



U-RIGHT INTERNATIONAL HOLDINGS LIMITED

佑威國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 00627)

Annual Report 2016

* *for identification purposes only*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

CHAN Chi Yuen
MAK Ka Wing, Patrick
XIE Tom

COMPANY SECRETARY

CHAN Lo Sho

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

STOCK CODE

627

WEBSITE

www.uright.com.hk

AUDITOR

ZHONGHUI ANDA CPA Limited

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKS

Fubon Bank Limited

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors"), I hereby present the annual report of U-RIGHT International Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2016.

BUSINESS REVIEW AND PROSPECTS

For the year ended 31 March 2016, the Group's results were mainly derived from the businesses of wholesale of garments and retail of fashion garments, textiles and leather, and the newly developed trading business of construction materials in recent two years.

In the Chairman's statement of the 2015 Annual Report, I emphasized that the Company was both aware of and prepared for the difficult times that lay ahead, the Group has been managing its businesses prudently since keen competition of the garment business, to further its construction material business development during year and continues to explore business opportunities for additional value for shareholders. A thorough discussion and analysis of the 2016 operating results and financial position is provided by the management in this annual report.

On 14 April 2015, the Company and a vendor, who is an independent third party of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) ("Independent Third Party(ies)") entered into an agreement (as amended and supplemented by two supplemental agreements dated 27 October 2015 and 23 February 2016 respectively, collectively the "SP Agreement") pursuant to which, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire issued share capital of Vivalink Limited (the "Target Company", together with its subsidiaries, the "Target Group") and its shareholders' loan to the Target Company (the "Acquisition") for a total consideration of HK\$1,942,854,000, which will be satisfied by the issue of new shares, issue of convertible bonds, cash and/or promissory note.

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

According to the applicable Listing Rules, the subject Acquisition rendered the Company being treated as if it were a new listing applicant for the reasons of it is a very substantial acquisition and constitutes a reverse takeover for the Company. The Company filed the new listing application with the Stock Exchange on 13 November 2015.

Pursuant to the SP Agreement and being one of the conditions precedent to the completion of the transactions contemplated under the SP Agreement, the Board entered into two disposal agreements to dispose two groups of the Company's subsidiaries during year.

In light of the weak prospect of wholesaling and retailing of garment business presently carried on by the Group and the various challenges and uncertainties lied ahead in the retailing industry under the current global macro-economic environment, the Board believes that the acquisition and disposals allow the scope of business of the Group to be replaced and the quality assets proposed to be acquired are expected to enhance the Company's value to the Shareholders.

CHAIRMAN'S STATEMENT

APPRECIATION

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

NG Cheuk Fan, Keith
Chairman

Hong Kong, 22 June 2016

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's results for the year ended 31 March 2016 were mainly derived from the businesses of wholesale of garments and retail of fashion garments, textiles and leather, and the newly developed trading business of construction materials in recent two years.

During the reporting year, the global economy remained challenging and volatile, (1) insufficient global demand and shift of procurement activities away from China, which with most significant impact on the Group's garment trading business with the Middle East market; (2) China's economic growth has been undergoing a gradual slowdown in the past few years following consistent and rapid expansion for more than two decades; (3) severe competition in retail sector and consumer purchase habit has changed as the internet business irreversibly robust.

All abovementioned factors imposed more challenge to the Group existing wholesale and retail of garment business. In view of further enhance returns to the Shareholders, after successfully expanded business in trading of construction materials, the management of the Group had strategically taken further initiatives to expand the business of portfolio of the Group. The Company entered into a sales and purchase agreement and two disposal agreements during year:

On 14 April 2015, the Company and a vendor (the "Vendor") who is an independent third party of the Company and its connected persons entered into a sale and purchase agreement (as amended and supplemented by two supplemental agreements dated 27 October 2015 and 23 February 2016 respectively) (collectively the "SP Agreement") pursuant to which, the Company has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the entire issued share capital of Vivalink Limited (the "Target Company"), together with its subsidiaries, and its shareholders' loan owed to the Vendor (the "Acquisition") for a total consideration of HK\$1,942,854,000, which will be satisfied by the issue of new shares, issue of convertible bonds, cash and/or promissory note. The Acquisition constitutes: (i) a very substantial acquisition for the Company under Rule 14.06(5) of the Listing Rules and (ii) a reverse takeover for the Company under Rule 14.06(a) of the Listing Rules. In addition, the Company will be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules. The Company filed the new listing application with the Stock Exchange on 13 November 2015. Please refer to the Company's announcements on 27 October 2015, 13 November 2015 and 23 February 2016 for more details.

Pursuant to the SP Agreement and being one of the condition precedent to the completion of the transactions contemplated under the SP Agreement, on 27 October 2015, the Company (as the vendor) and Qiu Wenzhong, an independent third party, (the "UR Purchaser") entered into an agreement (as amended and supplemented by a supplemental agreement date 23 February 2016) (collectively the "UR Disposal Agreement") pursuant to which the Company has agreed to sell and the UR Purchaser has agreed to purchase the entire issued share capital of UR Group Limited and a shareholder's loan in the sum of approximately HK\$18.56 million owed by the UR Group Limited and its subsidiaries to the Company for a total consideration of approximately HK\$56.50 million. Please refer to the Company's announcements on 27 October 2015, 13 November 2015 and 23 February 2016 for more details.

Pursuant to the SP Agreement and being one of the conditions precedent to the completion of the transactions contemplated under the SP Agreement, on 27 October 2015, the Company (as the vendor) and Ma Weihong, an independent third party, (the "Alfreda Purchaser") entered into an agreement (as amended and supplemented by a supplemental agreement date 23 February 2016) (collectively the "Alfreda Disposal Agreement") pursuant to which the Company has agreed to sell and the Alfreda Purchaser has agreed to purchase the entire issued share capital of Alfreda Limited and a shareholder's loan in the sum of approximately HK\$20.30 million owed by the Alfreda Limited and its subsidiaries to the Company for a total consideration of approximately HK\$25.86 million. Please refer to the Company's announcements on 27 October 2015, 13 November 2015 and 23 February 2016 for more details.

MANAGEMENT DISCUSSION AND ANALYSIS

The management of the Group considered it is appropriated to separately report the results of the existing businesses into two categories according to the applicable financial reporting standard, namely “continuing operations” for the remaining business mainly for trading of construction materials, and “discontinued operations” for the business of wholesale of garments and retail of fashion garments, textiles and leather that under disposal, subsequent to the UR Disposal Agreement and Alfreda Disposal Agreement were entered into by the Company.

For the year ended 31 March 2016 (the “Year”), the Group recorded a turnover from the continuing operations of approximately HK\$231.3 million (31 March 2015 (restated): approximately HK\$190.6 million), and the Year of gross profit margin remained steady for the continuing operations of approximately 2.8% compared to last year (restated), selling and administrative expense also increased, among others the one-off professional legal cost for the Third Party Notice litigation proceeding incurred during Year, aggregately resulted loss for the Year from the continuing operations approximately HK\$6.8 million (31 March 2015 (restated): approximately HK\$2.4 million loss). Continuing operations loss attributable to the owners of the Company for the Year amounted to approximately HK\$6.8 million (31 March 2015 (restated): approximately HK\$2.4 million). Basic loss per share from the continuing operations increased from HK cents 0.2 for the last year ended 31 March 2015 to HK cents 0.5 for the Year.

With the critical reasons aforementioned, a significant decline of the turnover from the discontinued operations from HK\$312.0 million for the last year ended 31 March 2015 to HK\$181.5 million for the Year. And the gross profit margin also dropped from approximately 6.4% last year to approximately 4.8% for the Year. Among others, a substantial impairment of goodwill due to disposal agreements entered approximately HK\$9.4 million being recognised for the Year (31 March 2015: approximately HK\$3 million), resulting discontinued operations loss attributable to the owners of the Company for the Year amounted to approximately HK\$6.6 million (31 March 2015: attributable operations profit approximately HK\$3.9 million). Basic loss per share from the discontinued operations recorded HK cents 0.5 for the Year compared basic earning per share of HK cents 0.3 for the last year that ended 31 March 2015.

In light of the weakened market and the disposal decision of garment business, the Group has been under the transformation to the business of rapidly grown trading construction material and hence experienced the strategically transitional impact on the Group’s overall results for the Year that total basic loss per share recorded HK cents 1 compared to the total basic earning per share HK cents 0.1 last year that ended 31 March 2015.

DIVIDEND

The Directors do not recommend the payment of final dividend for the year ended 31 March 2016 (31 March 2015: nil).

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 March 2016, the Group had total assets of approximately HK\$177,294,000 including continuing and discontinued operations (31 March 2015: approximately HK\$180,096,000), comprising bank and cash balances of approximately HK\$23,128,000 (31 March 2015: approximately HK\$23,984,000). The Group’s current ratio, calculated as current assets of approximately HK\$166,414,000 (31 March 2015: approximately HK\$153,789,000) over current liabilities of approximately HK\$48,311,000 (31 March 2015: approximately HK\$31,154,000), dropped to 3.44 as at 31 March 2016 (31 March 2015: 4.94).

MANAGEMENT DISCUSSION AND ANALYSIS

Foreign currency management

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

Capital commitment

The Group had capital commitments, which are contracted but not provided for, in respect of the capital contribution to two subsidiaries amounting to approximately HK\$52,109,000 as at 31 March 2016 (31 March 2015: approximately HK\$55,287,000).

Pledge of Assets and Contingent Liabilities

The Group had no significant pledge of assets nor contingent liabilities as at 31 March 2016 and 31 March 2015.

CAPITAL STRUCTURE

At the both years ended 31 March 2016 and 31 March 2015, the Company comprise of 1,321,682,525 issued shares with par value of HK\$0.01.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT

Save as disclosed, in the section of "Business Review", the Group did not have any material acquisition, disposal or investment for the year ended 31 March 2016.

EMPLOYEES AND REMUNERATION POLICIES

At 31 March 2016, the Group had approximately 70 employees. For the year ended 31 March 2016, the total staff costs including the Directors' emolument was approximately HK\$4,709,000 (31 March 2015: HK\$7,188,000). Remuneration of the employees is determined by reference to the market terms and commensurates with the level of pay for similar responsibilities within the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. The Group provides benefits in accordance with the relevant laws and regulations including the Mandatory Provident Fund Scheme of Hong Kong.

PROSPECTS

The Board has continuously been exploring different investment opportunities. Through the acquisition, the Company can acquire the well-established businesses of the Target Company and its subsidiaries in the PRC. In light of the weak prospect of wholesaling and retailing of garment business presently carried on by the Group and the various challenges and uncertainties lied ahead in the retailing industry under the current global macro-economic environment, the Board believes that the acquisition and disposals allow the scope of business of the Group to be replaced and the quality assets proposed to be acquired are expected to enhance the Company's value to the Shareholders.

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

DIRECTORS AND COMPANY SECRETARY

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

EXECUTIVE DIRECTORS

Mr. NG Cheuk Fan, Keith (“Mr. Ng”), aged 55, has been appointed as an executive Director with effect from 7 January 2011. He is also the Chairman of the Company. Mr. Ng graduated from the University of Alberta, Canada with a Bachelor’s degree in Commerce, majoring in Accounting. He also received a Master of Commerce degree in Professional Accounting from the University of New South Wales, Australia. Mr. Ng is a member of the CPA Australia and an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Ng has over 20 years of experience in corporate development, corporate restructuring, management and accounting. He is an independent non-executive director of China Eco-Farming Limited (stock code: 8166). Mr. Ng was an executive director of China Fortune Financial Group Limited (stock code: 290) from 4 April 2007 to 8 July 2016, and he was an independent non-executive director of The Hong Kong Building and Loan Agency Limited (stock code: 145) from 15 January 2010 to 3 August 2012.

Mr. TANG Kwok Hung (“Mr. Tang”), aged 50, has been appointed as an executive Director with effect from 5 November 2013 and became the Chief Executive Officer of the Company with effect from 18 September 2014. He holds a Master’s degree in Business Administration from Manchester Business School (MBS) of the University of Manchester in the United Kingdom and a Bachelor’s degree in Business Administration from Chinese University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a Certified Management Accountant of the Institute of Management Accountants in the United States of America, a member of the Hong Kong Securities and Investment Institute, and a member of Hong Kong Institute of Real Estate Administrators.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. MAK Ka Wing Patrick (“Mr. Mak”), aged 52, has been appointed as an independent non-executive Director with effect from 15 January 2009. He is also the chairman of the Remuneration Committee and Nomination Committee of the Company. He is a solicitor of the High Court of Hong Kong and Managing Partner of Patrick Mak & Tse, Solicitors. Mr. Mak has over 15 years’ legal experience as a practising solicitor. He was awarded the Common Professional Examination Certificate in Laws by the University of Hong Kong in 1995 and was awarded his Postgraduate Certificate in Laws (P.C.LL) by the University of Hong Kong in 1998.

Mr. Mak is currently an independent non-executive director of Fresh Express Delivery Holdings Group Co., Ltd (formerly known as FU JI Food and Catering Services Holdings Limited) (stock code: 1175).

DIRECTORS AND COMPANY SECRETARY

Mr. Mak was an independent non-executive director of EYANG Holdings (Group) Co., Limited (stock code: 117) from 18 September 2013 to 15 July 2015, Jimei International Entertainment Group Limited (stock code: 1159) from 22 April 2010 to 31 August 2013, independent non-executive director and non-executive director of China Kingston Mining Holdings Limited (stock code: 1380) for the period from 6 February 2013 to 16 April 2013 and from 17 April 2013 to 13 June 2013 respectively. He was an independent non-executive director of Golden Shield Holdings (Industrial) Limited (in liquidation) (stock code: 2123) since 6 November 2014. A winding up order against Golden Shield Holdings (Industrial) Limited (in liquidation) was made by the High Court of Hong Kong on 11 May 2015 and the Official Receiver was appointed as its Provisional Liquidator. The subject winding-up petition was filed by a former legal adviser of Golden Shield Holdings (Industrial) Limited (in liquidation) in respect of a claim of approximately HK\$833,000.

Mr. CHAN Chi Yuen (“Mr. Chan”), aged 49, has been appointed as an independent non-executive Director with effect from 11 November 2010. He is also the chairman of the Audit Committee of the Company. He holds a Bachelor’s degree with honours in Business administration and a Master of Science degree with distinction in Corporate Governance and Directorship. He is a fellow of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and is an associate of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practicing certified public accountant and has extensive experience in financial management, corporate finance, corporate development and corporate governance.

Mr. Chan is currently an executive director of each of Noble Century Investment Holdings Limited (stock code: 2322), e-Kong Group Limited (stock code: 524), executive director and chairman of Kate China Holdings Limited (stock code: 8125). He is also an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351), China Baoli Technologies Holdings Limited (formerly known as Rex Global Entertainment Holdings Limited) (stock code: 164), Jun Yang Financial Holdings Limited (formerly known as Jun Yang Solar Power Investments Limited) (stock code: 397), Leyou Technologies Holdings Limited (stock code: 1089), Media Asia Group Holdings Limited (stock code: 8075), New Times Energy Corporation Limited (stock code: 166) (redesignated from non-executive director with effect from 18 May 2012).

Mr. Chan was an executive director of Co-Prosperity Holdings Limited (stock code: 707) from 11 December 2014 to 9 October 2015, China Minsheng Drawin Technology Group Limited (formerly known as South East Group Limited) (stock code: 726) from 20 December 2013 to 3 July 2015, and Kong Sun Holdings Limited (stock code: 295) from 8 December 2011 to 30 September 2013. He was also an independent non-executive director of China Sandi Holdings Limited (stock code: 910) from 18 September 2009 to 9 July 2014.

Mr. XIE Tom (“Mr. Xie”), aged 66, has been appointed as an independent non-executive Director with effect from 29 August 2013. Mr. Xie has years of management experience with a Hong Kong listed company. He obtained a Master of Science degree and a master’s graduation certificate in Gemology both from the China University of Geosciences (Beijing) in 2012. He is also the Permanent Honorary Chairman of the Confederacy of Hong Kong Shanwei Clansmen Limited. Mr. Xie is currently an independent non-executive director of Yuan Heng Gas Holdings Limited (formerly known as Ngai Lik Industrial Holdings Limited) (stock code: 332).

COMPANY SECRETARY

Ms. CHAN Lo Sho (“Ms. Chan”), aged 42, has been appointed as the company secretary of the Company since 6 April 2016. Ms. Chan holds a Bachelor of Arts in Chinese Humanities from The Open University of Hong Kong in December 2000, and a Master of Arts in Professional Accounting and Information Systems from City University of Hong Kong in November 2005. She is an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan has over 10 years of working experience in accounting, audit, corporate governance and compliance.

CORPORATE GOVERNANCE REPORT

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

CORPORATE GOVERNANCE PRACTICES

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

Code Provision A.4.1

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

DIRECTORS' SECURITIES TRANSACTIONS

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

BOARD OF DIRECTORS

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

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

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

CORPORATE GOVERNANCE REPORT

Throughout the year and up to the date of this report, the Company complied with Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of a sufficient number of independent non-executive directors and at least one of the independent non-executive directors has appropriate professional qualifications or accounting or related financial management expertise. The Company has received confirmations from all independent non-executive Directors that they did not have any businesses or financial interests with the Group and were independent as at 31 March 2016 in accordance with Rule 3.13 of the Listing Rules.

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

Appointment, Re-election and Removal of Directors

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

According to Bye-law 84, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years, and shall then be eligible for re-election.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

BOARD COMMITTEES

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

Audit Committee

The audit committee of the Company (the “Audit Committee”) comprises three independent non-executive Directors, Mr. Chan Chi Yuen (the Chairman of the Audit Committee), Mr. Mak Ka Wing Patrick and Mr. Xie Tom. The primary duties of the Audit Committee are to (i) review the Group’s financial information; (ii) oversight of the Group’s financial reporting system and internal control procedures; (iii) make recommendations in relation to the appointment, reappointment and removal of the external auditor; and (iv) review and monitor the external auditor’s independence and objectivity. In addition, the Audit Committee discusses matters raised by the external auditor and regulatory bodies to ensure that appropriate recommendations are implemented.

CORPORATE GOVERNANCE REPORT

The Audit Committee has reviewed with the management of the Company and the external auditor the annual results of the Group for the year ended 31 March 2016, and was of the opinion that the preparation of such results was in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

The Audit Committee held 2 meetings during the year ended 31 March 2016. The attendance record of each member of the Audit Committee is set out in the sub-section “Directors’ and Committees’ Meeting Attendance” of “Corporate Governance Report” in this annual report.

Remuneration Committee

The Remuneration Committee of the Company comprises three independent non-executive Directors, Mr. Mak Ka Wing, Patrick (the Chairman of the Remuneration Committee), Mr. Chan Chi Yuen and Mr. Xie Tom. The primary duties of the Remuneration Committee are to (i) make recommendations to the Board on the policy and structure for all directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for remuneration policy; (ii) make recommendations to the Board on the remuneration package of individual executive directors, non-executive directors and senior management; and (iii) review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment. The Committee is regulated by the terms of reference which follow closely the requirements of the CG Code and shall be modified and approved by the Board from time to time.

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

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

Nomination Committee

The Nomination Committee of the Company comprises three independent non-executive Directors, Mr. Mak Ka Wing, Patrick (the Chairman of the Nomination Committee), Mr. Chan Chi Yuen and Mr. Xie Tom. The primary duties of the Nomination Committee are to (i) review the structure, size and composition (including skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board; (ii) identify individuals suitably qualified to become Board members; (iii) assess the independence of independent non-executive directors; and (iv) make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors. The Committee is regulated by the terms of reference which follow closely the requirements of the CG Code and shall be modified and approved by the Board from time to time.

Board Diversity Policy

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

CORPORATE GOVERNANCE REPORT

DIRECTORS' AND COMMITTEES' MEETING ATTENDANCE

During the year ended 31 March 2016, the Board held 6 Board meetings.

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

Directors	Board Meeting	Audit Committee Meeting Attendance/Eligible to attend	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
<i>Executive Directors</i>					
Mr. Ng Cheuk Fan, Keith	6/6	N/A	N/A	N/A	1/1
Mr. Tang Kwok Hung	5/6	N/A	N/A	N/A	0/1
<i>Independent Non-executive Directors</i>					
Mr. Mak Ka Wing, Patrick	6/6	2/2	0/0	0/0	1/1
Mr. Chan Chi Yuen	5/6	2/2	0/0	0/0	1/1
Mr. Xie Tom	6/6	2/2	0/0	0/0	0/1

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

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

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors acknowledged their responsibility for preparing the financial statements for each financial period to give a true and fair view of the state of affairs of the Company. In preparing the financial statements for the year ended 31 March 2016, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

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

DIRECTORS' AND OFFICERS' LIABILITIES

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

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

The Company Secretary, Ms. Chan Lo Sho has been appointed since 6 April 2016 (Ms. Wong Chi Yan resigned on 6 April 2016). She is responsible to the Board for ensuring that the Board procedures are followed and the Board activities are efficiently and effectively conducted. She is also responsible for ensuring the Board is fully appraised of the relevant legislative, regulatory and corporate governance developments relating to the Group and facilitating the induction and professional development of directors.

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

AUDITOR'S REMUNERATION

The remuneration in respect of audit and non-audit services for the year ended 31 March 2016 provided by the Company's auditor, ZHONGHUI ANDA CPA Limited, are as follows:

	<i>HK\$'000</i>
Audit services	850
Non-audit services	<u>210</u>
Total	<u><u>1,060</u></u>

SHAREHOLDERS' RIGHTS

(I) Convene a Special General Meeting

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

(II) Send Enquiries to the Board

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

(III) Make Proposals at General Meetings

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

CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS

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

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

INTERNAL CONTROL AND RISK MANAGEMENT

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

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 23.

The Board resolved not to pay any final dividend for the year ended 31 March 2016.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2016, the five largest customers of the Group together accounted for approximately 50%, with the largest customer accounted for approximately 16% of the Group's total turnover. The five largest suppliers of the Group together accounted for approximately 63%, with the largest supplier accounted for approximately 37% of the Group's total purchases during the year.

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

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

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

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the years ended 31 March 2016 and 31 March 2015.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 31 March 2016, the Company had no reserves available for distribution (31 March 2015: Nil).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial periods is set out on page 67.

EVENTS AFTER THE REPORTING PERIOD

Details of the events after the reporting period of the Group are set out in note 29 to the consolidated financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

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

Executive Directors

NG Cheuk Fan, Keith (*Chairman*)

TANG Kwok Hung (*Chief Executive Officer*)

Independent Non-Executive Directors

CHAN Chi Yuen

MAK Ka Wing, Patrick

XIE Tom

According to Bye-law 83(2), Mr. NG Cheuk Fan, Keith and Mr. MAK Ka Wing, Patrick shall retire from office by rotation at the AGM. Mr. NG Cheuk Fan, Keith and Mr. MAK Ka Wing, Patrick, being eligible, will offer themselves for re-election.

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

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

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

MANAGEMENT CONTRACTS

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

CONNECTED TRANSACTIONS

Related party transactions entered by the Group during the year ended 31 March 2016, which do not constitute connected transactions in accordance with the requirements of the Listing Rules, are disclosed in note 12 to the consolidated financial statements for key management remuneration, including Company's Directors and the senior management.

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

As at 31 March 2016, none of the directors or chief executives of the Company nor their associates had any interest or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' REPORT

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

As at 31 March 2016, the following shareholders (other than the Directors or the chief executive of the Company) had an interest or short positions in the shares or underlying shares as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO and were directly or indirectly interest in 5% or more of the nominal value of any class of share capital carrying rights to vote on all circumstances at general meeting of any other members of the Group were as follows:

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

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

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO as at 31 March 2016.

DIRECTORS' REPORT

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Company understands the importance of maintaining a good relationship with its suppliers and customers to meet its immediate and long-term goals. The management will continue to develop efficient communication platform to enhance relationships with individual and corporate customers and suppliers.

The Company also believes that its long-term success depends on the contribution of each and every individual in the organization. Details of employee and remuneration policy are disclosed on page 7 of this annual report.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

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

The Audit Committee has reviewed with the management of the Company and the external auditor the Group's annual results for the year ended 31 March 2016, and was of the opinion that the preparation of such results are in compliance with the relevant accounting standards, rules and regulations and that adequate disclosures have been made.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

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

On behalf of the Board

NG Cheuk Fan, Keith

Chairman and Executive Director

Hong Kong, 22 June 2016



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

佑威國際控股有限公司

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of U-RIGHT International Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 3 to 66, 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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

INDEPENDENT AUDITOR'S REPORT

OPINION

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

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Fong Tak Ching

Practising Certificate Number P06353

Hong Kong, 22 June 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	<i>Notes</i>	2016 HK\$'000	2015 HK\$'000 (Restated)
Continuing operations			
Revenue	7	231,261	190,616
Cost of sales		<u>(224,718)</u>	<u>(185,172)</u>
Gross profit		6,543	5,444
Other income	8	4,339	128
Selling and distribution costs		(4,183)	(2,178)
Administrative expenses		<u>(13,051)</u>	<u>(5,235)</u>
Loss before tax		(6,352)	(1,841)
Income tax expense	10	<u>(478)</u>	<u>(608)</u>
Loss for the year from continuing operations		(6,830)	(2,449)
Discontinued operations			
(Loss)/profit for the year from discontinued operations	13(b)	<u>(6,604)</u>	3,895
(Loss)/profit for the year	11	<u>(13,434)</u>	<u>1,446</u>
Other comprehensive (expense)/income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(6,025)	613
Fair value changes of available-for-sale financial assets		<u>(500)</u>	<u>(446)</u>
Total comprehensive (expense)/income for the year		<u>(19,959)</u>	<u>1,613</u>
(Loss)/profit for the year attributable to:			
Owners of the Company			
Loss from continuing operations		(6,830)	(2,449)
(Loss)/profit from discontinued operations		<u>(6,566)</u>	<u>3,793</u>
		(13,396)	1,344
Non-controlling interests			
(Loss)/profit from discontinued operations		<u>(38)</u>	<u>102</u>
		<u>(13,434)</u>	<u>1,446</u>
Total comprehensive (expense)/income for the year attributable to:			
Owners of the Company			
		(19,655)	1,488
Non-controlling interests		<u>(304)</u>	<u>125</u>
		<u>(19,959)</u>	<u>1,613</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	<i>Notes</i>	2016 HK\$'000	2015 HK\$'000 (Restated)
(Loss)/earning per share attributable to owners of the Company	14		
From continuing and discontinued operations			
Basic (HK cents per share)		<u><u>(1.0)</u></u>	<u><u>0.1</u></u>
Diluted (HK cents per share)		<u><u>(1.0)</u></u>	<u><u>0.1</u></u>
From continuing operations			
Basic (HK cents per share)		<u><u>(0.5)</u></u>	<u><u>(0.2)</u></u>
Diluted (HK cents per share)		<u><u>(0.5)</u></u>	<u><u>(0.2)</u></u>
From discontinued operations			
Basic (HK cents per share)		<u><u>(0.5)</u></u>	<u><u>0.3</u></u>
Diluted (HK cents per share)		<u><u>(0.5)</u></u>	<u><u>0.3</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	<i>16</i>	2,668	2,844
Investment properties	<i>17</i>	8,212	8,711
Available-for-sale financial assets	<i>18</i>	–	3,550
Goodwill	<i>19</i>	–	11,202
		<u>10,880</u>	<u>26,307</u>
Current assets			
Inventories	<i>21</i>	41	16,963
Trade receivables	<i>22</i>	35,354	83,893
Prepayments, deposits and other receivables	<i>23</i>	4,642	28,949
Bank and cash balances		<u>3,668</u>	<u>23,984</u>
		43,705	153,789
Disposal groups classified as held for sale	<i>20</i>	<u>122,709</u>	<u>–</u>
		<u>166,414</u>	<u>153,789</u>
Current liabilities			
Trade payables	<i>24</i>	1,112	15,060
Accruals and other payables		7,682	5,191
Current tax liabilities		<u>83</u>	<u>10,903</u>
		8,877	31,154
Liabilities directly associated with the disposal groups	<i>20</i>	<u>39,434</u>	<u>–</u>
		<u>48,311</u>	<u>31,154</u>
Net current assets		<u>118,103</u>	<u>122,635</u>
Total assets less current liabilities		<u>128,983</u>	<u>148,942</u>
NET ASSETS		<u>128,983</u>	<u>148,942</u>
Capital and reserves			
Share capital	<i>25</i>	13,217	13,217
Reserves		<u>111,424</u>	<u>131,079</u>
Equity attributable to owners of the Company		124,641	144,296
Non-controlling interests		<u>4,342</u>	<u>4,646</u>
TOTAL EQUITY		<u>128,983</u>	<u>148,942</u>

Approved by:

TANG Kwok Hung

Director

Ng Cheuk Fan Keith

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Attributable to owners of the Company									
	Share capital	Share premium account	Statutory reserve	Capital reserve	Investment revaluation reserve	Foreign currency translation reserve	Retained profits/ (accumulated losses)	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2014	13,217	783,155	220	3,020	-	1,488	(658,292)	142,808	4,521	147,329
Total comprehensive (expense)/income for the year	-	-	-	-	(446)	590	1,344	1,488	125	1,613
At 31 March 2015	<u>13,217</u>	<u>783,155</u>	<u>220</u>	<u>3,020</u>	<u>(446)</u>	<u>2,078</u>	<u>(656,948)</u>	<u>144,296</u>	<u>4,646</u>	<u>148,942</u>
At 1 April 2015	13,217	783,155	220	3,020	(446)	2,078	(656,948)	144,296	4,646	148,942
Total comprehensive (expense)/income for the year	-	-	-	-	(500)	(5,759)	(13,396)	(19,655)	(304)	(19,959)
At 31 March 2016	<u>13,217</u>	<u>783,155</u>	<u>220</u>	<u>3,020</u>	<u>(946)</u>	<u>(3,681)</u>	<u>(670,344)</u>	<u>124,641</u>	<u>4,342</u>	<u>128,983</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cash flows from operating activities		
(Loss)/profit before tax		
From continuing operations	(6,352)	(1,841)
From discontinued operations	(5,661)	5,644
Adjustments for:		
Depreciation	567	689
Interest income	(29)	(26)
Fair value gain on investment properties	–	(22)
Impairment on goodwill	9,364	3,000
	<hr/>	<hr/>
Operating cash flows before working capital changes	(2,111)	7,444
Change in inventories	2,959	(2,934)
Change in trade receivables	(5,262)	(29,245)
Change in prepayments, deposits and other receivables	(6,018)	2,024
Change in trade payables	9,669	(17,152)
Change in accruals and other payables	7,298	1,112
	<hr/>	<hr/>
Cash generated from/(used in) operations	6,535	(38,751)
Tax paid	(1,234)	(1,896)
Interest received	29	26
	<hr/>	<hr/>
Net cash generated from/(used in) operating activities	5,330	(40,621)
	<hr/>	<hr/>
Cash flows from investing activities		
Purchases of property, plant and equipment	(813)	(2,524)
Purchases of investment properties	–	(8,655)
Purchases of available-for-sale financial assets	–	(3,996)
	<hr/>	<hr/>
Net cash used in investing activities	(813)	(15,175)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	4,517	(55,796)
Effect of foreign exchange rate changes	(5,373)	565
Cash and cash equivalents at beginning of year	23,984	79,215
	<hr/>	<hr/>
Cash and cash equivalents at end of year	23,128	23,984
	<hr/> <hr/>	<hr/> <hr/>
Analysis of cash and cash equivalents		
Bank and cash balances	3,668	23,984
Bank and cash balances included in disposal group classified as held for sale	19,460	–
	<hr/>	<hr/>
	23,128	23,984
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

1. GENERAL INFORMATION

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

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

In the opinion of the directors (the “Directors”) of the Company, as at the 31 March 2016, Advance Lead International Limited (the “Controlling Shareholder”), a company incorporated in the British Virgin Islands, is the ultimate holding company.

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

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2015. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidation

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combination and goodwill

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

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

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

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

Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances in financial statements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation (continued)

(c) Translation on consolidation

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

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

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

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

Property, plant and equipment

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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

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

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

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

Investment properties

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

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

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

Operating leases

The Group as lessor

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

The Group as lessee

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

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

Recognition and derecognition of financial instruments

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

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

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

Investments

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other receivables

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

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

Cash and cash equivalents

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

Financial liabilities and equity instruments

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

Trade and other payables

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

Equity instruments

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

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

Employee benefits

(a) Employee leave entitlements

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

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

(b) Pension obligations

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

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

(c) Termination benefits

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

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

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

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

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

Segment reporting

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

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

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

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

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

Provisions and contingent liabilities

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

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

Events after the reporting period

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets held for sale and discontinued operations

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

Non-current assets or disposal group classified as held for sale are measured at the lower of the assets' or disposal group's previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale in accordance with HKFRS 5, if earlier. It also occurs when the operation is abandoned.

When an operation is classified as discontinued, a single amount is presented in the statement of profit or loss and other comprehensive income, which comprises:

- The post-tax profit or loss of the discontinued operation; and
- The post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

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

Deferred tax for investment properties

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

Key sources of estimation uncertainty

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

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

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

(b) *Income tax*

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

(c) *Net realisable value of inventories*

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

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

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

(e) *Fair values of investment properties*

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

5. FINANCIAL RISK MANAGEMENT

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

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

(a) Market risk

Foreign exchange risk

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

Price risk

The Group's available-for-sale financial assets are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. At 31 March 2016, if the share prices of the investments increase/decrease by 10%, the investment revaluation reserve would have been HK\$305,000 (2015: HK\$355,000) higher/lower, arising as a result of the fair value gain/loss of the investments.

Interest rate risk

As at 31 March 2016, the Group did not have significant interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

5. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

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

At the end of the reporting period, the Group had certain concentration of credit risk as approximately 38% (2015: 9%) and approximately 98% (2015: 24%) of the Group's trade receivables were due from the Group's largest trade debtor and the five largest trade debtors, respectively. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group reviews the recoverable amount of the trade and other receivables on a regular basis and provision for doubtful debts is made in accordance with the Group's policies. In addition, the Management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the Management consider that the Group's credit risk is significantly reduced.

(c) Liquidity risk

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

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

(d) Fair values

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

6. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

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

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

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

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

(a) Disclosures of level in fair value hierarchy at 31 March 2016:

	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements:				
Assets				
Available-for-sale financial assets				
included in disposal group classified				
as held for sale				
Listed securities in Hong Kong	3,050	–	–	3,050
Investment properties				
Commercial — PRC	–	–	8,212	8,212
Total recurring fair value measurements	<u>3,050</u>	<u>–</u>	<u>8,212</u>	<u>11,262</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

6. FAIR VALUE MEASUREMENTS (continued)

(b) Reconciliation of assets measured at fair value based on level 3:

	Investment properties 2016 HK\$'000
At beginning of year	8,711
Total loss recognised	
in profit or loss (#)	–
in other comprehensive income	(499)
	<hr/>
At end of year	<u>8,212</u>
(#) Included losses for assets held at end of report period	<u>–</u>
	Investment properties 2015 HK\$'000
At beginning of year	–
Purchases	8,655
Total gains recognised in profit or loss	
in profit or loss (#)	22
in other comprehensive income	34
	<hr/>
At end of year	<u>8,711</u>
(#) Included gains for liabilities held at end of report period	<u>22</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

6. FAIR VALUE MEASUREMENTS (continued)

(c) Valuation techniques and inputs used in fair value measurements at 31 March 2016:

The Group's account manager is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The account manager reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the account manager and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 3 fair value measurements

Description	Valuation technique	Inputs	Range	Effect on fair value for increase of inputs	Fair value 2016 HK\$'000
Assets					
Investment properties — Commercial — PRC	Income Capitalization Approach	Monthly rent	RMB21,763 per month	Increase	8,212
Description	Valuation technique	Inputs	Range	Effect on fair value for increase of inputs	Fair value 2015 HK\$'000
Assets					
Investment properties — Commercial — PRC	Income Capitalization Approach	Monthly rent	RMB21,763 per month	Increase	8,711

During the two years, there were no changes in the valuation techniques used.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

7. REVENUE

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Sales of goods	412,466	502,417
Property rental income	293	192
	<u>412,759</u>	<u>502,609</u>
Representing:		
— Continuing operations	231,261	190,616
— Discontinued operations (<i>note 13</i>)	181,498	311,993
	<u>412,759</u>	<u>502,609</u>

8. OTHER INCOME

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Interest income	29	26
Reimbursement expenses from the vendor of the proposed acquisition	3,810	—
Fair value gain on investment properties	—	22
Net foreign exchange gain	348	188
Others	909	2
	<u>5,096</u>	<u>238</u>
Representing:		
— Continuing operations	4,339	128
— Discontinued operations (<i>note 13</i>)	757	110
	<u>5,096</u>	<u>238</u>

9. OPERATING SEGMENT INFORMATION

The Group has three reportable segments as follows:

Garment (discontinued operations)	—	Trading and retailing of fashion garments, textiles and leathers
Construction materials	—	Trading of construction materials
Property investment	—	Rental of commercial properties

- (a) Segment profits or losses do not include interest income on bank deposits, impairment on goodwill, central administration costs, directors' salaries and finance costs. Segment assets do not include available-for-sale financial assets and bank and cash balances. Segment liabilities do not include certain accruals and other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

9. OPERATING SEGMENT INFORMATION (continued)

(a) (continued)

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

	Continuing operations			Discontinued operations	Total <i>HK\$'000</i>
	Construction materials <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Garment <i>HK\$'000</i>	
Year ended 31 March 2016					
Revenue from external customers	<u>230,968</u>	<u>293</u>	<u>231,261</u>	<u>181,498</u>	<u>412,759</u>
Segment result	1,619	238	1,857	3,679	5,536
Interest income on bank deposits					29
Unallocated income					3,921
Unallocated expenses					<u>(12,135)</u>
Loss from operations					(2,649)
Impairment on goodwill				(9,364)	<u>(9,364)</u>
Loss before tax					(12,013)
Income tax expense					<u>(1,421)</u>
Loss for the year					<u><u>(13,434)</u></u>
Depreciation and amortisation	241	-	241	326	567
Additions to segment non-current assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
As at 31 March 2016					
Segment assets	35,354	8,347	43,701	103,989	147,690
Unallocated assets					<u>29,604</u>
					<u><u>177,294</u></u>
Segment liabilities	(1,968)	(17)	(1,985)	(39,581)	(41,566)
Unallocated liabilities					<u>(6,745)</u>
					<u><u>(48,311)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

9. OPERATING SEGMENT INFORMATION (continued)

(a) (continued)

	Continuing operations			Discontinued operations	Total HK\$'000
	Construction materials HK\$'000	Property investment HK\$'000	Sub-total HK\$'000	Garment HK\$'000	
Year ended 31 March 2015					
Revenue from external customers	190,099	192	190,291	312,318	502,609
Segment result	2,303	99	2,402	8,857	11,259
Interest income on bank deposits					26
Unallocated expenses					(4,482)
Profit from operations					6,803
Impairment on goodwill				(3,000)	(3,000)
Profit before tax					3,803
Income tax expense					(2,357)
Profit for the year					1,446
Depreciation and amortisation	5	–	5	684	689
Additions to segment non-current assets	14	8,655	8,669	2,510	11,179
As at 31 March 2015					
Segment assets	35,334	8,898	44,232	109,863	154,095
Unallocated assets					26,001
					180,096
Segment liabilities	(1,188)	(127)	(1,315)	(29,097)	(30,412)
Unallocated liabilities					(742)
					(31,154)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

9. OPERATING SEGMENT INFORMATION (continued)

(b) Geographical information:

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

	Revenue		Non-current assets	
	Year ended 31 March		As at 31 March	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations				
Hong Kong	-	-	692	3,550
Mainland China	231,261	190,616	10,188	25,757
Discontinued operations				
Hong Kong	-	-	3,050	-
Mainland China	92,206	97,129	11,473	-
The Philippines	-	18,305	-	-
Italy	-	1,938	-	-
United Arab Emirates	89,292	194,621	-	-
	<u>412,759</u>	<u>502,609</u>	<u>25,403</u>	<u>29,307</u>
Consolidated total	<u>412,759</u>	<u>502,609</u>	<u>25,403</u>	<u>29,307</u>

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

(c) Information about major customers

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

	Year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Garment segment		
Customer a	65,072	97,210
Construction materials segment		
Customer b	47,772	28,788 [#]
	<u>112,844</u>	<u>125,998</u>

[#] Revenue from this customer did not exceed 10% of total revenue in the respective years. This amounts was shown for comparative purpose.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

10. INCOME TAX EXPENSE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current tax — Hong Kong Profits Tax		
Provision for the year	319	648
Over-provision in prior years	(20)	–
Current tax — the PRC Enterprise Income Tax		
Provision for the year	<u>1,122</u>	<u>1,709</u>
	<u><u>1,421</u></u>	<u><u>2,357</u></u>
Representing:		
— Continuing operations	478	608
— Discontinued operations (<i>note 13</i>)	<u>943</u>	<u>1,749</u>
	<u><u>1,421</u></u>	<u><u>2,357</u></u>

Hong Kong profits tax is calculated at 16.5% (2015: 16.5%) of the estimated assessable profits for the year. Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for both years.

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

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
(Loss)/profit before tax	<u>(12,013)</u>	<u>3,803</u>
Tax at the domestic income tax rate of 16.5% (2015: 16.5%)	(1,982)	627
Tax effect of expenses that are not deductible	2,554	1,143
Effect of different tax rates of subsidiaries operating in other jurisdictions	301	587
Over-provision in prior years	(20)	–
Tax effect of tax losses not recognised	<u>568</u>	<u>–</u>
	<u><u>1,421</u></u>	<u><u>2,357</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

11. (LOSS)/PROFIT FOR THE YEAR

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cost of sales	397,492	477,234
Depreciation	567	689
Staff costs (including Directors' remuneration):		
— salaries, bonuses and allowances	4,321	6,540
— retirement benefits scheme contributions	388	648
	4,709	7,188
Auditor's remuneration	850	750
Net foreign exchange gain	(348)	(188)
Operating lease charges on land and buildings	892	1,959

12. DIRECTORS' EMOLUMENTS

(a) Directors' emoluments

	2016			
	Fees <i>HK\$'000</i>	Salaries and allowances <i>HK\$'000</i>	Retirement benefit scheme contributions <i>HK\$'000</i>	
Executive directors				
Mr. Ng Cheuk Fan, Keith <i>(Chairman)</i>	–	420	18	438
Mr. Tang Kwok hung <i>(Chief executive officer)</i>	–	720	18	738
Independent non-executive directors				
Mr. Xie Tom	120	–	–	120
Mr. Mak Ka Wing, Patrick	120	–	–	120
Mr. Chan Chi Yuen	120	–	–	120
	360	1,140	36	1,536

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

12. DIRECTORS' EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

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

(a) resigned on 18 September 2014

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

(c) resigned on 18 September 2014

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

12. DIRECTORS' EMOLUMENTS (continued)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included 2 (2015: 2) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 3 (2015: 3) individuals are set out below:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Salaries, allowances and benefit-in-kind	1,116	1,040
Retirement benefit costs	<u>45</u>	<u>53</u>
	<u><u>1,161</u></u>	<u><u>1,093</u></u>

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

	2016	2015
Nil–HK\$1,000,000	<u><u>3</u></u>	<u><u>3</u></u>

Based on the audited results of the Group for the two years ended 31 March 2016 and 2015, the Directors were not entitled to any of the performance-based discretionary bonus during the years.

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

13. DISCONTINUED OPERATIONS

The Group's discontinued operations for the year ended 31 March 2016 represented the trading and retailing of fashion garments, textiles and leather segment operated by UR Group Limited and its subsidiaries (the "UR Group") and Alfreda Limited and its subsidiaries (the "Alfreda Group").

- (a) On 27 October 2015, the Company entered into two sale and purchase agreements to dispose of the entire equity interest in the UR Group and Alfreda Group. The results of the UR Group and Alfreda Group under the business segment of trading and retailing of fashion garments, textiles and leather has been presented as discontinued operations during the year ended 31 March 2016, and the UR Group and Alfreda Group were classified as disposal group held for sale on the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

13. DISCONTINUED OPERATIONS (continued)

(b) The loss for the year from discontinued operations is analysed as follows:

	UR Group HK\$'000	Alfreda Group HK\$'000	Total HK\$'000
2016			
Revenue (<i>note 7</i>)	168,021	13,477	181,498
Cost of sales	<u>(162,614)</u>	<u>(10,160)</u>	<u>(172,774)</u>
Gross profit	5,407	3,317	8,724
Other income (<i>note 8</i>)	214	543	757
Selling and distribution costs	(1,875)	(754)	(2,629)
Administrative expenses	<u>(1,160)</u>	<u>(1,989)</u>	<u>(3,149)</u>
Profit from operations	2,586	1,117	3,703
Impairment on goodwill	<u>–</u>	<u>(9,364)</u>	<u>(9,364)</u>
Profit/(loss) before tax	2,586	(8,247)	(5,661)
Income tax expense (<i>note 10</i>)	<u>(520)</u>	<u>(423)</u>	<u>(943)</u>
Profit/(loss) for the year from discontinued operations	<u><u>2,066</u></u>	<u><u>(8,670)</u></u>	<u><u>(6,604)</u></u>
2015			
Revenue (<i>note 7</i>)	281,148	30,845	311,993
Cost of sales	<u>(271,531)</u>	<u>(20,531)</u>	<u>(292,062)</u>
Gross profit	9,617	10,314	19,931
Other income (<i>note 8</i>)	138	(28)	110
Selling and distribution costs	(2,162)	(2,997)	(5,159)
Administrative expenses	<u>(1,269)</u>	<u>(4,969)</u>	<u>(6,238)</u>
Profit from operations	6,324	2,320	8,644
Impairment on goodwill	<u>–</u>	<u>(3,000)</u>	<u>(3,000)</u>
Profit/(loss) before tax	6,324	(680)	5,644
Income tax expense (<i>note 10</i>)	<u>(1,259)</u>	<u>(490)</u>	<u>(1,749)</u>
Profit/(loss) for the year from discontinued operations	<u><u>5,065</u></u>	<u><u>(1,170)</u></u>	<u><u>3,895</u></u>

During the year, the UR Group and Alfreda Group received approximately HK\$4,049,000 (2015: used HK\$4,045,000) in respect of operating activities and paid approximately HK\$4,000 (2015: HK\$4,241,000) in respect of investing activities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

14. (LOSS)/EARNING PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) From continuing and discontinued operations

Basic earning per share

The calculation of basic earning per share attributable to owners of the Company is based on the loss (2015: profit) for the year attributable to owners of the Company of approximately HK\$13,396,000 (2015: HK\$1,344,000) and the weighted average number of ordinary shares of 1,321,682,525 (2015: 1,321,682,525) in issue during the year.

Diluted earning per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the two years ended 31 March 2016 and 31 March 2015.

(b) From continuing operations

Basic earning per share

The calculation of basic earning per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$6,830,000 (2015: HK\$2,449,000) and the weighted average number of ordinary shares of 1,321,682,525 (2015: 1,321,682,525) in issue during the year.

Diluted earning per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the two years ended 31 March 2016 and 31 March 2015.

(c) From discontinued operations

Basic earning per share

The calculation of basic earning per share attributable to owners of the Company is based on the loss (2015: profit) for the year attributable to owners of the Company of approximately HK\$6,566,000 (2015: HK\$3,793,000) and the weighted average number of ordinary shares of 1,321,682,525 (2015: 1,321,682,525) in issue during the year.

Diluted earning per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the two years ended 31 March 2016 and 31 March 2015.

15. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the years ended 31 March 2016 and 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK\$'000	Machinery HK\$'000	Motor vehicle HK\$'000	Leasehold improvement HK\$'000	Furniture, fixtures and equipment HK\$'000	Total HK\$'000
Cost:						
At 1 April 2014	-	70	433	1,122	585	2,210
Additions	2,164	-	-	274	86	2,524
Exchange differences	9	-	2	7	3	21
At 31 March 2015 and 1 April 2015	2,173	70	435	1,403	674	4,755
Additions	-	-	-	534	279	813
Transferred to disposal group classified as held for sale	-	(60)	(410)	(1,227)	(631)	(2,328)
Exchange differences	(124)	(4)	(25)	(81)	(39)	(273)
At 31 March 2016	2,049	6	-	629	283	2,967
Accumulated depreciation:						
At 1 April 2014	-	50	204	594	365	1,213
Charge for the year	51	13	109	419	97	689
Exchange differences	-	-	1	6	2	9
At 31 March 2015 and 1 April 2015	51	63	314	1,019	464	1,911
Charge for the year	100	13	79	266	109	567
Transferred to disposal group classified as held for sale	-	(71)	(372)	(1,114)	(499)	(2,056)
Exchange differences	(6)	(4)	(21)	(63)	(29)	(123)
At 31 March 2016	145	1	-	108	45	299
Carrying amount:						
At 31 March 2016	1,904	5	-	521	238	2,668
At 31 March 2015	2,122	7	121	384	210	2,844

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

17. INVESTMENT PROPERTIES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
At beginning of year	8,711	–
Additions	–	8,655
Fair value gains	–	22
Exchange differences	(499)	34
	8,212	8,711
At 31 March	8,212	8,711

Investment properties were revalued at 31 March 2016 and 31 March 2015 on the open market value basis by reference to market evidence of recent transactions for similar properties (level 2) by DTZ Cushman & Wakefield Limited, an independent firm of chartered surveyors.

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Equity securities, at fair value		
Listed in Hong Kong	–	3,550
	–	3,550

19. GOODWILL

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Cost		
At beginning of year	14,202	14,202
Transferred to disposal group classified as asset held for sale	(14,202)	–
	–	14,202
At 31 March	–	14,202
Accumulated impairment losses		
At beginning of year	3,000	–
Impairment loss recognised in the current year	9,364	3,000
Transferred to disposal group classified as asset held for sale	(12,364)	–
	–	3,000
At 31 March	–	3,000
Carrying amount		
At 31 March	–	11,202

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

19. GOODWILL (continued)

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

On 27 October 2015, the Company entered into a sale and purchase agreement to dispose the entire equity interest in Alfreda Limited, the shareholder of Sino Hill. The recoverable amounts of the CGUs are determined from the consideration of the disposal of the Alfreda Group.

20. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALES

On 27 October 2015, the Company entered into two sale and purchase agreements to dispose of the entire equity interest in the UR Group and Alfreda Group. The assets and liabilities of the UR Group and Alfreda Group, have been classified as disposal groups classified as held for sale and are presented separately in the consolidated financial position.

	UR Group	Alfreda Group	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Property, plant and equipment	127	145	272
Available-for-sale financial assets	3,050	–	3,050
Goodwill	–	14,202	14,202
Inventories	1,496	12,467	13,963
Trade receivables	49,680	4,121	53,801
Prepayments, deposits and other receivables	22,843	7,482	30,325
Bank and cash balances	6,957	12,503	19,460
	<u>84,153</u>	<u>50,920</u>	<u>135,073</u>
Less: Impairment loss recognised	<u>–</u>	<u>(12,364)</u>	<u>(12,364)</u>
Total assets associated with the disposal group	84,153	38,556	122,709
Trade and other payables, and total for liabilities associated with the disposal groups	<u>(27,659)</u>	<u>(11,775)</u>	<u>(39,434)</u>
Net assets of the disposal groups	<u><u>56,494</u></u>	<u><u>26,781</u></u>	<u><u>83,275</u></u>

At 31 March 2016, cumulative income or expense recognised in other comprehensive income relating to the disposal group classified as held for sale amounted to a debit balance of HK\$3,748,000.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

21. INVENTORIES

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Merchandises	<u>41</u>	<u>16,963</u>

22. TRADE RECEIVABLES

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

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

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
1–30 days	27,245	43,176
31–60 days	1,275	23,954
61–90 days	6,834	13,018
91–120 days	–	1,227
Over 120 days	–	2,518
Less: Impairments	<u>–</u>	<u>–</u>
	<u>35,354</u>	<u>83,893</u>

At the end of the reporting period, the trade receivables with the carrying amounts of approximately HK\$nil (2015: HK\$3,745,000) were past due but not impaired.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Deposit	436	5,200
Prepayments	141	269
Amounts due from non-controlling shareholders of a subsidiary (<i>note</i>)	–	18,936
Other receivables	<u>4,065</u>	<u>4,544</u>
	<u>4,642</u>	<u>28,949</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

24. TRADE PAYABLES

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
1–30 days	1,112	1,222
31–60 days	–	10,583
61–90 days	–	1,109
91–120 days	–	1,016
Over 120 days	–	1,130
	<u>1,112</u>	<u>15,060</u>

25. SHARE CAPITAL

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Authorized: 50,000,000,000 ordinary shares of HK\$0.01 each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid: 1,321,682,525 ordinary shares of HK\$0.01 each	<u>13,217</u>	<u>13,217</u>

Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 March 2016 and 31 March 2015.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

26. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

(a) Statement of financial position of the Company

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Non-current assets		
Investments in subsidiaries	—	—
Current assets		
Other receivables	3,810	47
Due from subsidiaries	90,130	85,963
Bank balances	722	7,732
	<u>94,662</u>	<u>93,742</u>
Current liabilities		
Accruals and other payables	6,498	740
	<u>6,498</u>	<u>740</u>
Net current assets	<u>88,164</u>	<u>93,002</u>
Total assets less current liabilities	<u>88,164</u>	<u>93,002</u>
Capital and reserves		
Share capital	13,217	13,217
Reserves	74,947	79,785
TOTAL EQUITY	<u>88,164</u>	<u>93,002</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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

(b) Reserves of the Company

	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Retained profits/ (accumulated losses) <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2014	783,155	40,358	3,020	(743,038)	83,495
Total comprehensive loss for the year	—	—	—	(3,710)	(3,710)
At 31 March 2015	<u>783,155</u>	<u>40,358</u>	<u>3,020</u>	<u>(746,748)</u>	<u>79,785</u>
At 1 April 2015	783,155	40,358	3,020	(746,748)	79,785
Total comprehensive loss for the year	—	—	—	(4,838)	(4,838)
At 31 March 2016	<u>783,155</u>	<u>40,358</u>	<u>3,020</u>	<u>(751,586)</u>	<u>74,947</u>

(c) Nature and purpose of reserves of the Group

(i) Share premium account

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

(ii) Statutory reserve

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

(iii) Foreign currency translation reserve

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

27. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 31 March 2016 and 31 March 2015.

28. COMMITMENTS

Lease commitments

As lessee

As at 31 March 2016, the total future minimum lease payments of the Group under noncancellable operating leases are payable as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Future aggregate minimum lease payments under operating leases in respect of land and buildings		
— within one year	1,967	72
— in the second to fifth years inclusive	<u>223</u>	<u>32</u>
	<u><u>2,190</u></u>	<u><u>104</u></u>

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

As lessor

As at 31 March 2016, the Group had contracted with tenants for the following minimum lease payments:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Future aggregate minimum lease payments under operating leases in respect of land and buildings		
— within one year	330	330
— in the second to fifth years inclusive	<u>866</u>	<u>1,196</u>
	<u><u>1,196</u></u>	<u><u>1,526</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

29. EVENTS AFTER THE REPORTING PERIOD

Save as otherwise disclosed in this annual report, there is no important event affecting the Company and its subsidiaries which has occurred after the reporting period.

30. PARTICULARS OF THE SUBSIDIARIES OF THE COMPANY

Name of the subsidiary	Place of incorporation/ registration/	Issued and paid-up/ registered capital	Percentage of equity interest attributable to the Group		Principal activities
			2016	2015	
<i>Direct subsidiaries:</i>					
UR Group Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Alfreda Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Inactive
Yield Focus International Limited	Hong Kong	HK\$1	100%	100%	Administration
Rosy Success Group Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Intelligent Lead Holdings Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Easy Yield Holdings Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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

Name of the subsidiary	Place of incorporation/ registration/	Issued and paid-up/ registered capital	Percentage of equity interest attributable		Principal activities
			to the Group 2016	2015	
<i>Indirect subsidiaries:</i>					
Nano Garment Holdings Limited	Hong Kong	HK\$1	100%	100%	Investment holding
U-RIGHT Trading Development Limited	Hong Kong	HK\$1	100%	100%	Trading of fashion garments and textiles
Fame Ace Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Inactive
Right Season Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Xiamen U-Right Garment Co., Ltd.	The PRC	US\$240,000	80%	80%	Retailing of fashion garments and trading of textiles and leathers
Sino Hill Group Limited	British Virgin Islands	1 ordinary share of US\$1	100%	100%	Investment holding
Stand Fancy Limited	Hong Kong	HK\$1	100%	100%	Investment holding
立宜服装(深圳)有限公司	The PRC	HK\$1,000,000	100%	100%	Design, distribution and sale of fashion apparel
廈門優頤貿易有限公司	The PRC	RMB3,000,000	100%	100%	Retailing of fashion garments
Success Way Creation Limited	Hong Kong	HK\$1	100%	100%	Investment holding
Cheng Run (Fujian) Business Management Co., Ltd	The PRC	RMB50,000,000	100%	100%	Property investment and retailing of fashion garments
Multi Success Trading Limited	Hong Kong	HK\$1	100%	100%	Investment holding
Zhuo Hong (Fujian) Building Materials Trading Co., Ltd	The PRC	RMB30,000,000	100%	100%	Trading of building materials
All Treasure International Limited	Hong Kong	HK\$1	100%	100%	Inactive

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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

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

Name	Xiamen U-Right Garment Co., Ltd.	
	2016	2015
Principal place of business/country of incorporation	PRC	PRC
% of ownership interests/voting rights held by NCI	20%/20%	20%/20%
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 31 March:		
Non-current assets	14	38
Current assets	22,267	24,682
Non-current liabilities	–	–
Current liabilities	(569)	(1,489)
Net assets	<u>21,712</u>	<u>23,231</u>
Accumulated NCI	4,342	4,646
Year ended 31 March:		
Revenue	–	59,741
(Loss)/profit	(190)	514
Total comprehensive (loss)/income	(1,518)	626
(Loss)/profit allocated to NCI	(38)	102
Dividends paid to NCI	–	–
Net cash generated/(used in) from operating activities	280	(2,225)
Net cash generated from investing activities	–	–
Net cash generated from financing activities	–	–
Net increase/(decrease) in cash and cash equivalents	<u>280</u>	<u>(2,225)</u>

31. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 22 June 2016.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

	For the years ended 31 March				
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i> (restated)	2014 <i>HK\$'000</i> (restated)	2013 <i>HK\$'000</i> (restated)	2012 <i>HK\$'000</i> (restated)
RESULTS					
CONTINUING OPERATIONS					
Turnover	<u>231,261</u>	<u>190,616</u>	<u>–</u>	<u>–</u>	<u>–</u>
(Loss)/profit before tax	<u>(6,352)</u>	(1,841)	1,529,246	(4,239)	(4,786)
Income tax	<u>(478)</u>	<u>(608)</u>	<u>–</u>	<u>–</u>	<u>–</u>
(Loss)/profit for the year from continued operations	(6,830)	(2,449)	1,529,246	(4,239)	(4,786)
DISCONTINUED OPERATIONS					
(Loss)/profit for the year from discontinued operations	<u>(6,604)</u>	<u>3,895</u>	<u>15,097</u>	<u>13,559</u>	<u>12,630</u>
(Loss)/profit for the year	(13,434)	1,446	1,544,343	9,320	7,844
Other comprehensive (loss)/income	<u>(6,525)</u>	<u>167</u>	<u>608</u>	<u>455</u>	<u>435</u>
Total comprehensive (loss)/income for the year	<u>(19,959)</u>	<u>1,613</u>	<u>1,544,951</u>	<u>9,775</u>	<u>8,279</u>
Attributable to:					
Owners of the Company	(19,655)	1,488	1,543,736	8,696	7,315
Non-controlling interests	<u>(304)</u>	<u>125</u>	<u>1,215</u>	<u>1,079</u>	<u>964</u>
	<u>(19,959)</u>	<u>1,613</u>	<u>1,544,951</u>	<u>9,775</u>	<u>8,279</u>

FIVE-YEAR FINANCIAL SUMMARY

	As at 31 March				
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
ASSETS AND LIABILITIES					
Non-current assets	10,880	26,307	15,199	15,409	15,151
Current assets	43,705	153,789	178,867	105,417	99,731
Disposal group classified as held for sale	122,709	–	–	–	–
Current liabilities	(8,877)	(31,154)	(46,737)	(1,699,970)	(1,686,446)
Liabilities directly associated with the disposal group	(39,434)	–	–	–	–
Non-current liabilities	–	–	–	–	(17,355)
Net assets/(liabilities)	<u>128,983</u>	<u>148,942</u>	<u>147,329</u>	<u>(1,579,144)</u>	<u>(1,588,919)</u>
Attributable to:					
Owners of the Company	124,641	144,296	142,808	(1,582,450)	(1,591,146)
Non-controlling interests	4,342	4,646	4,521	3,306	2,227
Total equity	<u>128,983</u>	<u>148,942</u>	<u>147,329</u>	<u>(1,579,144)</u>	<u>(1,588,919)</u>