	2016 HK$'000	2015 HK$'000
Within one year	652	1,028
In the second to fifth year inclusive	—	534
	652	1,562

Operating lease payments represent rentals payable by the Group for certain of its office and warehouse premises. Leases are negotiated for an average term of 2 years and rentals are fixed during the lease period.

28. OPERATING LEASES (Continued)

The Group as lessor

Property rental income earned during the year was HK$57,247,000 (2015: HK$51,270,000). The properties are expected to generate rental yields of 1.89% (2015: 2.06%) on an ongoing basis. All the properties held have committed tenants for the next year.

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

	2016 HK$'000	2015 HK$'000
Within one year	54,180	37,466
In the second to fifth year inclusive	43,440	27,281
	97,620	64,747

29. SHARE-BASED PAYMENT TRANSACTIONS

The Company has adopted a share option scheme which was approved by the shareholders of the Company at the Annual General Meeting ("AGM") held on 3 September 2013 (the "2013 Scheme") upon the share option scheme previously adopted on 3 September 2003 and lapsed on 2 September 2013 (the "2003 Scheme"). Upon the expiration of the 2003 Scheme, no further option could be granted under the 2003 Scheme, but the provisions of the 2003 Scheme applicable for outstanding 4,565,756 share options as at 31 March 2016 shall remain in full force in all respects.

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

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

The number of shares in respect of which options may be granted to any employee in any 12-month period is not permitted to exceed 1% of the total number of the Company's shares in issue, subject to approval from shareholders of the Company. The Company may seek approval from shareholders of the Company in general meeting to refresh the 10% limit. The scheme mandate limit was refreshed and renewed by an ordinary resolution passed by the shareholders at the annual general meeting held on 12 August 2015, the share of the Company (the "Share") in issue at the annual general meeting held on 12 August 2015 was 964,694,062 Shares and thus the maximum number of Shares allowed to be issued upon exercise of all options to be granted under the 2013 Scheme and any other share option scheme of the Company shall not exceed 96,469,406 Shares which represented 10% of the issued share capital of the Company as at the AGM held on 12 August 2015.

For the year ended 31 March 2016

29. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

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

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

(c) the nominal value of a share.

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

2016

			Number of share options			
	Date of grant	Exercise price HK$	Outstanding at 1 April 2015 '000	Granted during the year '000	Exercised during the year '000	Outstanding at 31 March 2016 '000
Directors	2 April 2007	0.6761	2,029	—	(2,029)	—
	12 April 2012	0.5421	7,102	—	(7,102)	—
	25 April 2013	0.6328	7,102	—	(7,102)	—
			16,233	—	(16,233)	—
Eligible participants	28 October 2005	0.6663	649	—	(649)	—
	2 April 2007	0.6761	2,029	—	(2,029)	—
	31 August 2007	1.1394	1,015	—	—	1,015
			3,693	—	(2,678)	1,015
Employees	2 April 2007	0.6761	507	—	(507)	—
	18 April 2011	0.6505	3,551	—	—	3,551
			4,058	—	(507)	3,551
			23,984	—	(19,418)	4,566

29. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

2015

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

For the year ended 31 March 2016

29. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

2016

	Date of grant	Exercise price HK$	Number of share options: Outstanding at 1 April 2015 '000	Granted during the year '000	Exercised during the year '000	Outstanding at 31 March 2016 '000
Directors	30 April 2014	1.0211	1,015	—	—	1,015
	5 September 2014	0.9100	4,350	—	(1,500)	2,850
	28 August 2015	0.8780	—	10,500	(2)	10,498
	31 March 2016	1.3820	—	4,517	—	4,517
			14,550	15,017	(1,502)	18,880
Eligible participants	30 April 2014	1.0211	7,102	—	—	7,102
	31 March 2016	1.3820	—	9,717	—	9,717
			7,102	9,717	—	16,819
			12,467	24,734	(1,502)	35,699

2015

	Date of grant	Exercise price HK$	Exercise price after adjustments HK$ (note)	Number of share options: Outstanding at 1 April 2014 '000	Granted during the year '000	Adjusted during the year '000 (note)	Exercised during the year '000	Outstanding at 31 March 2015 '000
Directors	30 April 2014	1.036	1.0211	—	10,200	149	(9,334)	1,015
	5 September 2014	0.910	0.9100	—	4,350	—	—	4,350
				—	14,550	149	(9,394)	5,365
Eligible participants	30 April 2014	1.036	1.0211	—	7,000	102	—	7,102
				—	21,550	251	(9,394)	12,467

29. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Details of specific categories of options are as follows:

Date of grant	Vesting period	Exercise period	Exercise price
28 October 2005	Vested upon granted	28 October 2005 to 27 October 2015	HK$0.6663
2 April 2007	Vested upon granted	2 April 2007 to 1 April 2017	HK$0.6761
31 August 2007	Vested upon granted	31 August 2007 to 30 August 2017	HK$1.1394
24 March 2010	Vested upon granted	24 March 2010 to 23 March 2020	HK$0.4435
30 March 2011	Vested upon granted	30 March 2011 to 29 March 2021	HK$0.5519
12 April 2012	Vested upon granted	12 April 2012 to 11 April 2022	HK$0.5421
25 April 2013	Vested upon granted	25 April 2013 to 24 April 2023	HK$0.6328
30 April 2014	Vested upon granted	30 April 2014 to 29 April 2024	HK$1.0211
5 September 2014	Vested upon granted	5 September 2014 to 4 September 2024	HK$0.9100
28 August 2015	Vested upon granted	28 August 2015 to 17 August 2025	HK$0.8780
31 March 2016	Vested upon granted	31 March 2016 to 30 March 2026	HK$1.3820

Note:

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

The options outstanding at the end of the year have a weighted average remaining contractual life of 8.5 years (2015: 7 years).

During the year ended 31 March 2016, options were granted on 28 August 2015 and 31 March 2016. The estimated fair values of the options on those days are HK$4,327,000 and HK$9,388,000 respectively. During the year ended 31 March 2015, options were granted on 30 April 2014 and 5 September 2014. The estimated fair values of the options granted on those dates are HK$8,704,000 and HK$2,480,000 respectively.

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

	2016	2015
Weighted average share price	**HK$0.87–1.37**	HK$0.87-0.91
Weighted average exercise price	**HK$0.878–1.380**	HK$0.91-1.036
Expected volatility	**74.64–76.39%**	77.89-78.86%
Expected life	**10 years**	10 years
Risk free rate	**1.28–1.835%**	1.916-2.173%
Expected dividend yield	**0%**	0%

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

The Group recognised total expenses of approximately HK$14,067,000 (2015: approximately HK$11,535,000) related to equity-settled share-based payment transactions during the year.

30. RETIREMENT BENEFITS SCHEME

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

The Group's contribution to retirement benefits schemes for the year ended 31 March 2016 amounted to approximately HK$131,000 (2015: approximately HK$129,000).

31. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

Summary of assets acquired and liabilities recognised on acquisition:

	Acquisition of South Shine Limited ("South Shine") (Note (a)) HK$'000	Acquisition of Pioneer Delight Limited ("Pioneer Delight") (Note (b)) HK$'000	Acquisition of Top Grade Properties Limited ("Top Grade") (Note (c)) HK$'000	Acquisition of Wealth Properties Limited ("Wealth Properties") (Note (d)) HK$'000	Total HK$'000
Investment properties	197,954	56,154	136,143	139,887	530,138
Trade and other receivables	130	8	1	5	144
Cash and bank balances	32	61	147	250	490
Other payables, rental deposits received and accruals	(552)	(428)	(872)	(773)	(2,625)
Amount due to a related party	(85,159)	—	—	—	(85,159)
Amount due to a director	—	(51,297)	—	(44,110)	(95,407)
Amount due to a holding company	—	—	(45,346)	—	(45,346)
Tax payable	—	(62)	(2)	(180)	(244)
Bank borrowings	(80,444)	—	(57,200)	(40,600)	(178,244)
Net assets acquired	31,961	4,436	32,871	54,479	123,747
Assignment of amount due to a related party	85,159	—	—	—	85,159
Assignment of amount due to a director	—	51,297	—	44,110	95,407
Assignment of amount due to a holding company	—	—	45,346	—	45,346
Consideration for settlement of bank borrowings, accrued bank loan interest and provision for prepayment penalty	80,530	—	57,232	40,620	178,382
Total consideration	197,650	55,733	135,449	139,209	528,041
Total consideration satisfied by:					
Cash	197,650	55,733	62,856	85,772	402,011
Issue of convertible notes (note 23)	—	—	72,593	53,437	126,030
	197,650	55,733	135,449	139,209	528,041
Net cash outflow on acquisition:					
Cash consideration paid	(197,650)	(55,733)	(62,856)	(85,772)	(402,011)
Cash and cash equivalent balances acquired	32	61	147	250	490
	(197,618)	(55,672)	(62,709)	(85,522)	(401,521)

For the year ended 31 March 2016

31. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

Notes:

(a) On 20 May 2015, the Group acquired the entire issued share capital of South Shine for an aggregate consideration of HK$197,960,000 (subject to post-completion adjustment). Based on the post-completion adjustments, the consideration was adjusted downwards from HK$197,960,000 to HK$197,650,000. South Shine is engaged in investment holding. The subsidiaries of South Shine are solely engaged in property investment. The consideration of HK$197,650,000 was satisfied by cash.

The acquisition of South Shine did not constitute a business. In accordance with HKFRS 3, such acquisition did not give rise to goodwill. The acquisition has been accounted for as an acquisition of assets and liabilities.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	Fair value HK$'000
Investment properties	197,954
Other receivables	130
Cash and bank balances	32
Other payables, rental deposits received and accruals	(552)
Amount due to a related party	(85,159)
Bank borrowings	(80,444)
Net assets acquired	31,961
Assignment of amount due to a related party	85,159
Consideration for settlement of bank borrowings, accrued bank loan interest and provision for prepayment penalty	80,530
Total consideration	197,650

Total consideration satisfied by:

	HK$'000
Cash	197,650

Net cash outflow on acquisition of South Shine

	HK$'000
Cash consideration paid	(197,650)
Cash and cash equivalent balances acquired	32
	(197,618)

31. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

Notes: (Continued)

(b) On 28 May 2015, the Group acquired the entire issued share capital of Pioneer Delight for an aggregate consideration of HK$56,154,000 (subject to post-completion adjustments). Based on the post-completion adjustment, the consideration was adjusted downwards from HK$56,154,000 to HK$55,733,000. Pioneer Delight is solely engaged in property investment. The consideration of HK$55,733,000 was satisfied by cash.

The acquisition of Pioneer Delight did not constitute a business. In accordance with HKFRS 3, such acquisition did not give rise to goodwill. The acquisition has been accounted for as an acquisition of assets and liabilities.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	Fair value HK$'000
Investment properties	56,154
Trade and other receivables	8
Cash and bank balances	61
Other payables, rental deposits received and accruals	(428)
Amount due to a director	(51,297)
Tax payable	(62)
Net assets acquired	4,436
Assignment of amount due to a director	51,297
Total consideration	55,733

Total consideration satisfied by:

	HK$'000
Cash	55,733

Net cash outflow on acquisition of Pioneer Delight

	HK$'000
Cash consideration paid	(55,733)
Cash and cash equivalent balances acquired	61
	(55,672)

For the year ended 31 March 2016

31. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

Notes: (Continued)

(c) On 7 December 2015, the Group acquired the entire issued share capital of Top Grade for an aggregate consideration of HK$135,550,000 (subject to post-completion adjustment). Based on the post-completion adjustment, the consideration was adjusted downwards from HK$135,550,000 to approximately HK$134,856,000. Top Grade is engaged in property investment. The consideration of approximately HK$134,856,000 was satisfied by: (i) cash of approximately HK$62,856,000 and (ii) issue of a convertible note with a principal amount of HK$72,000,000. The fair values of the aggregate consideration as at 7 December 2015 was approximately HK$135,449,600.

The acquisition of Top Grade did not constitute a business. In accordance with HKFRS 3, such acquisition did not give rise to goodwill. The acquisition has been accounted for as an acquisition of assets and liabilities.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	Fair value HK$'000
Investment properties	136,143
Other receivables	1
Cash and bank balances	147
Other payables, rental deposits received and accruals	(872)
Amount due to holding company	(45,346)
Bank borrowings	(57,200)
Tax payable	(2)
Net assets acquired	32,871
Assignment of amount due to a holding company	45,346
Consideration for settlement of bank borrowings and accrued bank loan interest	57,232
Total consideration	135,449

Total consideration satisfied by:

	HK$'000
Cash	62,856
Issue of a convertible note with a principal amount of HK$72,000,000	72,593
	135,449

Net cash outflow on acquisition of Top Grade

	HK$'000
Cash consideration paid	(62,856)
Cash and cash equivalent balances acquired	147
	(62,709)

31. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

Notes: (Continued)

(d) On 7 December 2015, the Group acquired the entire issued share capital of Wealth Properties for an aggregate consideration of HK$139,450,000 (subject to post-completion adjustment). Based on the post-completion adjustment, the consideration was adjusted downwards from HK$139,450,000 to approximately HK$138,772,000. Wealth Properties is engaged in property investment. The consideration of approximately HK$138,772,000 was satisfied by: (i) cash of approximately HK$85,772,000 and (ii) issue of a convertible note with a principal amount of HK$53,000,000. The fair values of the aggregate consideration as at 7 December 2015 was approximately HK$139,209,000.

The acquisition of Wealth Properties did not constitute a business. In accordance with HKFRS 3, such acquisition did not give rise to goodwill. The acquisition has been accounted for as an acquisition of assets and liabilities.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	Fair value HK$'000
Investment properties	139,887
Other receivables	5
Cash and bank balances	250
Other payables, rental deposits received and accruals	(773)
Amount due to a director	(44,110)
Bank borrowings	(40,600)
Tax payable	(180)
Net assets acquired	54,479
Assignment of amount due to a director	44,110
Consideration for settlement of bank borrowings and accrued bank loan interest	40,620
Total consideration	139,209

Total consideration satisfied by:

	HK$'000
Cash	85,772
Issue of a convertible note with a principal amount of HK$53,000,000	53,437
	139,209

Net cash outflow on acquisition of Wealth Properties

	HK$'000
Cash consideration paid	(85,772)
Cash and cash equivalent balances acquired	250
	(85,522)

For the year ended 31 March 2016

32. MATERIAL RELATED PARTY TRANSACTIONS

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

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

(b) For connected transactions occurred during the year, please refer to "Connected transactions" of the "Report of the Directors" on pages 14 to 15 of the annual report and acquisition of assets through acquisition of subsidiaries as disclosed in note 31.

33. PLEDGE OF ASSETS

As at 31 March 2016, the Group has pledged the following assets:

(1) Investment properties in Hong Kong with an aggregate carrying amount of approximately HK$2,740,000,000 (2015: HK$2,482,000,000) for securing certain bank borrowings granted from several banks to its wholly-owned subsidiaries; and

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

34. EVENTS AFTER THE REPORTING PERIOD

There is no important event affecting the Company and its subsidiaries which had occurred after the reporting period.

35. CONTINGENT LIABILITIES

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

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

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

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

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

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

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

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

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

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

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

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

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

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

	2016 HK$'000	2015 HK$'000
Total assets	3,362,156	3,662,068
Total liabilities	1,200,254	1,042,976
Gearing ratio	35.7%	28.5%

37. FINANCIAL RISK MANAGEMENT

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

(i) Credit risk

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

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

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

The credit risk for cash and bank balances, time deposits and pledged bank deposits exposed is considered minimal as such amounts are placed with good credit ratings.

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

37. FINANCIAL RISK MANAGEMENT (Continued)

(ii) Liquidity risk

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

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

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

	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-derivative financial liabilities						
2016						
Bank borrowings	1,081,373	1,293,887	50,005	52,373	592,139	599,370
Convertible notes	73,152	125,000	—	—	125,000	—
Other payables, rental deposits and accruals	22,462	22,462	7,783	14,012	667	—
	1,176,987	1,441,349	57,788	66,385	717,806	599,370
2015						
Bank borrowings	1,008,124	1,264,619	51,327	50,715	510,947	651,630
Other payables, rental deposits and accruals	20,949	20,949	11,016	9,933	—	—
	1,029,073	1,285,568	62,343	60,648	510,947	651,630
Derivative						
2015						
Interest rate swap	1,732	1,732	1,732	—	—	—

For the year ended 31 March 2016

37. FINANCIAL RISK MANAGEMENT (Continued)

(iii) Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings which are at floating rates which expose the Group to cash flow interest rate risk. The Group manages its cash flow risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with counterparties to exchange, at specific intervals (primarily quarterly), the difference between fixed contract rates and floating rates interest amounts calculated by reference to the agreed notional amounts.

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

	2016		2015	
	Effective interest rate	HK$'000	Effective interest rate	HK$'000
Net variable rate borrowings				
Bank borrowings	(Note 1)	1,081,373	(Note 1)	1,008,124
Bank balances (included pledged deposits)	0.001% to 0.35%	(299,680)	0.001% to 4.6%	(1,161,000)
		781,693		(152,976)
Fixed rate borrowings as a percentage of total net borrowings	0%		4%	

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

At 31 March 2016, it was estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's profit after taxation by approximately HK$7,817,000 (2015: increase/decrease profit by approximately HK$1,530,000). Retained profits will increase/decrease by the same amount.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2015.

37. FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign exchange risk

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

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

	Assets		Liabilities	
	2016	2015	**2016**	2015
	HK$'000	HK$'000	**HK$'000**	HK$'000
Renminbi ("RMB")	**190**	739,300	**—**	—
United States Dollars ("USD")	**385**	513	**—**	—

Foreign currency sensitivity analysis

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

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

The following table details the Group's sensitivity to a 5% (2015: 5%) increase and decrease in Hong Kong Dollars against RMB. The sensitivity analysis includes outstanding foreign currency denominated monetary items. A positive number below indicates an increase in profit or equity where the Hong Kong Dollars strengthen 5% (2015: 5%) against RMB. For a 5% (2015: 5%) weakening of the Hong Kong Dollars against RMB, there would be an equal and opposite impact on the profit or equity, and the balances below would be negative.

	Impact of RMB	
	2016	2015
	HK$'000	HK$'000
Profit or loss (note)	**10**	36,965

Note:

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

For the year ended 31 March 2016

37. FINANCIAL RISK MANAGEMENT (Continued)

(v) Fair values measurements of financial instruments

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

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

Financial assets/ (financial liabilities)	Fair value as at 31 March 2016 HK$'000	Fair value as at 31 March 2015 HK$'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Derivative financial asset component of convertible notes	Assets — HK$21,300,000	—	Level 3	The binomial option pricing model	Risk-free rate adopted was 0.96%. Expected volatility of 67.40%
Derivative financial instruments — interest rate swap	—	Liabilities — HK$1,732,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparts.	N/A

There were no transfers between Level 1 and 2 in the year.

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

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

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

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

c) the fair value 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.

37. FINANCIAL RISK MANAGEMENT (Continued)

(v) Fair values measurements of financial instruments (Continued)

(ii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) (Continued)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate to their fair values.

	2016		2015	
	Carrying amount HK$'000	**Fair value HK$'000**	Carrying amount HK$'000	Fair value HK$'000
Financial liabilities				
Convertible notes	**73,152**	**67,881**	—	—

Fair value hierarchy as at 31 March 2016

	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Financial assets				
Derivative financial asset component of convertible notes	**—**	**—**	**21,300**	**21,300**

Fair value hierarchy as at 31 March 2015

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

For the year ended 31 March 2016

37. FINANCIAL RISK MANAGEMENT (Continued)

(v) Fair values measurements of financial instruments (Continued)

(iii) Reconciliation of Level 3 fair value measurements

	Derivative financial asset component of convertible bonds HK$'000
At 1 April 2014, 31 March 2015 and 1 April 2015	—
Issue of convertible notes	17,501
Fair value change	3,799
At 31 March 2016	21,300

38. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 March 2016 and 2015 are categorised as follows:

	2016 HK$'000	2015 HK$'000
Financial assets		
Loan and receivables (including cash and bank balances)	303,795	1,166,039
Available-for-sale financial assets	74	74
Derivative financial instruments	21,300	—
Financial liabilities		
Financial liabilities measured at amortised cost	1,176,800	1,029,073
Financial liabilities measured at fair value	—	1,732

39. MAJOR NON-CASH TRANSACTIONS

The Group entered into the following major non-cash transactions which are not reflected in the consolidated statement of cash flows:

(a) Part of the consideration for the acquisition of the entire share capital of Top Grade and Wealth Properties were satisfied by issuing of convertible notes. Further details of the acquisition is set out in note 31(c) and note 31(d) respectively.

(b) Pursuant to the approval of a special resolution at the special general meeting of the Company on 13 May 2015, the amount of approximately HK$720,617,000 standing to the credit of share premium has been reduced and transferred to the contributed surplus.

40. LITIGATION

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

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

The hearing was convened on 13 August 2015. On 21 August 2015 Recorder Cheng SC handed down a written decision refusing LBL's application and acceding to the Plaintiffs' application to proceed in the form of Originating Summons and gave directions for the cross-examination of witnesses and the filing of a report by a single joint expert (the "Order"). The Order further provides for leave for filing a further Affirmation by LBL ("2nd Affirmation").

Pursuant to the Order, on 4 September 2015, LBL and the Plaintiffs agreed to jointly appoint Mr. Daniel Tong of Daniel Tong Chartered Architect and Associates Limited ("Mr. Tong") as single joint expert to opine on three issues.

On 15 September 2015, LBL filed the 2nd Affirmation in reply to the 2nd Affirmation of Leung Mei Sze, following which neither party may file further affirmation evidence without leave of the court.

LBL has requested that two additional issues (which only came in place after the filing of the 2nd Affirmation) be addressed by Mr. Tong. These relate to (1) the residual plot ratio of Subsection 15, and (2) whether the permissible plot ratio of the Kyoto Plaza development was in fact exceeded.

For the year ended 31 March 2016

40. LITIGATION (Continued)

The Plaintiffs refused to include the additional issues and LBL have on 7 October 2015 issued a summons for the matter to be heard before a judge. On 15 February 2016 Recorder Cheng SC handed down a written decision granting leave to include the first issue.

On 17 March 2016, joint instructions were sent to Mr. Tong, who has accordingly rendered his report on 13 April 2016. The next step forward would be for parties to fix the date for the substantive hearing of the originating summons in consultation with counsel's diary, with 5 days reserved. So far, the parties have not yet proceeded to fix the date for the said hearing.

The directors, based on legal advice, consider that the case does not have any adverse financial impact upon the Group at all. Therefore, no provision in respect of such claims was made in the consolidated financial statements.

41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries at 31 March 2016 were as follows:

Name of subsidiaries	Place of incorporation/ establishment/ operations	Issued and paid-up share capital/ registered capital	Percentage of equity attributable to the Company/ proportion of voting power held by the Company Direct	Indirect	Principal activities
Henry Group Assets Management Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	100%	—	Investment holding
New Treasure Group Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	100%	—	Investment holding
Henry Group Holdings Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Gold Matrix Holdings Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	100%	—	Investment holding
Henry Group Property Management Limited	Hong Kong	Ordinary HK$1	—	100%	Inactive
Henry Group Management Limited	Hong Kong	Ordinary HK$1	100%	—	Provision of administrative service to group companies
Rose City Group Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Max Act Enterprises Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Sharp Wonder Investments Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Top Bright Properties Limited ("Top Bright")	Hong Kong	Ordinary HK$9,999 Non-voting deferred share HK$1	—	99.99% (note 1)	Property investment
Wingplace Investments Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Smart Land Properties Limited	Hong Kong	Ordinary HK$1	—	100%	Property investment
Seedtime International Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding

For the year ended 31 March 2016

41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiaries	Place of incorporation/ establishment/ operations	Issued and paid-up share capital/registered capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Land Base Limited	Hong Kong	Ordinary HK$2	—	100%	Property investment
Maxwing Investments Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Winning Pride Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Inactive
Joy Depot Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Bond Victory Limited	Hong Kong	Ordinary HK$5,000	—	100%	Property investment
South Shine Limited (Note 2)	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Sunny Coast Limited (Note 2)	Hong Kong	Ordinary HK$1	—	100%	Investment holding
Asia Goal International Limited (Note 2)	Hong Kong	Ordinary HK$1	—	100%	Property investment
Pioneer Delight Limited (Note 3)	Hong Kong	Ordinary HK$1	—	100%	Property investment
Top Grade Properties Limited (Note 4)	Hong Kong	Ordinary HK$1	—	100%	Property investment
Wealth Properties Limited (Note 4)	Hong Kong	Ordinary HK$1	—	100%	Property investment
Uni-Land Property Consultants Limited (Note 5)	Hong Kong	Ordinary HK$100	—	100%	Inactive
Honeyguide Investments Limited (Note 6)	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Inactive
New Headland Holdings Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	100%	—	Investment holding
Joyfield Global Holdings Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Crystal City Global Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Perfect Shield Investments Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding
Red Ribbon Group Limited	The British Virgin Islands/ Hong Kong	Ordinary US$1	—	100%	Investment holding

41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (Continued)

Notes:

1. One non-voting deferred share of Top Bright is held by an outside party. Pursuant to the Article of Association of Top Bright, on a winding up, the holder of the deferred share shall be entitled out of the surplus assets of Top Bright to a return of the capital paid up on the one non-voting share but only after a holder of ordinary share has received in full the return of capital paid on them and, in aggregate, a total sum of HK$100,000,000,000,000. On 17 June 2016, the one non-voting deferred share was transferred to Capital Garden Holdings Limited, a Company incorporated in the British Virgin Islands, controlled by Mr. Ng Ian.

2. South Shine Limited, Sunny Coast Limited and Asia Goal International Limited were acquired on 20 May 2015.

3. Pioneer Delight Limited was acquired on 28 May 2015.

4. Top Grade Properties Limited and Wealth Properties Limited were acquired on 7 December 2015.

5. Uni-Land Property Consultants Limited was de-registered on 13 May 2016.

6. Honeyguide Investments Limited was strike-off on 1 May 2016.

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

For the year ended 31 March 2016

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS		
Interests in subsidiaries (Note)	491,470	369,844
CURRENT ASSETS		
Other receivables	16	914
Derivative financial instruments	21,300	—
Cash and bank balances	114,182	658,380
	135,498	659,294
CURRENT LIABILITIES		
Other payables	884	1,769
NET CURRENT ASSETS	134,614	657,525
TOTAL ASSETS LESS CURRENT LIABILITIES	626,084	1,027,369
NON CURRENT LIABILITIES		
Interest payable	668	—
Convertible notes	73,170	—
Deferred taxation	8,552	—
	82,390	—
NET ASSETS	543,694	1,027,369
CAPITAL AND RESERVES		
Share capital	97,180	95,088
Reserves	446,514	932,281
TOTAL EQUITY	543,694	1,027,369

Note:

As at 31 March 2016 and 2015, the balance of interests in subsidiaries included amounts due from subsidiaries.

The Company's financial statements were approved and authorised for issue by the board of directors on 24 June 2016 and signed on its behalf by:

Ng Ian
Director

Chan Kwok Hung
Director

42. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves

	Share premium HK$'000	Share-based payment reserve HK$'000	Convertible notes equity reserve HK$'000	Contributed surplus HK$'000 (Note)	Retained profits HK$'000	Total HK$'000
At 1 April 2014	558,303	21,719	—	39,258	131,367	750,647
Profit and total comprehensive income for the year	—	—	—	—	28,935	—
Issue of shares pursuant to open offer	111,453	—	—	—	—	111,453
Transaction costs attributable to issue of ordinary shares pursuant to open offer	(2,726)	—	—	—	—	(2,726)
Exercise of share options	51,519	(19,082)	—	—	—	32,437
Recognition of share-based payments	—	8,695	—	—	—	8,695
At 31 March 2015 and 1 April 2015	718,549	14,172	—	39,258	160,302	932,281
Loss and total comprehensive loss for the year	—	—	—	—	(24,914)	(24,914)
Issue of convertible notes	—	—	72,816	—	—	72,816
Deferred tax liability arising from issue of convertible notes	—	—	(8,957)	—	—	(8,957)
Recognition of share-based payments	—	14,067	—	—	—	14,067
Exercise of share options	18,113	(6,976)	—	—	—	11,137
Reduction of share premium and transfer between share premium and contributed surplus	(720,617)	—	—	720,617	—	—
Distribution	—	—	—	(549,916)	—	(549,916)
At 31 March 2016	**16,045**	**21,263**	**63,859**	**209,959**	**135,388**	**446,514**

Note:

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

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

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

In the opinion of the directors, the Company had distributable reserve of approximately HK$345,347,000 at the end of the reporting period (2015: HK$199,560,000).

For the year ended 31 March 2016

43. CORPORATE GUARANTEES

As of 31 March 2016, the Company provided several corporate guarantees of approximately HK$1,877,500,000 (2015: HK$1,575,000,000) and its subsidiaries provided certain cross corporate guarantee of approximately HK$955,000,000 (2015: HK$955,000,000) both of which given to banks for securing banking facilities granted to the Company's subsidiaries.

44. COMPARATIVE FINANCIAL INFORMATION

Certain comparative figures have been restated to conform with current year's presentation.

45. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 24 June 2016.

Five-year Financial Summary

For the year ended 31 March 2016

	Year ended 31 March				
	2012	2013	2014	2015	**2016**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
	(restated) (note (a))		(restated) (note (b))		
Revenue	39,330	49,977	53,555	51,270	**57,247**
Other income and gains	5,421	4,618	7,817	20,450	**11,215**
(Decrease)/increase in fair value of investment properties	339,794	652,650	(22,367)	488,000	**9,862**
Loss on disposal of financial asset held for sale	—	—	(3)	—	**—**
Gain on disposal of subsidiaries	—	—	297,739	—	**—**
Staff costs	(12,641)	(21,667)	(48,739)	(32,489)	**(17,678)**
Depreciation of property, plant and equipment	(655)	(635)	(400)	(141)	**(80)**
Other operating expenses	(12,957)	(22,699)	(20,572)	(13,159)	**(27,144)**
Profit from operations	358,292	662,244	267,030	513,931	**33,422**
Finance costs	(38,103)	(31,544)	(32,457)	(26,070)	**(26,877)**
Profit before tax	320,189	630,700	234,573	487,861	**6,545**
Taxation credit/(charge)	4,334	(87,391)	3,431	(1,692)	**(4,974)**
Profit for the year	324,523	543,309	238,004	486,169	**1,571**
Profit/(loss) for the year attributable to:					
Owners of the Company	377,623	354,080	123,600	486,169	**1,571**
Non-controlling interests	(53,100)	189,229	114,404	—	**—**
	324,523	543,309	238,004	486,169	**1,571**
Dividends and distribution	—	—	—	—	**549,916**
Earnings per share					
— Basic (in HK cents)	55.70	49.42	16.99	56.52	**0.16**
— Diluted (in HK cents)	55.54	48.91	16.09	55.93	**0.05**
ASSETS AND LIABILITIES					
Total assets	4,752,018	6,234,883	2,992,141	3,662,068	**3,362,156**
Total liabilities	2,835,347	3,749,865	1,032,703	1,042,976	**1,200,254**
	1,916,671	2,485,018	1,959,438	2,619,092	**2,161,902**

Notes:

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

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

Schedule of Properties Held by the Group

For the year ended 31 March 2016

MAJOR PROPERTIES

Particulars of major properties held by the Group at 31 March 2016 were as follows:

Location	Type of property	Group interest	Approximately area
Jardine Center No. 50 Jardine's Bazaar Causeway Bay Hong Kong	Commercial	100%	Gross floor area of approximately 49,779 sq. ft.
L'hart No. 487–489 Lockhart Road Causeway Bay Hong Kong	Commercial	100%	Gross floor area of approximately 32,728 sq. ft.
Ground Floor and Cockloft Floor No. 38 Jardine's Bazaar Causeway Bay Hong Kong	Commercial	100%	Saleable area of approximately 700 sq. ft. with yard of 29 sq. ft. on the ground floor
First Floor of No. 38 Jardine's Bazaar and No. 40 Jardine's Bazaar Causeway Bay Hong Kong	Residential	100%	Saleable area of approximately 762 sq. ft. with flat roof of 99 sq. ft.
House No. 12, Villa Bel-Air Bel-Air of the Peak Island South No. 12 Bel-Air Peak Rise Hong Kong	Residential	100%	Saleable area of approximately 3,603 sq. ft. with ancillary areas as follows: Garage 474 sq. ft. Plant room 150 sq. ft. Landscaped garden 493 sq. ft. Flat roof 568 sq. ft. Roof 682 sq. ft.
Shop No.1 on G/F including Portions of The Flat Roof and Canopy over and above The Shop No. 1 on G/F K.K. Mansion Nos. 119, 121 & 125 Caine Road Hong Kong	Commercial	100%	Saleable area of approximately 1,300 sq. ft. with flat roof of approximately 254 sq. ft.
Ground Floor including Cockloft No. 41 Jardine's Bazaar Hong Kong	Commercial	100%	Saleable area of approximately 1,056 sq. ft. with yard of 82 sq. ft. on the ground floor
Ground Floor No. 57 Jardine's Bazaar Hong Kong	Commercial	100%	Saleable area of approximately 708 sq. ft.