VANTAGE INTERNATIONAL (HOLDINGS) LIMITED
盈信控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 15)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2017

The board (the "**Board**") of directors (the "**Directors**") of Vantage International (Holdings) Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2017 (this "**year**"), together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March

	Notes	**2017**	2016
		HK$'000	*HK$'000*
CONTINUING OPERATIONS			
REVENUE	4	**2,326,841**	2,416,765
Contract costs		**(1,982,527)**	(2,080,515)
Property expenses		**(3,694)**	(5,024)
Gross profit		**340,620**	331,226
Other income and gains	4	**12,021**	383,417
Selling and marketing expenses		**(1,672)**	-
Administrative expenses		**(122,359)**	(65,677)
Finance costs	5	**(22,147)**	(15,468)
Share of profits and losses of joint ventures		**(18,336)**	182,732
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	**188,127**	816,230
Income tax expense	7	**(34,606)**	(44,041)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR FROM CONTINUING OPERATIONS		**153,521**	772,189
DISCONTINUED OPERATION			
Profit for the year from a discontinued operation	8	**-**	358
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**153,521**	772,547

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

Year ended 31 March

	Note	**2017** **HK$'000**	2016 HK$'000
Profit and total comprehensive income attributable to:			
Owners of the parent		**141,543**	772,483
Non-controlling interests		**11,978**	64
		153,521	772,547
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (HK cents)	10		
Basic			
- For profit for the year		**8.07**	44.23
- For profit from the continuing operations		**8.07**	44.21
Diluted			
- For profit for the year		**8.04**	44.21
- For profit from the continuing operations		**8.04**	44.19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March

	Notes	**2017**	2016
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**136,525**	143,453
Properties held for development		**396,855**	324,334
Investment properties		**1,851,000**	1,008,500
Investments in joint ventures		**8,614**	26,950
Deferred tax assets		**5,203**	4,241
Total non-current assets		**2,398,197**	1,507,478
CURRENT ASSETS			
Gross amount due from customers for contract works		**315,864**	163,502
Properties under development		**413,456**	579,105
Properties held for sale		**762,025**	510,185
Accounts receivable	11	**466,072**	254,541
Loans and interest receivables	12	**39,594**	48,818
Prepayments, deposits and other receivables		**31,040**	13,267
Amount due from a joint venture		**93**	76
Tax recoverable		**21,436**	989
Cash and cash equivalents		**1,236,682**	1,189,639
Total current assets		**3,286,262**	2,760,122
CURRENT LIABILITIES			
Accounts payable	13	**489,491**	445,283
Accruals of costs for contract works		**255**	74,585
Tax payable		**12,179**	28,729
Other payables and accruals		**53,547**	32,072
Amounts due to joint ventures		**7,919**	34,200
Interest-bearing bank loans		**1,681,490**	825,197
Total current liabilities		**2,244,881**	1,440,066
NET CURRENT ASSETS		**1,041,381**	1,320,056
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,439,578**	2,827,534
NON-CURRENT LIABILITIES			
Interest-bearing bank loans		**-**	55,500
Deferred tax liabilities		**8,987**	6,418
Total non-current liabilities		**8,987**	61,918
Net assets		**3,430,591**	2,765,616

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 March

	Note	**2017** **HK$'000**	2016 *HK$'000*
EQUITY			
Equity attributable to owners of the parent			
Issued capital	14	**44,042**	43,667
Reserves		**3,136,006**	2,721,949
		3,180,048	2,765,616
Non-controlling interests		**250,543**	-
Total equity		**3,430,591**	2,765,616

NOTES

1. BASIS OF PREPARATION

The Company is incorporated in Bermuda as an exempted company with limited liability and whose shares are publicly traded on The Stock Exchange of Hong Kong Limited (The "**Stock Exchange**"). The principal activities of the Group are described in note 3 below.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value.

These financial statements are presented in Hong Kong dollars ("**HK$**"), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has fully assessed and adopted, to the extent that is relevant to the Group, the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

NOTES (continued)

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011) and certain amendments included in *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

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

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

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

(b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the assets. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) The *Annual Improvements to HKFRSs 2012-2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:

- HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

NOTES (continued)

3. SEGMENT INFORMATION

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

(a) the contract works segment engages in contract works as a main contractor or subcontractor, primarily in respect of building construction and repair, maintenance, alteration and addition works;

(b) the property investment and development segment engages in investment in retail, commercial and residential premises for their rental income potential and the development of properties; and

(c) the provision of finance segment engages in money lending business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax from continuing operations. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, share of profits and losses of joint ventures as well as head office and corporate expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The Group disposed of its 75% equity interest in Excel Development (Holdings) Limited ("**Excel Development**") during the year ended 31 March 2016. Further details are set out in note 8 to this announcement. Excel Development and its subsidiaries (collectively, the "**Excel Group**") were principally engaged in civil engineering works and were historically part of the Group's contract works segment. As the business of the Excel Group constituted a separate major line of business and the disposal was completed during the prior year, the business of the Excel Group was classified as a discontinued operation. Accordingly, for segment reporting purpose, the results of the Excel Group for the year ended 31 March 2016 were separately presented as "Contract works – Excel Group".

NOTES (continued)

3. SEGMENT INFORMATION (continued)

	Continuing operations								Discontinued operation					
	Provision of finance		Contract works		Property investment and development		Total continuing operations		Contract works – Excel Group		Eliminations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue:														
Sales to external customers	-	-	2,232,895	2,374,377	77,425	36,723	2,310,320	2,411,100	-	84,382	-	-	2,310,320	2,495,482
Interest income from loans receivable	16,521	5,665	-	-	-	-	16,521	5,665	-	-	-	-	16,521	5,665
Intersegment sales	-	-	85,422	128,543	2,685	4,823	88,107	133,366	-	-	(88,107)	(133,366)	-	-
Total	16,521	5,665	2,318,317	2,502,920	80,110	41,546	2,414,948	2,550,131	-	84,382	(88,107)	(133,366)	2,326,841	2,501,147
Segment results	16,521	5,665	253,032	298,742	80,386	125,528	349,939	429,935	-	2,664	(5,349)	(9,703)	344,590	422,896
Interest and unallocated income and gains													8,051	296,167
Unallocated expenses													(124,031)	(69,671)
Finance costs													(22,147)	(15,469)
Share of profits and losses of joint ventures	-	-	(18,336)	182,732	-	-	(18,336)	182,732	-	-	-	-	(18,336)	182,732
Profit before tax													188,127	816,655
Income tax expense													(34,606)	(44,108)
Profit for the year													153,521	772,547
Other segment information:														
Depreciation	-	-	2,840	583	784	563	3,624	1,146	-	-	-	-	3,624	1,146
Depreciation on unallocated assets							5,743	6,949	-	98	-	-	5,743	7,047
Capital expenditure	-	-	2,427	5,890	846,042	122	848,469	6,012	-	-	-	-	848,469	6,012
Investments in joint ventures	-	-	8,614	26,950	-	-	8,614	26,950	-	-	-	-	8,614	26,950
Gain on changes in fair value of investment properties, net	-	-	-	-	3,970	89,006	3,970	89,006	-	-	-	-	3,970	89,006
Reversal for provision of properties held for sale	-	-	-	-	4,000	-	4,000	-	-	-	-	-	4,000	-

NOTES (continued)

4. REVENUE, OTHER INCOME AND GAINS

Revenue, represents the appropriate proportion of contract works revenue from construction, maintenance and other contracts; the gross rental income received and receivable from the Group's properties; and interest income received and receivable from loans receivable during the year.

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

	2017	2016
	HK$'000	*HK$'000*
Revenue		
Contract works revenue	**2,232,895**	2,374,377
Gross rental income*	**77,425**	36,723
Interest income from loans receivable	**16,521**	5,665
	2,326,841	2,416,765
Other income and gains		
Interest income	**1,872**	2,224
Gain on changes in fair value of investment properties, net	**3,970**	89,006
Gain on disposal of items of property, plant and equipment	**84**	202
Gain on disposal of Excel Development	**-**	291,457
Confiscated deposits and compensation received	**5,991**	-
Sundry income	**104**	528
	12,021	383,417

* Gross rental income included contingent rents received under operating leases of HK$324,000 during the year (2016: Nil).

5. FINANCE COSTS

An analysis of the Group's finance costs from continuing operations is as follows:

	2017	2016
	HK$'000	*HK$'000*
Interest on bank loans	**25,876**	19,196
Less: Interest capitalised	**(3,729)**	(3,728)
	22,147	15,468

NOTES (continued)

6. PROFIT BEFORE TAX

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

	2017 *HK$'000*	2016 *HK$'000*
Depreciation	**9,367**	8,095
Auditor's remuneration	**3,900**	2,250
Reversal for provision of properties held for sale*	**(4,000)**	-
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**7,408**	4,572
Employee benefits expense (exclusive of directors' remuneration):		
Wages and salaries	**153,396**	113,019
Equity-settled share option expense	**-**	1,174
Pension scheme contributions (defined contribution schemes)	**4,670**	3,449
	158,066	117,642
Directors' remuneration:		
Fees	**734**	594
Other emoluments:		
Salaries, allowances and benefits-in-kind**	**10,491**	9,316
Discretionary performance-related bonuses	**55,000**	20,000
Equity-settled share option expense	**-**	2,126
Pension scheme contributions (defined contribution schemes)	**53**	36
	65,544	31,478
	66,278	32,072
Minimum lease payments under operating leases	**20,367**	14,488
Government subsidies***	**(45)**	(156)

* The reversal for provision of properties held for sale for the year is included in "Property expenses" in the consolidated statement of profit or loss and other comprehensive income.

** The remuneration disclosed above excludes the estimated monetary value of residential accommodation provided to a director of the Company. The estimated monetary value of such residential accommodation provided to the director, not charged to profit or loss for the year, was approximately HK$1,812,000 (2016: HK$1,812,000).

*** Subsidies have been received from the Hong Kong Vocational Training Council and the Construction Industry Council, institutions established by the Hong Kong Special Administrative Region Government, for providing on-the-job training for graduate engineers and trainees, respectively. There were no unfulfilled conditions or contingencies relating to these subsidies.

NOTES (continued)

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2017	2016
	HK$'000	*HK$'000*
Current - Hong Kong:		
Charge for the year	**32,992**	42,120
Underprovision in prior years	**7**	-
Deferred	**1,607**	1,921
Total tax charge for the year	**34,606**	44,041

The share of tax attributable to joint ventures for the year ended 31 March 2016 amounted to HK$948,000 is included in "Share of profits and losses of joint ventures" on the face of the consolidated statement of profit or loss and other comprehensive income.

8. DISCONTINUED OPERATION

On 5 June 2015, the Group entered into a sale and purchase agreement (the "**Excel SPA**") with Youth Force Asia Ltd., an independent third party, to dispose of its entire 75% equity interest in Excel Development, the issued shares of which are listed on the Main Board of The Stock Exchange, for a total consideration of HK$485,010,000 (the "**Excel Disposal**"). The Excel Disposal was completed on the same date of the Excel SPA.

The results of the Excel Group attributable to the Group for the corresponding period are presented below:

	Period from 1 April to 5 June 2015
	HK$'000
Revenue	84,382
Contract costs	(81,718)
	2,664
Other income and gains	1,756
Administrative expenses	(3,994)
Finance costs	(1)
Profit before tax from the discontinued operation	425
Income tax expense	(67)
Profit for the period from the discontinued operation	358

NOTES (continued)

8. DISCONTINUED OPERATION (continued)

	Period from 1 April to 5 June 2015 *HK$'000*
Profit and total comprehensive income attributable to:	
Owners of the parent	294
Non-controlling interests	64
	358

The net cash flows incurred are as follows:

	Period from 1 April to 5 June 2015 *HK$'000*
Operating activities	(66,335)
Investing activities	-
Financing activities	1,332
Net cash outflows	(65,003)
Earnings per share (HK cents):	
Basic and diluted, from the discontinued operation	0.02

The calculation of basic and diluted earnings per share from the discontinued operation are based on:

	Period from 1 April to 5 June 2015 *HK$'000*
Earnings	
Profit attributable to ordinary equity holders of the parent from the discontinued operation	294

	Number of shares 2016
Shares	
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculations (*note 10*)	1,746,664,400

NOTES (continued)

9. DIVIDENDS

	2017	2016
	HK$'000	*HK$'000*
Proposed final – HK2 cents (2016: HK2 cents) per ordinary share	**35,116**	34,933

The final dividend proposed subsequent to the reporting period is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

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

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

	2017	2016
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in basic earnings per share calculation:		
From continuing operations	**141,543**	772,189
From the discontinued operation	**-**	294
	141,543	772,483

NOTES (continued)

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

	Number of shares	
	2017	2016
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**1,752,894,318**	1,746,664,400
Effect of dilution – weighted average number of ordinary shares:		
Share options	**7,442,399**	619,021
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	**1,760,336,717**	1,747,283,421

11. ACCOUNTS RECEIVABLE

Accounts receivable consist of receivables for contract works and rentals under operating leases. The payment terms of receivables for contract works are stipulated in the relevant contracts. Rentals are normally receivable in advance.

At 31 March 2017, retentions receivable included in accounts receivable amounted to HK$187,249,000 (2016: HK$135,107,000), which are repayable within terms ranging from one to four years.

The Group assigned its financial benefits under certain contract works and rental arrangements to secure certain general banking facilities granted to the Group and as at 31 March 2017, the aggregate amount of accounts receivable related to such contract works and rental arrangements pledged to secure the relevant banking facilities amounted to HK$231,567,000 and HK$2,674,000 (2016: HK$74,168,000 and HK$3,554,000), respectively.

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

	2017	2016
	HK$'000	*HK$'000*
Past due but not impaired:		
One to three months past due	**35,147**	15,299
Four to six months past due	**-**	-
Seven to twelve months past due	**4,343**	-
Over one year past due	**-**	4,058
	39,490	19,357
Neither past due nor impaired	**426,582**	235,184
	466,072	254,541

NOTES (continued)

11. ACCOUNTS RECEIVABLE (continued)

Accounts receivable that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. Except for the rental deposits and/or bank guarantee received from certain tenants, the Group did not hold any collateral or other credit enhancements over these balances.

Accounts receivable that are neither past due nor impaired relate to a number of independent customers for whom there was no recent history of default.

12. LOANS AND INTEREST RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Secured	**4,515**	13,739
Unsecured	**35,079**	35,079
	39,594	48,818

The Group's loans receivable bear interest rates ranging from 12% to 41% per annum (2016: 10% to 41% per annum) and are repayable within one year. The carrying amounts of these loans receivable approximate to their fair values.

An aged analysis of the loans and interest receivables that are not individually nor collectively considered to be impaired as at the end of the reporting period, based on the payment due date, is as follows:

	2017	2016
	HK$'000	*HK$'000*
Neither past due nor impaired	**39,594**	48,818

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

NOTES (continued)

13. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of the reporting period, based on the invoice date, is as follows:

	2017	2016
	HK$'000	*HK$'000*
Current to three months	**248,976**	282,400
Four to six months	**24,410**	12,448
Over six months	**216,105**	150,435
	489,491	445,283

At 31 March 2017, retentions payable included in accounts payable amounted to HK$172,933,000 (2016: HK$160,021,000), which are normally settled within terms ranging from one to four years.

Accounts payable are non-interest-bearing. The payment terms are stipulated in the relevant contracts.

14. SHARE CAPITAL

Shares

	2017	2016
	HK$'000	*HK$'000*
Authorised:		
4,000,000,000 ordinary shares of HK$0.025 each	**100,000**	100,000
Issued and fully paid:		
1,761,664,400 ordinary shares (2016: 1,746,664,400 ordinary shares) of HK$0.025 each	**44,042**	43,667

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

	Notes	**Number of shares in issue**	**Issued capital**	**Share premium account**	**Total**
			HK$'000	***HK$'000***	***HK$'000***
At 1 April 2015 and 1 April 2016		**1,746,664,400**	**43,667**	**332,983**	**376,650**
Share options exercised	(a)	**15,000,000**	**375**	**7,515**	**7,890**
Transfer from share option reserve	(b)	**-**	**-**	**1,932**	**1,932**
At 31 March 2017		**1,761,664,400**	**44,042**	**342,430**	**386,472**

NOTES (continued)

14. SHARE CAPITAL (continued)

Notes:

(a) The subscription rights attaching to 15,000,000 share options were exercised at the subscription prices of HK$0.526 per share, resulting in the issue of 15,000,000 ordinary shares of HK$0.025 each for a total cash consideration, before expenses, of approximately HK$7,890,000 in this year.

(b) An amount of HK$1,932,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options in this year.

PERFORMANCE

During the year under review, the Group was engaged in the contract works business, which mainly comprised of building construction and repair, maintenance, alteration and addition ("**RMAA**") works, the property investment and development business and the provision of finance business in Hong Kong. In this year, the Group successfully completed the spin-off and separate listing of its contract works business. The Group's portfolio of investment properties also generated its highest rental income to date, after the completion of the acquisition of properties at Kam Ying Court and Tin Ma Court.

In the year ended 31 March 2017, the Group's consolidated revenue from continuing operations amounted to HK$2,326,841,000, representing a slight decrease of 3.7% from HK$2,416,765,000 for the year ended 31 March 2016. Profit attributable to owners of the parent of the Company for this year amounted to HK$141,543,000, representing a decrease of 81.7% from HK$772,483,000 for the corresponding year ended 31 March 2016. Basic earnings per share from continuing operations for this year was HK8.07 cents (2016: HK44.21 cents). The decrease in profit from continuing operations was mainly due to (i) the one-off gain on the Excel Disposal (as defined below)amounted to approximately HK$291 million for the year ended 31 March 2016; (ii) the one-off share of profits of joint ventures resulted from the disposal of interest in Nga Chun (as defined below) by a joint venture for approximately HK$180 million in the previous year; (iii) the decrease in net gain on changes in fair value of the Group's investment properties from approximately HK$89 million of the previous year to approximately HK$4 million of this year; (iv) increase in staff cost and directors' remuneration in this year; (v) professional fees incurred for the Spin-off (as defined below) and separate listing of Able Engineering Holdings (as defined below); and (vi) impact from profits attributable to non-controlling interests after the listing of Able Engineering Holdings.

On the other hand, the net assets value attributable to owners of the parent as at 31 March 2017 amounted to HK$3,180,048,000 (approximately HK$1.81 per share), representing an increase of 15.0% (2016: HK$2,765,616,000 (approximately HK$1.58 per share)).

DIVIDENDS

No interim dividend has been paid or declared by the Company during this year (2016: Nil). At the Company's annual general meeting ("**AGM**") held on 17 August 2016, shareholders approved the payment of a final dividend of HK2 cents per ordinary share for the year ended 31 March 2016 which amounted to a total of approximately HK$34,970,000. The dividend was paid on 13 September 2016.

The Board recommends the payment of a final dividend of HK2 cents (2016: HK2 cents) per ordinary share for the year ended 31 March 2017 to the shareholders whose names appear on the register of members of the Company on 12 September 2017, Tuesday. The proposed payment of the final dividend is subject to the approval of the Company's shareholders at the forthcoming 2017 AGM of the Company and has not been recognised as a liability as at 31 March 2017.

Based on the 1,755,802,400 ordinary shares of the Company in issues as of the date of this announcement, the total dividend amounted to approximately HK$35,116,000.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The 2017 AGM of the Company will be held in Hong Kong on 1 September 2017, Friday. Notice of the AGM will be issued and disseminated to the shareholders in due course.

To ascertain the entitlement to attend and vote at the AGM to be held on 1 September 2017, Friday, the register of members of the Company will be closed from 29 August 2017, Tuesday to 1 September 2017, Friday (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 pm on 28 August 2017, Monday.

DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

Assuming that the final dividend recommended by the Directors is approved by the shareholders of the Company at the forthcoming AGM, for the purposes of ascertaining the entitlement to the final dividend, the register of members of the Company will be closed from 11 September 2017, Monday to 12 September 2017, Tuesday (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 pm on 8 September 2017, Friday. It is expected that the final dividend will be payable to those entitled shareholders on or before 22 September 2017, Friday.

BUSINESS REVIEW

During the year under review, the Group was principally engaged in the contract works business, which mainly comprised building construction and RMAA works, the property investment and development business and the provision of finance business in Hong Kong.

Contract works

Market review

In recent years, housing policy remains a prime focus of the Hong Kong Special Administrative Region (the "**HKSAR**") Government. As addressed in the 2017 Policy Address, the HKSAR Government has been vigorously speeding up the construction of public housing, development of subsidized sale flats and increase land supply. It has committed to a long-term housing supply target of 94,500 units in the next five years, which includes about 71,800 public rental housing units and about 22,600 subsidised sales flats. The HKSAR Government has also set aside a dedicated provision of HK$200 billion for a ten-year hospital development plan to enable the Hospital Authority to expand and upgrade healthcare facilities in a more flexible and long-term manner in its 2016-17 Budget. Together with the annual spending on the Capital Works Programme, public expenditure on construction is anticipated to further increase. Accordingly, the Directors believe the long-term outlook of the construction industry in Hong Kong looks promising.

The Group's Performance

The Group currently carries on its contract works business through the Able Group (as defined below). The contract works business can be further divided into two businesses according to nature of contracts, being building construction and RMAA works. In the past, the Group also engaged in civil engineering projects through the Excel Group (as defined below). Due to the Excel Disposal, the Group discontinued its operation in civil engineering works in June 2015.

For the year ended 31 March 2017, segment's revenue from external customers amounted to HK$2,232,895,000 (2016: HK$2,374,377,000), representing a decrease of 6.0% from that of last year. Segment's gross profit margin also decreased from 12.4% for the year ended 31 March 2016 to 11.2% for the year ended 31 March 2017. The decrease in revenue and gross profit margin were mainly attributable to a substantial building construction project which contributed over 40.0% of the Group's revenue in the year ended 31 March 2016 was completed in that year. This project had a relative short construction period and a higher gross profit margin when compared to other construction contracts. As this project was completed in the year ended 31 March 2016, it did not contribute to the Group's revenue and gross profit margin for the year ended 31 March 2017. Meanwhile, current year's revenue was mainly contributed from public sector projects which normally have a relatively lower gross profit margin compared to that of the private sector projects.

Property Investment and Development

Market review

Despite the on-going implementation of property cooling measures by the HKSAR Government and the commencement of interest rate hike cycle, property prices (especially the first-hand market) in Hong Kong reached one high after another in the year ended 31 March 2017 due to favourable conditions in the job market, still-low interest rate and significant influx of capital.

BUSINESS REVIEW (continued)

Property Investment and Development (continued)

The Group's Performance

Our Group's investment properties were valued at an aggregate value of HK$1,851,000,000 as of 31 March 2017 (2016: HK$1,008,500,000) by an independent professional valuer. Based on the independent valuation performed, net gain on changes in fair value of investment properties of HK$3,970,000 (2016: HK$89,006,000) was recorded from continuing operations of the Group for the year ended 31 March 2017. The drop in fair value gain in this year was mainly due to significant transaction costs had been incurred and capitalized regarding the acquisition of investment properties at Tin Ma Court, Wong Tai Sin and Kam Ying Court, Ma On Shan (respectively, the "**Tin Ma Property**" and the "**Kam Ying Property**") that the aggregated increase in fair values of the Group's investment properties has been eroded. As at 31 March 2017, approximately 45% of the aggregated value of the Group's investment properties portfolio referred to the Tin Ma Property and Kam Ying Property.

During the year ended 31 March 2017, the Group recorded a gross rental income of HK$77,425,000 from its properties, representing a 110.8% increase from HK$36,723,000 for the year ended 31 March 2016. The increase in rental income for the year under review was primarily due to the combined effects of (i) rental income from the newly acquired Tin Ma Property and Kam Ying Property; (ii) leasing of a significant portion of the shop units at No.123 Tung Choi Street, Mongkok since July 2015; (iii) leasing of the hotel property at No.123 Tung Choi Street, Mongkok since late 2015; and (iv) increase in the leasing of properties held for development before the respective property project commenced. Segment's gross profit margin increased from 86.3% of last year to 95.2% in this year. The increase was mainly resulted from the current year's reversal for prior year provision of properties held for sale of HK$4,000,000, which fully covered the increase in property expenses resulting from the expansion of leasing business in this year.

Other than property investment activities, the Group also acts as a property developer and engaged in property development activities. In March 2017, the Group accepted a form of tender submitted from an independent third party for the sale of a house and two car parking spaces of its Pokfulam Peak project for a total consideration of approximately HK$252 million (before deducting any transaction costs). According to the relevant accounting standard, no income has been recognised from the sale of these properties during the year ended 31 March 2017. It is expected that this sale transaction would be completed in the second-half year of the year 2017/18. In addition, occupation permit for the Group's residential development project which situated at 9 Belfran Road, Kowloon has been issued during this year.

In the year under review, the Group's residential redevelopment at No. 28 Lugard Road, The Peak has been commenced and the Group had applied for compulsory sale of the remaining stake of the project at No.1 and No. 1A Wood Road, Wanchai for redevelopment purpose.

Provision of finance

A wholly-owned subsidiary of the Group had been granted a licence under the Money Lenders Ordinance to carry on the provision of finance business in Hong Kong since September 2015. For the year ended 31 March 2017, interest income of HK$16,521,000 (2016: HK$5,665,000) had been earned from loans receivable.

BUSINESS REVIEW (continued)

Other Income and Gains

Other income and gains from continuing operations recorded significant decrease from HK$383,417,000 for the year ended 31 March 2016 to HK$12,021,000 for the year ended 31 March 2017. The decrease was mainly attributable to the Excel Disposal in June 2015 which contributed an one-off disposal gain of HK$291,457,000 to the Group for the year ended 31 March 2016, and the decrease in net gain on changes in fair value of investment properties from HK$89,006,000 for the year ended 31 March 2016 to HK$3,970,000 in current year, which mainly due to the decrease in market value of the Group's hotel property and the shortfall of increase in market value to the transaction costs incurred for the Acquisition (as defined below).

Selling and Marketing Expenses

Selling and marketing expenses of this year mainly represented the advertising and marketing expenses, including the launch of project website, design and printing of sales brochure and other advertising expenses, incurred for the Group's properties held for sale at the Pokfulam Peak project.

Administrative Expenses

Administrative expenses in relation to continuing operations increased from HK$65,677,000 for the year ended 31 March 2016 to HK$122,359,000 for the year ended 31 March 2017. The significantly higher administrative expenses of this year were mainly attributable to the increase in salaries and discretionary bonus paid to employees and the Directors, the professional fees in relation to the Spin-off (as defined below), the Listing (as defined below) and the new listing status of Able Engineering Holdings, and the increase in expenses incurred for incentive travels.

Finance Costs

For the year ended 31 March 2017, the Group's finance costs incurred for continuing operations amounted to HK$22,147,000 (2016: HK$15,468,000) while its total interest on bank loans before interest capitalisation were HK$25,876,000 (2016: HK$19,196,000). The increase in finance costs in current year was mainly resulted from the increase in bank borrowings during the year.

Share of Profits and Losses of Joint Ventures

For the year ended 31 March 2017, the Group's share of profits and losses from joint ventures, net of tax, amounted to losses of HK$18,336,000 (2016: share of profits of HK$182,732,000). The significant decrease in current year is primarily attributable to the Group's share of the one-off disposal gain of approximately HK$180 million regarding the Nga Chun Disposal (as defined below) from Team Great (as defined below) for the year ended 31 March 2016. On the other hand, the Group shared losses of approximately HK$18 million in this year (2016: share of losses of approximately HK$102,000) from the Leighton-Able Joint Venture, in which the Group has 49% interest. The Leighton-Able Joint Venture undertakes the contract for the design and construction of Tin Shui Wai Hospital which was substantially completed during this year.

BUSINESS REVIEW (continued)

Income Tax Expense

Income tax expense from continuing operations decreased by 21.4% from HK$44,041,000 for the year ended 31 March 2016 to HK$34,606,000 for the year ended 31 March 2017. The decrease was mainly attributable to the decrease in taxable profit for the year ended 31 March 2017.

Profit Attributable to Owners of the Parent

As a result of the foregoing, profit attributable to owners of the parent decreased from HK$772,483,000 for the year ended 31 March 2016 to HK$141,543,000 for the year ended 31 March 2017.

ACQUISITION OF THE KAM YING PROPERTY AND THE TIN MA PROPERTY

On 11 April 2016, Win Glories Limited and Excelskill Limited, both being indirect wholly-owned subsidiaries of the Group, successfully won the tenders from Link Properties Limited (a wholly-owned special purpose vehicle of Link Real Estate Investment Trust ("**Links**", stock code: 823)) for the acquisition of the Kam Ying Property and the Tin Ma Property at the considerations of HK$471 million and HK$308 million, respectively (the "**Acquisition**"). The aggregated considerations of HK$779 million together with the expenses in relation to the Acquisition of approximately HK$67 million have been funded by the Group's internal resources and new bank borrowings. Completion of the Acquisition took place on 31 May 2016.

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange ("**Listing Rules**"). Further details of the Acquisition are set out in the Company's circular dated 18 July 2016.

During the year ended 31 March 2017, the Kam Ying Property and the Tin Ma Property contributed approximately HK$35 million in total to the Group's revenue.

SPIN-OFF AND LISTING OF ABLE ENGINEERING HOLDINGS

In February 2017, the Group successfully spun-off its contract works business through the separate listing (the "**Listing**") of its then wholly-owned subsidiary, Able Engineering Holdings Limited ("**Able Engineering Holdings**", stock code: 1627), on the Main Board of The Stock Exchange (the "**Spin-off**"). The Spin-off involved the offering of 500 million shares of HK$0.01 each by Able Engineering Holdings at an offer price of HK$1.1 per share to the public (the "**Able Offering**"), raised a total net cash proceeds of approximately HK$524 million (after deduction of any related expenses) by Able Engineering Holdings.

In giving due regard to the interests of the then shareholders of the Company as required under PN15, an assured entitlement to the shares of Able Engineering Holdings had been provided to the then qualifying shareholders of the Company by way of a preferential application in the Able Offering.

SPIN-OFF AND LISTING OF ABLE ENGINEERING HOLDINGS (continued)

Immediately following the completion of the Spin-off, the Group's equity interest in Able Engineering Holdings has been diluted from 100% to 75% and thus the Spin-off is considered as a deemed partial disposal of Able Engineering Holdings by the Group. Since the deemed partial disposal of Able Engineering Holdings did not result in a loss of control, the transaction was accounted for as an equity transaction and the excess between the net proceeds from the Able Offering and the 25% carrying value of Able Engineering Holdings amounted to approximately HK$300 million was recognised in capital reserve of the Group.

Able Engineering Holdings and its subsidiaries (collectively, the "**Able Group**") are principally engage in contract works business, which comprise building construction and RMAA works. The Directors believe the Spin-off can lead to a more defined business focus and efficient resource allocation of the Group, as well as unlock the value of the contract works business and return it to the shareholders.

As the controlling shareholder of Able Engineering Holdings, the Company has separately appointed Mr. NGAI Chun Hung, the Company's controlling shareholder, executive director and chairman of the Board, as an executive director and the chairman in the board of directors of Able Engineering Holdings, and Mr. YAU Kwok Fai, the Company's chief executive officer, executive director and deputy chairman of the Board, as an executive director in the board of directors of Able Engineering Holdings, to contribute in the overall planning and formulation of strategic directions and provision of operation guidance of the Able Group.

Use of Proceeds from the Able Offering

The shares of Able Engineering Holdings have been listed on the Main Board of The Stock Exchange since 20 February 2017 (the "**Able Listing Date**"). Net proceeds from the Able Offering were approximately HK$524 million (after deducting the underwriting commission and other expenses in relation to the Able Offering). According to the section "Future Plans and Proposed Use of Proceeds" as set out in the prospectus of Able Engineering Holdings dated 26 January 2017, the Able Group used the net proceeds during the period between the Able Listing Date and 31 March 2017 as follows:

	Actual net proceeds *HK$'Million*	**Used amount** *HK$'Million*	**Unused amount** *HK$'Million*
Maintaining and increasing the employed capital requirement and working capital requirement for future/new projects in the public sector	**402**	**1**	**401**
Payment for the upfront costs	**70**	**-**	**70**
General working capital	**52**	**-**	**52**
Total	**524**	**1**	**523**

As at 31 March 2017, the unused proceeds were deposited in licensed banks in Hong Kong.

THE EXCEL DISPOSAL IN 2015/16

On 5 June 2015, the Group completed the disposal of its entire interest in 150,000,000 shares of Excel Development (Holdings) Limited ("**Excel Development**", stock code: 1372, had its name changed to Bisu Technology Group International Limited on 16 January 2017, together with its subsidiaries, the "**Excel Group**") (representing 75% of the entire issued share capital of Excel Development as at the date) for a consideration of HK$485,010,000 (the "**Excel Disposal**"), resulting in a gain on disposal of HK$291,457,000 (after deducting all professional fees and other transaction costs). The Excel Disposal constitutes a major transaction for the Company. For further details of the Excel Disposal, please refer to the joint announcement published jointly by the Company, Excel Development and the purchaser on 16 June 2015, and the circular published by the Company on 30 July 2015.

THE DISPOSAL OF SUBSIDIARIES OF A JOINT VENTURE IN 2015/16

On 7 December 2015, Team Great Limited ("**Team Great**", a joint venture of the Company which beneficially owned as to 50% by Mr. FUNG Chi Wing, 40% by the Group and 10% by Mr. FUNG Chuen (brother of Mr. FUNG Chi Wing)) completed the disposal of its entire interest in 300,000,000 shares in Nga Chun Holdings Company Limited ("**Nga Chun**", stock code: 1462, had its name changed to Gold-Finance Holdings Limited on 1 April 2016) (representing 75% of the entire issued share capital of Nga Chun as at the date) at a consideration of HK$735,000,000 (the "**Nga Chun Disposal**"). The respective gain on disposal regarding the Nga Chun Disposal (after deducting the professional fees and other transaction costs) shared by the Group through Team Great amounted to approximately HK$180 million. For further details of the Nga Chun Disposal, please refer to the announcement published by the Company on 7 December 2015.

OUTLOOK

The year 2016/17 marked an important milestone for the Group's development. The Spin-off and the Listing of Able Engineering Holdings enhanced management focus, better resources allocation, more efficient decision-making process and faster responsiveness to market changes, on the respective businesses of the Able Group and the remaining Group (the "**Remaining Group**", the Group excluding the Able Group). The Board believes the Spin-off allows each of the Able Group and the Remaining Group to better position itself for growth, strengthen their financial position and provide different source of fund to support their respective line of business.

In recent years, housing policy remains a prime focus of the HKSAR Government. As mentioned in the 2017 Policy Address, the Housing Authority and the Hong Kong Housing Society will produce about 94,500 public housing units over the next five years and the scheduled publication of blueprint for Lantau's development and conservation by the HKSAR Government in 2017. Not to mention that the housing policy of the newly elected chief executive of the HKSAR Government focused on rebuild the "housing ladder" to provide families in different income brackets with the opportunity to become home owners, the medium to long-term outlook of the construction industry in Hong Kong looks promising. The Directors believe that our Able Group is well positioned to capture these emerging business opportunities.

OUTLOOK (continued)

Regarding the property investment business of the Remaining Group, the Group acquired the commercial centres and car parking spaces of Tin Ma Court and Kam Ying Court from Links in May 2016. The Acquisition strengthens the Group's investment properties portfolio and contributed approximately HK$35 million gross rental income to the Group for the period up to 31 March 2017.

Regarding the property development business, despite the interest rate hike cycle began, the HKSAR Government's commitment to increase land and the introduction of several rounds of cooling measures, including special stamp duty, buyer's stamp duties, the ad valorem stamp duty and the mortgage controls, Hong Kong's property market (especially the first-hand market) remains exuberant and the home prices reached an all-time high in the year 2016/17. Looking ahead in the year 2017/18, the local property market may face potential downside pressure if Fed normalises interest rates hike faster. However, the Directors believe the market will still benefit from solid fundamental and influx of capital from the mainland in the coming year. The Directors are confident for the marketing of the remaining houses of Pokfulam Peak and the newly completed residential projects at Belfran Road.

Looking forward, the Group will closely monitor market changes and continue to capture new tendering opportunities and new investment and development opportunities to enhance shareholders' return.

FINANCIAL REVIEW

Capital Structure, Liquidity and Financial Resources

The capital of the Company only comprises ordinary shares. The Group's banking facilities, comprising primarily bank loans, overdrafts and performance bond, amounted to approximately HK$2,995,721,000 as of 31 March 2017 (2016: HK$2,192,025,000), of which HK$1,022,395,000 (2016: HK$1,018,529,000) was unutilised. The Group monitors capital structure using a net gearing ratio, which is measured as total bank borrowings less cash and cash equivalents, divided by equity attributable to owners of the parent. As at 31 March 2017, the Group's net gearing ratio was 14%.

Despite the Group's net cash outflows in operating and investing activities, due to the net cash inflows in financing activities for this year, the Group's cash and cash equivalents recorded an increase by 4% from HK$1,189,639,000 as at 31 March 2016 to HK$1,236,682,000 as at 31 March 2017. Current ratio of the Group stood at 1.46 as at 31 March 2017, while that as at 31 March 2016 was 1.92. Current ratio is measured as total current assets divided by total current liabilities.

The Group maintains sufficient working capital resources to execute its contract works, property investment and development plans and provision of finance business. The Group generally takes a prudent and cautious approach to cash application and its capital commitments.

FINANCIAL REVIEW (continued)

Interest and Foreign Exchange Exposure

The Group operates in Hong Kong that most of our transactions are denominated in Hong Kong dollars and U.S. dollars. Since the exchange rate of U.S. dollars against Hong Kong dollars is relatively stable, the related currency exchange risk is considered minimal.

At 31 March 2016 and 31 March 2017, the Group's bank borrowings were all denominated in Hong Kong dollars and on a floating rate basis. The Group's bank accounts were operated with principal bankers in Hong Kong. The interest rates of these bank accounts are determined by reference to the respective bank offer rate. For the two years ended 31 March 2017, the Group did not engage in any interest rates and currency speculation activities.

Accounts Receivable

As at 31 March 2017, approximately 99% (2016: approximately 99%) of the Group's accounts receivable represented the receivables for contract works from the Able Group, which combined (i) trade debtors; and (ii) retentions receivable in relation to completed and on-going contract works projects. Trade debtors represent progress billing of work performed by the Able Group and the progress payment certificates issued by and received from customers. The level of trade debtors is principally affected by our work progress and the amount of the progress payment certificate received from our customers before the end of the reporting period. Approximately 95% of the trade debtors, other than retentions receivable for contract works, as at 31 March 2017 were subsequently settled as at 31 May 2017. Retention receivables represent the retention monies required by customers to secure the Able Group's due performance of the contracts. Generally, the first half of the retention money is released upon practical completion and the second half of the retention money is released upon expiry of the defect liability period.

Charges on Assets

At 31 March 2017, the following assets of the Group were pledged in favour of certain banks to secure the banking facilities granted by those banks to certain members of the Group:

- investment properties with an aggregate carrying amount of HK$1,851,000,000 (2016: HK$1,001,000,000);
- land and buildings with an aggregate carrying amount of HK$127,586,000 (2016: HK$131,596,000);
- properties held for development with a carrying amounts of HK$324,340,000 (2016: HK$324,334,000);
- properties under development with an aggregate carrying amount of HK$413,456,000 (2016: HK$579,105,000);
- properties held for sale with an aggregate carrying amount of HK$762,025,000 (2016: HK$510,185,000); and
- the assignment of the Group's financial benefits under certain contract works and rental arrangements with accounts receivable related to such contract works and rental arrangements amounting to HK$231,567,000 and HK$2,674,000 (2016: HK$74,168,000 and HK$3,554,000), respectively.

EMPLOYEES

As of 31 March 2017, the Group employed 352 full-time employees (2016: 279) in Hong Kong. The Group remunerates its employees based on their performance and working experience and with reference to the prevailing market conditions. On top of the regular remuneration, discretionary bonus and share options may be granted to senior management and staff members by reference to the Group's performance, specific project's performance as well as the individual employee's performance. Staff benefits include mandatory provident fund, medical insurance, incentive travel, subsidies for education and training programmes.

At the annual general meeting held on 7 September 2011, the Company adopted a new share option scheme (the "**2011 Scheme**") in replacement of its share option scheme which was adopted on 5 August 2002. The purposes of the 2011 Scheme are to provide incentives for the Group's employees and executives, to recognise their contributions to the Group's growth and to provide more flexibility for the Group in formulating its remuneration policy. During the year ended 31 March 2017, the Company did not grant any share options (2016: 25,620,000) under the 2011 Scheme to the Group's employees (including directors). As at 31 March 2017, the Company had 10,620,000 outstanding share options under the 2011 Scheme (2016: 25,620,000).

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2017.

Subsequent to the year ended 31 March 2017, the Company repurchased a total of 5,862,000 of its shares on The Stock Exchange at a total consideration of approximately HK$6,691,000 (excluding expenses). All of the repurchased shares have been cancelled and the issued share capital of the Company was accordingly reduced by the par value of the cancelled shares. The premium paid on the repurchase of the shares of approximately HK$6,545,000 was charged to the share premium account.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the year ended 31 March 2017.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "**Model Code**") as the code of conduct regarding the Directors' securities transactions. Following specific enquiry made by the Company, the Directors have confirmed that they had complied with the required standard set out in the Model Code throughout the year ended 31 March 2017.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2017 as set out in this announcement have been agreed by the Company's external auditors, Ernst & Young ("**EY**"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by EY on this announcement.

AUDIT COMMITTEE'S REVIEW

The Audit Committee of the Company has reviewed the Group's consolidated financial statements for the year ended 31 March 2017, including the accounting principles and practices adopted by the Group and recommended to the Board for approval.

APPRECIATION

On behalf of the Board, I would like to extend our gratitude and sincere appreciation to all management and staff members of the Group for their hard work and dedication and all shareholders of the Company for their support.

By Order of the Board
VANTAGE INTERNATIONAL (HOLDINGS) LIMITED
NGAI Chun Hung
Chairman

Hong Kong, 22 June 2017

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors	*Independent Non-executive Directors*
Mr. NGAI Chun Hung	Professor KO Jan Ming
Mr. YAU Kwok Fai	The Hon. IP Kwok Him, *GBS*, *JP*
Ms. LAU Tsz Kwan, Jone	Mr. FUNG Pui Cheung, Eugene

Non-executive Director
Dr. LEE Man Piu, Albert