保集健康控股有限公司
BOILL HEALTHCARE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1246

2019
Annual Report

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Dai Dong Xing *(Chairman)*
Mr. Zhang Sheng Hai
Mr. Mock Wai Yin *(resigned on 21 December 2018)*
Dr. Wong Yun Kuen *(resigned on 21 December 2018)*

Non-Executive Director

Mr. Chui Kwong Kau

Independent Non-Executive Directors

Mr. Wang Zhe
Mr. Xu Liang Wei
Mr. Chan Chi Keung Billy

BOARD COMMITTEES

Audit Committee

Mr. Chan Chi Keung Billy
(appointed as the Chairman on 4 October 2018)
Mr. Wang Zhe
Mr. Xu Liang Wei

Nomination Committee

Mr. Dai Dong Xing *(Chairman)*
Mr. Wang Zhe
Mr. Chan Chi Keung Billy

Remuneration Committee

Mr. Xu Liang Wei *(Chairman)*
Mr. Wang Zhe
Mr. Chan Chi Keung Billy

COMPANY SECRETARY

Mr. Chong Yuk Fai *(appointed on 30 November 2018)*
Mr. Yuen Chin Yau *(appointed on 13 July 2018 and resigned on 5 October 2018)*
Mr. Lei Kin Keong *(resigned on 13 July 2018)*

AUTHORISED REPRESENTATIVE

Mr. Dai Dong Xing
Mr. Chong Yuk Fai *(appointed on 30 November 2018)*
Mr. Yuen Chin Yau *(appointed on 13 July 2018 and resigned on 5 October 2018)*
Mr. Lei Kin Keong *(resigned on 13 July 2018)*

REGISTERED OFFICE

PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

AUDITOR

BDO Limited
Floor 25, Wing On Centre
111 Connaught Road Central
Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3704, 37/F
Shun Tak Centre West Tower
168–200 Connaught Road Central
Sheung Wan
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited

STOCK CODE

1246 (Main Board of The Stock Exchange of Hong Kong Limited)

WEBSITES

www.boillhealthcare.com.hk

Chairman's Statement

Dear Shareholders,

On behalf of the board ("**Board**") of directors ("**Director(s)**") of Boill Healthcare Holdings Limited ("**Company**") and its subsidiaries (collectively the "**Group**"), I am pleased to present the annual consolidated results of the Group for the financial year ended 31 March 2019 ("**FY2019**") to the shareholders of the Company.

The Group's revenue for FY2019 was approximately HK$419.8 million, representing a drop of approximately HK$318.4 million or 43.1%, compared to the revenue of approximately HK$738.1 million for the year ended 31 March 2018 ("**FY2018**").

The Group still recorded a net loss of approximately HK$223.9 million for FY2019, compared with the net loss of approximately HK$221.7 million for FY2018. Basic loss per share for continuing operations for FY2019 were HK$2.21 cents (FY2018: HK$2.39 cents).

The decrease was primarily due to fewer public projects in the foundation piling business following serious delay in the approval of new infrastructure projects by the Legislative Council of Hong Kong and the Legislative Council Finance Committee. The revenue contributed by the foundation piling segment dropped by approximately HK$138.2 million for FY2019, representing a decrease of 62.8% over FY2018.

Another reason for the decrease in revenue was mainly attributable to the weakened demand of our potential home buying customers in the PRC due to deterioration of their overall financial condition brought by the uncertain global macro-economic environment. The revenue from the property development dropped by approximately HK$180.2 million for FY2019, representing a decrease of 34.8%.

The performance of the foundation industry has still been negatively affected by the limited availability of public projects and intensive competition in the market. The growing number of competitors listed on the Stock Exchange allows them to have more funds for expansion. Profit margin has also been adversely affected by increasing labour and operating costs and keen competition in the foundation market.

The Group will consider to obtain premium land sites through tender, auction and listing in the open market through forming joint venture enterprises with other property developers. This is because joint venture enterprises enjoy advantages in land acquisitions, financing, marketing and pricing power.

I would like to offer the Board's sincere gratitude to the management team and all of its staff for their hard work and dedication. Their commitments are of vital importance in enhancing the Company's sustainable development. Finally, I would like to take this opportunity to thank our shareholders and all other stakeholders for their continuous support to the Group.

By order of the Board of
Boill Healthcare Holdings Limited

Dai Dong Xing
Chairman and Executive Director

Hong Kong

Management Discussion and Analysis

BUSINESS REVIEW

Foundation Piling

The Group undertakes foundation piling projects in both the public sector and the private sector in Hong Kong. Due to the keen competition in the foundation piling market, the revenue recognised for the year ended 31 March 2019 ("**FY2019**") was approximately HK$81.8 million (2018: approximately HK$220.0 million), representing a significant drop of 62.8%, compared with the year ended 31 March 2018 ("**FY2018**").

Facing the intense competition in the foundation piling market and the limited public projects available, the Group was undergoing hardship and this segment recorded loss continuously for FY2019 and FY2018. The prospects of the foundation piling industry are not expected to improve in the short and medium term.

The Group had disposed idle machinery at the consideration of approximately HK$15.2 million during FY2019 in order to generate cash proceeds to sustain the daily operations of foundation piling.

Property Development

The Group has been engaging in the property development business since November 2015 following the acquisition of a property project located on the western shores of Nanhu Lake, Yueyang, Hunan Province of the PRC, which has been developed as a high-end residential building with club houses and parking lots.

In FY2019, the Group recorded revenue of approximately HK$337.9 million, representing a decline of 34.8% over such period. Such decline was mainly attributable to the weakened demand of our potential home buying customers due to deterioration of their overall financial condition brought by the uncertain global macro-economic environment.

The Group expects the remaining properties will be sold out by the second half of the year 2019.

Healthcare Holiday Resorts Development and Operation

The Group has developed a resorts project located at No.1 Sheyuan Road, Sheshan Town, Songjiang District, Shanghai of the PRC. It comprises a parcel of land with a total site area of approximately 150,602 square meters and a total gross floor area of approximately 79,457 square meters with ancillary facilities which are currently being constructed and will be developed as clubhouse, villas, apartments, and underground areas for providing health preservation, elderly care and healthcare services for customers in leasing model to derive rental and service fee income from the customers.

The development consists of 3 phases. The construction works of Phase 1 and Phase 2 have been completed, and the leasable units which are currently undergoing internal and external decoration are scheduled to be leased out in August 2019, while construction of Phase 3 is scheduled in October 2019.

The Group indirectly holds 44% equity interest of Tengchong Zongheng Volcanic Tourism Development Company Limited which would be accounted for under the equity method as an associate.

It consists of thirteen parcels of land located in Ma Zhan Town, Xinglong Village, Tengchong City, Yunnan Province of the PRC, with a total site area of approximately 463,931 square meters and total gross floor area of approximately 931,770 square meters for residential and commercial uses as whole. It is expected to generate revenue from the sale of holiday products comprising the holiday resorts and operations of hotel, commercial and cultural tourism facilities and other auxiliary items.

Investment Securities

As at 31 March 2019, the Group had equity investments at fair value through profit or loss of approximately HK$6.3 million (as at 31 March 2018: approximately HK$14.9 million) and no more available-for-sale investments (as at 31 March 2018: approximately HK$0.2 million). All these investments were equity securities listed on the Stock Exchange.

The Group recorded a loss on disposal of equity instrument of approximately HK$49,000 (FY2018: a gain on disposal: approximately HK$58.1 million) and fair value loss of equity instrument of approximately HK$8.7 million for FY2019 (FY2018: fair value gain: approximately HK$6.0 million).

FINANCIAL REVIEW

Revenue

The revenue of the Group for FY2019 was approximately HK$419.8 million, representing a decrease of approximately HK$318.4 million or 43.1% compared to FY2018.

The decrease was primarily due to fewer public projects in the foundation piling business following serious delay in the approval of new infrastructure projects by the Legislative Council of Hong Kong and the Legislative Council Finance Committee. The revenue contributed by the foundation piling segment dropped by approximately HK$138.2 million for FY2019, representing a decrease of 62.8% over FY2018.

Another reason for the decrease in revenue was mainly attributable to the weakened demand of our potential home buying customers in the PRC due to deterioration of their overall financial condition brought by the uncertain global macro-economic environment. The revenue from the property development dropped by approximately HK$180.2 million for FY2019, representing a decline of 34.8%.

Gross loss

The gross loss of the Group was approximately HK$10.4 million for FY2019, representing a substantial decrease of 87.9% over FY2018.

The substantial decrease in gross loss was mainly due to higher profit margin derived from sales of properties and lesser losses incurred from the foundation piling projects.

Selling and distribution expenses

The selling and distribution expenses of the Group, which were mainly incurred in the property development business, decreased from approximately HK$22.1 million for FY2018 to approximately HK$12.7 million for FY2019. The decrease was mainly due to the drop in the revenue of property development.

Administrative and other expenses

The administrative and other expenses of the Group for FY2019 was approximately HK$80.0 million, representing a decrease of approximately HK$26.3 million over FY2018. Such decrease was mainly due to layoffs in the foundation piling segment in view of lesser projects tendered for FY2019.

Finance costs

The finance costs of the Group decreased from approximately HK$93.9 million for FY2018 to approximately HK$84.1 million for FY2019, representing a decrease of approximately HK$9.8 million. Such decrease was mainly due to the early repayment of other borrowings.

Income tax credit

The income tax credit was approximately HK$2.0 million for FY2019, representing a drop of 78.4% over FY2018. The drop was mainly due to the substantial decrease in the gross loss, resulting in lesser tax credit being recognized.

Net loss

The net loss of the Group for FY2019 was approximately HK$223.9 million as compared to approximately HK$221.7 million for FY2018.

The Group's overall performance was not satisfactory as the substantial net loss was still incurred from the foundation piling business and property development business during FY2019. The Group will cautiously tender foundation piling projects in order to derive reasonable profit margin. For the property development business, the Group will explore different financing channels to acquire land reserve or properties development companies.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The net proceeds from the share offer of the Company in connection with the listing of the Company on 16 October 2013 was approximately HK$99.9 million and has been fully utilized as follows:

	Estimated net proceeds as per the prospectus (approximately HK$ million)	**Actual net proceeds** (approximately HK$ million)	**Used amount** (approximately HK$ million) (as at 31 March 2019)	**Unused amount** (approximately HK$ million) (as at 31 March 2019)
Acquisition of machineries and equipment	51.9	64.9	64.9	–
Hiring additional staff	12.0	15.0	15.0	–
Partial bank loan repayment	8.0	10.0	10.0	–
General working capital	8.0	10.0	10.0	–
Total	79.9	99.9	99.9	–

BUSINESS PROSPECTS

Foundation Piling

The performance of the foundation industry has still been negatively affected by the limited availability of public projects and intensive competition in the market. The growing number of competitors listed on the Stock Exchange allows them to have more funds for expansion. Profit margin has also been adversely affected by increasing labour and operating costs and keen competition in the foundation market.

In view of the above circumstances, the Group continued to foresee that the business prospect of foundation business will be uncertain in coming future.

Property Development

The Group will consider to obtain premium land sites through tender, auction and listing in the open market through forming joint venture enterprises with other property developers. This is because joint venture enterprises enjoy advantages in land acquisitions, financing, marketing and pricing power.

Investment in Equity Securities

The Board understands that the performance of the investments may be affected by the degree of volatility in the Hong Kong stock market and subject to other external factors. The Group will continue to maintain a diversified the investment portfolio to minimise the possible financial risks.

DEBTS AND CHARGE ON ASSETS

As at 31 March 2019, the interest-bearing borrowings of the Group consisted of a loan from a related company of approximately HK$159.2 million (as at 31 March 2018: approximately HK$68.2 million) without guaranteeing or providing security.

As at 31 March 2019, the Group's bank loan of approximately HK$263.1 million (as at 31 March 2018: approximately HK$368.3 million) were secured by construction in progress and investment properties under construction of the Group with total carrying value of approximately HK$2,134.5 million (as at 31 March 2018: approximately HK$1,923.9 million). The Group's other loan of approximately HK$630.1 million (as at 31 March 2018: approximately HK$787.0 million) were secured by equity interests of an associate and certain subsidiaries with the pledged deposits of approximately RMB60 million of the Group.

All the interest-bearing borrowings were repayable within one year. Those borrowings bore interests at fixed rate ranging from 4.8% to 12.0% per annum (FY2018: at fixed rate ranging from 4.7% to 11.0% per annum).

Save as the disclosed above, the Group did not pledge any assets to bank or other financial institutions nor did the Group have any corporate guarantee given to any entity.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2019, the Group had net current liabilities of approximately HK$938.8 million (as at 31 March 2018: net current liabilities of approximately HK$260.3 million) and cash and bank deposits (excluding restricted cash) of approximately HK$62.1 million (as at 31 March 2018: approximately HK$210.4 million).

As at 31 March 2019, the gearing ratio of the Group (defined as total interest-bearing bank and other borrowings divided by the Group's total equity) was 75.0% (as at 31 March 2018: 75.9%).

The deterioration in the liquidity of the Group was mainly due to the construction cost of approximately HK$322.6 million in the development of the investment properties and early repayment of other borrowings of approximately HK$231.8 million during FY2019.

FOREIGN EXCHANGE RISK

Majorities of the Group's assets and cash flows were denominated in RMB, but major parts of the Group's interest-bearing borrowing were denominated in US dollars. During FY2019, the steady depreciation of RMB against US dollar or HK$ had negative effect from translation as the reporting currency of the Group was HK$. Apart from that, the management of the Company viewed that the change in exchange rate for RMB against foreign currencies did have significant impact on the Group's financial position and performance given that the functional currency of the Group was HK$. During FY2019, the Group did not engage in any hedging activities and the Group has no intention to carry out any hedging activities in near future. The management of the Group will continue to closely monitor the foreign currency market and consider carrying out hedging activities when necessary.

COMMITMENTS

As at 31 March 2019, the Group had no capital commitments (as at 31 March 2018: approximately HK$334.0 million) in respect of the development costs for property development business, and healthcare holiday resorts development and operation.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not carry out any material acquisition nor disposal of any subsidiary or associated company during FY2019.

CONTINGENT LIABILITIES

As at 31 March 2019, there were two outstanding cases of compensation and personal injuries claims against the Group by the employee of the subcontractors and the employee of the Group in respect of the foundation piling business. The claims were related to the employees of the subcontractors and the employees of the Group who alleged to have suffered from bodily injuries during their course of work and employment in the Group's construction sites in Hong Kong. The claims are dealt with and handled by the insurers and are covered by mandatory insurance. The Directors assessed the cases and believed that they would have no material impact on the financial position of the Group. No provision has been made for the cases in the consolidated financial statements.

Save as disclosed above, the Group has no significant contingent liabilities as at 31 March 2019.

EMPLOYEE AND HUMAN RESOURCES POLICY

The Group had a total of 141 employees as at 31 March 2019, of which 124 employees worked in the PRC and 17 worked in Hong Kong. Employee remuneration packages are maintained at competitive levels and employees are rewarded through the Group's salary and bonus system. The Group provides adequate job training to employees to equip them with practical knowledge and skills.

Pursuant to a share option scheme adopted on 22 September 2013 ("**Share Option Scheme**"), the Board may grant options to directors (including non-executive directors and independent non-executive directors), employees of the Company and any of its subsidiaries and associated companies, to subscribe for shares of the Company. During FY2019, no options were granted under the Share Option Scheme.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for FY2019 (FY2018: Nil).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the memorandum and articles of association of the Company or the laws of Cayman Islands which would oblige the Company to offer new shares on pro rata basis to existing shareholders.

EVENT AFTER THE REPORTING PERIOD

Except for the matters disclosed under the "Management Discussion and Analysis", the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2019 and up to the date of this annual report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during FY2019.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Dai Dong Xing (戴東行), aged 56, was appointed as the Chairman of the Board and an Executive Director with effect from 14 August 2017. Mr. Dai holds a degree in silk engineering from Zhejiang Silk Technology College (currently known as Zhejiang Sci-tech University). He has extensive experience in property operation and management. Mr. Dai joined Boill Holding Group Company Limited ("**Boill Holding Group**") in 1999 and held various positions including vice president for Boill Holding Group and manager, general manager and president for various subsidiaries of Boill Holding Group during the period from 1999 to 2016. Prior to joining the Boill Holding Group, he held managerial positions as technician, weaving workshop officer, deputy director and director of China Ningbo Xiangshan Silk Factory from 1983 to 1999.

Mr. Zhang Sheng Hai (張生海), aged 42, was appointed as an Executive Director with effect from 14 August 2017. Mr. Zhang holds a business administration diploma from China University of Geosciences and a business administration degree from Southwest University of Science and Technology. Mr. Zhang has over 10 years of experience in real estate industry and has extensive experience in construction and management of real estate development. He is currently the general manager of Nanchang Shenbiao Real Estate Development Co., Limited, a wholly owned subsidiary of Boill Holding Group. He has joined Boill Holding Group in 1994 and served as deputy manager, manager and general manager for various subsidiaries of Boill Holding Group during the period from 1994 to 2016. Mr. Zhang has been a director for various subsidiaries of Boill Holding Group since 2016.

NON-EXECUTIVE DIRECTOR

Mr. Chui Kwong Kau (崔光球), aged 52, has been as a Non-Executive Director with effect from 6 March 2015. He has over 20 years' experiences in financial management, accounting and auditing fields. Mr. Chui has been currently an executive director of Hong Kong Life Sciences and Technologies Group Limited (a company whose shares are listed on the GEM of the Stock Exchange with Stock Code: 8085) since 30 November 2009. Mr. Chui is a non-executive director of DeTai New Energy Group Limited (Stock Code: 559) since 1 December 2015. Mr. Chui had been a non-executive director of Hsin Chong Group Holdings Limited (Stock Code: 404) from 23 May 2015 to 29 March 2019. He had been an independent non-executive director of Aurum Pacific (China) Group Limited (Stock Code: 8148) from 17 March 2010 to 16 March 2016 and an executive director of China Energy Development Holdings Limited (Stock Code: 228) from 5 October 2005 to 30 June 2016.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Zhe (王喆), aged 58, has been appointed as an Independent Non-Executive Director with effect from 14 August 2017. He graduated from Southwestern University of Finance and Economic with a master's degree in Business Administration. He is an economist and currently the secretary general for Association of Shanghai Internet Financial Industry, the vice chairman for Shanghai Financial Association, an independent director of Shanghai Pudong Development Bank Co., Ltd. (a company whose shares are listed on the Shanghai Stock Exchange with Stock Code: 600000) and external supervisor of China Everbright Bank Company Limited (Stock Code: 6818). Since September 1985, Mr. Wang has served as the deputy section chief for the General Office of the People's Bank of China, manager and general manager for the Shenzhen Branch of China Gold Coin Incorporation, vice president for the Shenzhen Branch of China CITIC Bank, deputy general manager for China Gold Coin Incorporation, general manager, director-general and party secretary for Shanghai Gold Exchange and party secretary for China Foreign Exchange Trading System.

Mr. Xu Liang Wei (許良偉), aged 65, has been appointed as an Independent Non-Executive Director with effect from 14 August 2017. He graduated from the Department of Chinese Language and Literature, Shanghai Television University (currently known as Shanghai Open University), and obtained a master's degree in Business Administration from Fudan University. He joined Shanghai Academy of Spaceflight Technology ("**SAST**") in 1991 and held various positions as a deputy director, director of general office and assistant to academy general. During the period from 1995 to 1998, he served as a vice president of Shanghai Aerospace Corporation. In 2000, He was promoted to a deputy academy general of SAST, and also served as the chairman and president of Shanghai Aerospace Industrial Co., Ltd., the chairman of Shanghai Instrument Company Limited and Shanghai Aerospace Energy Co., Ltd. From 2011 to 2015, he served as a consultant of SAST and a deputy director of the preparation group of China Academy of Launch Vehicle Technology Company Limited. Mr. Xu has ample experience in corporate administration and management. He is currently a non-executive director of China Aerospace International Holdings Limited (Stock Code: 31).

Mr. Chan Chi Keung Billy (陳志強), aged 45, has been appointed as an Independent Non-Executive Director with effect from 15 November 2017. He graduated from Hong Kong Baptist University with a major in Accounting. He is a fellow member of the Association of Chartered Certified Accountants. Mr. Chan has over 20 years' experience in auditing, accounting and financial management. He is the financial controller, company secretary, and one of the authorised representatives of Fortunet e-Commerce Group Limited (Stock Code 1039). He had worked in South China Media Group for 15 years from December 1999 to May 2015 and his last position was the deputy financial controller. He had worked in South China Assets Holdings Limited (formerly named as South China Land Limited and Capital Publications Limited, Stock Code 8155) from January 2004 to June 2008 as the qualified accountant and company secretary.

COMPANY SECRETARY

Mr. Chong Yuk Fai (莊旭輝), aged 38, has been appointed as the Financial Controller, Company Secretary and Authorised Representative of the Company with effect from 30 November 2018. Mr. Chong is responsible for advising on strategic development and corporate governance from the financial perspective of the Company. Mr. Chong has over 15 years of experience in auditing, accounting and corporate finance. Prior to joining the Company, Mr. Chong had worked for an international accounting firm providing assurance services and a number of listed companies in Hong Kong responsible for financial management. Mr. Chong holds a bachelor degree in Accounting and Finance from The University of Hong Kong and is a member of the Hong Kong Institute of Certified Public Accountants.

Environmental, Social and Governance Report

PREPARATION BASIS AND SCOPE

Pursuant to the requirement of the Environmental, Social and Governance Reporting Guide in Appendix 27 to the Listing Rules, the Group has prepared the 2019 Environmental, Social and Governance Report ("**ESG Report**"), covering different business segments of the Group.

The scope of this ESG Report will cover the Group's initiatives on introducing the concept of ESG to its internal and external stakeholders, putting them into practice in its daily operations and disclosing results as a year-end summary. It is also the intention of the management to provide an overview of the Group's direction in managing ESG related issues, driving for ESG initiatives throughout the Group, and communicating its ESG performance result with our stakeholders.

ESG REPORTING BOUNDARY AND PERIOD

The ESG reporting boundary of this ESG Report shall cover the operational activities. The Group is principally engaged in foundation piling, property development and healthcare holiday resorts development and operation, and investment securities.

The reporting period of this ESG Report shall cover the date from **1 April 2018 to 31 March 2019** ("**ESG Reporting Year**").

ENVIRONMENT

The Group aims to generate revenue for investors but not at the expenses of the environment. Our senior management is dedicated to cultivating a green, healthy and safe culture through the concerted efforts of all staff, and promoting environmental, healthy and safety culture in the workplace in order to:

- ensure compliance with all applicable legislation;
- reduce quantities of waste and pollutants emitted into the sea, land and atmosphere;
- promote awareness on environmental protection and safety among staff through training, workshops and programs;
- provide a green, healthy and safe workspace for staff, visitors and contractors;
- optimise energy use efficiency; and
- improve performance and environmental protection and safety.

Due to the nature and the regional coverage of the Group's business, it is important to manage environmental impacts attributable to its local operational activities to minimise these impacts if possible. Identified environmental issues the Group had involved in during the ESG Reporting Year were mainly related to its consumption of diesel, gasoline, electricity, water, paper and natural gas.

The Group's business involves property development and construction piling, and thus causes certain impacts on the environment. The Group manages air, water, or land impact carefully, and during the ESG Reporting Year, the Group is unaware of any non-compliance with relevant Hong Kong and PRC environmental laws and regulations, including but not limited to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Prevention and Control of Atmospheric Pollution of the PRC (《中華人民共和國大氣污染防治法》), the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》), the Prevention and Control of Solid Waste Pollution of the PRC (《中華人民共和國固體廢物污染環境防治法》), the Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong) and the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong).

The measures we have taken to ensure our compliance with the applicable environmental laws and regulations in the PRC include (i) strictly supervising the process of construction through the supervision unit and (ii) applying for review by the relevant government authorities in a timely manner after the project is completed.

In addition, the Group's internal environmental protection awareness programme consistently reminds and encourages the Group's employees and clients to improve on environmental performance together.

Air Emission

The Group took the initiative to examine the issue of air emission across its operation, and as discussed, the Group outsourced the construction operation to the relevant partnering company, and our Group worked diligently to ensure the operation was in compliance with relevant air emission laws and regulations, which included the Prevention and Control of Atmospheric Pollution of the PRC《中國大氣污染防治法》.

The Group will continue monitoring its operation to ensure its air emission will be in compliance with all relevant laws and regulations. Further information shall also be disclosed as changes occur.

Carbon Emission

In addition to the efforts made in monitoring air pollutant emission, the Group performed careful assessment on its overall carbon footprint and explored measures to reduce its carbon emission. The Group estimated its carbon footprint for the ESG Reporting Year through calculation with relevant methodology, and with data available on diesel, electricity, natural gas and petroleum consumption and emission factor from invoices and references to third parties documents (information related to electricity consumption and carbon intensity factor that are available on the electricity bill and the sustainability report from electricity provider respectively).

In summary, the carbon footprint of the Group in the ESG Reporting Year was 9,183 tCO_2e. The Group looks to perform analysis on the consolidated figures, and to work with employees and external stakeholders on minimising carbon footprint. Further information and progress will be disclosed in the subsequent ESG report of the Company.

Waste Management

The Group strives to reduce waste generated in its operation activities. Waste management guidelines and procedures are in place in all areas of its production where hazardous and non-hazardous waste are generated. To ensure all wastes are properly treated, the Group specified procedures with different categories of waste and treated waste of different categories separately according to business activities.

Non-hazardous generated from the operation were mainly generated from construction and daily activities, and in the ESG Reporting Year, the Group had collected an estimate of 285 m^3 container wastes from its activities mentioned. The Group had not generated a significant amount of wastes in the hazardous category (ie: chemical substances). In the ESG Reporting Year, the Group had generated 3.3 m^3 of hazardous waste, which included waste oil and chemical reagent from its construction operation.

In summary, the Group will continue to devote effort to waste management, ensuring the safety of its employees and the compliance with all applicable laws and regulations. During the ESG Reporting Year, there was no major accident encountered in the Group's operation, and the Group had complied with all applicable waste related Hong Kong and PRC laws and regulations. The Group will continue monitoring closely and working diligently to ensure the proper treatment of its generated hazardous waste in the future.

Use of Resources

As an environmentally friendly company, the Group actively promotes the culture of "Green Office" to its staff, maintaining an environmentally friendly and efficient consumption practice throughout the operation. Various measures have been adopted to reduce energy and other resource use, minimise waste and increase recycling, and promote environmental protection in its supply chain and workplace. Initiatives such as energy conservation and efficiency policy, and green practices in offices had been successfully implemented throughout the ESG Reporting Year, and the details of which are set out below.

The Environment and Natural Resources

The Group understands the consumption of a fair amount of natural resources may lead to significant impacts on the environment, and our Group has implemented a diligent resource management programme, and the primary focus in the operations are the followings:

Paper Consumption

To strengthen the Group's management on energy and resources consumption, the Group intended to create a paperless working environment, reduce paper usage, facilitate information sharing via online networks, and simplify documentation procedures. In addition, employees were recommended to use duplex printing and copying, which had become the norm within the Group and paper consumption is reduced.

Electricity

In line with its "Green Office" directive, the Group actively promoted the concept of smart usage of electricity in its premises. Notices on energy saving were issued to raise the awareness of the staff on energy conservation. Other initiatives implemented on energy saving were the followings:

- Adjusting air conditioners' temperature setting to 25.5℃;
- Switching off all electronic devices during lunch hours and when leaving office;
- Replacing fluorescent tubes with LED lighting systems; and
- Setting computers on energy saving modes, and others.

Water

The Group did not have any significant issue on sourcing water for the operation.

In addition to its effort on energy conservation, the Group was also working with its employees on water conservation measures. Notices were posted to remind the staff to:

- Control water flow at the tap to avoid over usage;
- Turn off the tap when applying soap;
- Avoid unnecessary flush;
- Perform regular maintenance on water taps; and
- Avoid wasting water in upflow water dispenser.

The Group shall continue monitoring resource consumption throughout the operation. Further enhancement initiatives on efficient use of energy and water shall be implemented.

In summary, and after a careful and diligent effort, a consolidated data table on Resource Consumption for this ESG Reporting Year can be found below:

Consumption Item	Unit
Electricity Consumption	1,159,552 kWh
Water Consumption	54,480 m^3
Diesel — Machine Use	799,836 L
Diesel — Vehicle Use	10,301 L
Natural Gas	2,238 m^3
Petroleum	15,468 L

SOCIAL

The Group believes that employees are the most valuable asset to its business and, it strives to provide within its ability, the best working environment and benefits to retain talents. Throughout the ESG Reporting Year, the Group complies with all applicable employment and labour related laws and regulations. The Group will continue monitoring and improving in areas as needed and growing sustainably and in a socially responsible manner. For those business units in Mainland China, minor below age 16 is prohibited from employment under the PRC Labour Law《中華人民共和國勞動法》, articles 15. The Group adheres to the laws of the PRC for its operations in Mainland China.

Employees

Employees are the Group's most precious asset. The Group understands a motivated and balanced workforce is crucial to the success and sustainable growth of business, and it is dedicated to providing a safe, equal-working and fair environment throughout its operation. The Group's remuneration policy stated clearly that employees will be compensated in a fair and equitable manner, and provided with the opportunity to grow and excel with the Group through continuous learning at all levels. The Group's senior management continues to communicate with employees, ensuring this culture can be implemented in all levels of the Group.

Employment

In order to attract and retain talents, the Group rewards its employees with competitive remuneration (including performance bonus), along with promotional opportunities, compensation and benefits packages. Employee remuneration packages are maintained at competitive levels and employees are rewarded through the Group's salary and bonus system. Remuneration is determined with reference to the prevailing market condition as well as the competency, qualifications and experience of individual employees. Performance bonus will be paid to the employees as a recognition of their contributions to the Group. For Hong Kong business units, employees are also entitled to Mandatory Provident Fund ("**MPF**") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, medical and life insurance program. Statutory holidays and different types of paid leave including annual leave, sick leave, maternity leave, paternity leave, compensation leave, compassionate leave and injury leave are also offered as part of the benefits for all levels of the Group. In addition, policies on remuneration, benefits, training and occupational health and safety are regularly reviewed, and disciplinary action would be taken if an employee has committed an act of serious misconduct.

Emolument Policy

The emolument policy regarding the employees of the Group should be based on their merit, qualifications and competence. The emoluments of the executive Directors are reviewed and determined by the Remuneration Committee, having regard to the Group's operating results, individual performance and prevailing market condition. The emoluments of the Directors are reviewed by the Remuneration Committee and determined by the Board. No Director or any of his or her associates was involved in deciding his or her own remuneration.

Remuneration Committee

To ensure the Group's remuneration scheme stays competitive, the Company has established the Remuneration Committee, with its role and function set out in specific written terms of reference in accordance with the provisions set out in the Corporate Governance Report.

The Remuneration Committee will meet regularly to review the policy for the remuneration of the Company, assess the performance, and recommend remuneration packages of Directors and senior management of the Company.

Retirement Benefit Scheme

The Group participates in MPF scheme and such contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries, in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs, depending on the location of the subsidiaries, to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

Occupational Health and Safety

Operational health and safety is treated as one of the top priorities in the Group, and the Group strives to maintain a high occupational safety and health standard, ensuring a safe and comfortable working environment for our employees. To support and maintain the culture of work-life balance, the Group actively provides a variety of staff activities for employees. All of these activities help to strengthen relationships among employees, and foster a healthy and harmonious working environment.

Employees were provided with a clear occupational safety guideline for daily operation practices, recommending the appropriate conduct or the use of safety equipment during operation. Notices were posted in the common area as reminders for our employees to raise awareness of and minimise occupational related injury. In addition, every case of injury (if any) is required to be reported to the Group and to be individually assessed under the internal guideline procedures.

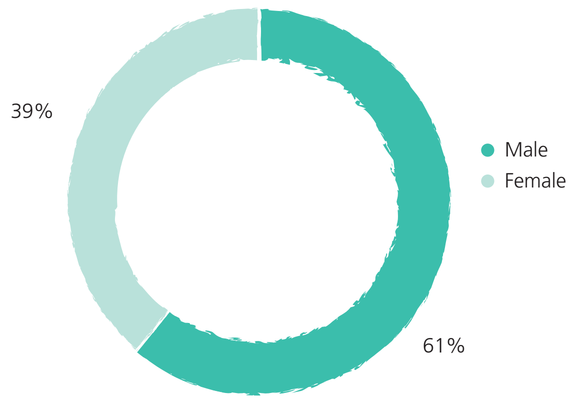
In summary, during the ESG Reporting Year, the Group had no material non-compliance breach with relevant standards, rules and regulations, and had no major accident encountered during operation. The Group is pleased to report that the rate of accidents and injuries during the ESG Reporting Year was extremely low, and it has only recorded a total of 3 minor work-related injury cases in the ESG Reporting Year.

Equal Opportunities, Diversity and Anti-Discrimination

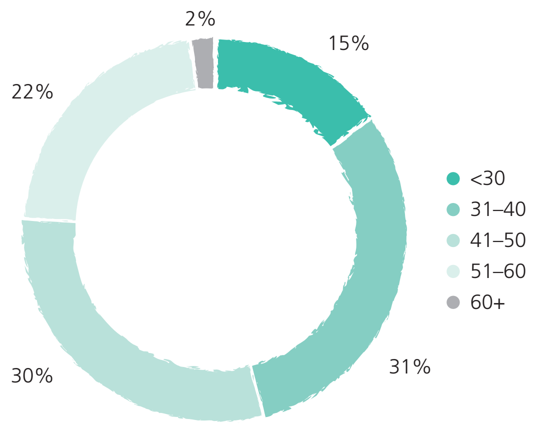
Equal opportunities are given to employees in respect of recruitment, promotion, training and development, job advancement, compensation and benefits and all other aspects of employment practices. The principal operation of the Group is turning to Mainland China. By Virtue of the PRC Labour Law《中華人民共和國勞動法》, article 12, discriminations on ethnic, race, sex and religions are prohibited. The diversity of employees provides the Group with a valuable mix of perspectives, skills, experience and knowledge for addressing contemporary business issues. The employees are not discriminated against or deprived of such opportunities on the grounds of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other grounds of discrimination prohibited by applicable laws. The Group appreciates the importance of cultural diversity, and it has no tolerance of any form of sexual harassment and discrimination behaviour. Employees found to have such act are subject to internal disciplinary actions.

In summary, the Group's workforce diversity distribution can be found below:

Employees Gender Distribution



Employees Age Distribution



Development and Training

Given the wide range of business activities, the Group placed great emphasis on employee training and development, and such topic is included as an important part of the Group's human capital management strategy. The Group supports its employees to develop and enhance their knowledge, tailor-making annual training programme to improve employees' work-related soft and hard skills, and to develop skills necessary for career advancement. The Group encourages employees at all levels to pursue training opportunities that facilitate personal growth and professional development, and the following summarize the Group's training records in the ESG Reporting Year:

	Total Participating Numbers	Total Training Hours
Male	34	517
Female	21	294

Customer Service

The Group values its customers.

Feedbacks and comments are regularly reviewed and disputes and complaints are promptly and fairly investigated and resolved. As a result, the Group has earned trusted relationships with its broad customer base through providing excellent customer services.

The Group has also set up complaint hotline, company website, complaint mailbox and other channels to receive customers' opinions and suggestions. The Group also believes effective communication should include a timely and accurate information disclosure. Not only does it bring valuable information to Shareholders and investors, but also invites constructive feedback for perfecting the Group's operation. The Group will continue its open communication approach, and to sustain a successful long-term working relationship with its stakeholders in the future.

Supply Chain Management

The Group encompasses working relationship with suppliers to meet the customers' needs in an effective and efficient manner, as it works closely with the suppliers to maintain the good relationship with suppliers.

The Group values mutually beneficial and longstanding relationships with its suppliers. The Group works closely with a number of suppliers in order to provide high quality services. The selection of suppliers is based on criteria such as price, quality of products, customer service team responsiveness, capability and experience, with preference given to potential suppliers that demonstrate their commitment to the environment.

Protection of Intellectual Property

The Group builds up and protects its intellectual property rights by prolonged use and registration of domain names and various trademarks. The Group has registered trademarks in various classes in Hong Kong and the PRC. In addition, the Group's trademarks and domain names are constantly monitored and renewed upon their expiration.

During the reporting year, the Group did not involve in any action of non-compliance with legal regulations and laws, relating to protection of intellectual property.

Anti-Corruption

The Group values employees' business conduct, integrity, ethics and discipline. Relevant employees have been given training and briefings on anti-money laundering and are encouraged to raise concerns about possible improprieties in any matter related to the Group such as misconduct and malpractice. Disciplinary actions would be taken by the Group if any employee is found guilty of corruptive acts. Such policy can be found in the *Employee Handbook*. For business units in Mainland China, corruption is subject to penalty and/or imprisonment according to the PRC Anti-Corruption and Bribery Law《中華人民共和國反貪污賄賂法》.

During the ESG Reporting Year, the Group did not involve in any action of non-compliance with legal regulations and laws relating to corruption, bribery, extortion, fraud and money laundering.

COMMUNITY INVESTMENT

The Group understands the importance of its business is both generating and bringing profit to Shareholders, and being socially responsible to care, serve and give back to our community wherever it is needed at the same time. The senior management consistently seeks opportunities to support social initiatives.

For the past few years, the Group provided funds to various local organisations, sponsoring various charity events and showing its support to the community. The Group's donations reached and supported different organisations in different aspects. The Group will continue its effort in supporting the communities and contributing when opportunities arise.

Corporate Governance Report

The Board recognises the importance of sound corporate governance to the long-term and continuing success of the Group. The Board is committed to maintaining good corporate standards and procedures for the best interests of the shareholders of the Company ("**Shareholders**"). The Board will continue to review its corporate governance practices from time to time to ensure the Group complies with the statutory requirements and the Corporate Governance Code ("**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and aligns with the latest developments.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year ended 31 March 2019, the Company had complied with the applicable code provisions ("**Code Provisions**") of the CG Code except for the deviations from the code provision A.2.1 and A.6.7 as explained below:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Dai Dong Xing acts as the Chairman of the Board and the Company does not have any offices with title of "Chief Executive Officer". Mr. Dai Dong Xing together with other Directors are responsible for the overall business strategy and development and management of the Group. The Board meets regularly to consider major matters affecting the operations of the Group. The Board considers that this structure does not impair the balance of power and authority between the Board and the management of the Company. However, the Board will also review regularly the board composition and appoint the Chief Executive Officer if a suitable person is identified.

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and other non-executive Directors shall attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Due to other work commitments, Mr. Hua Shan, Mr. Wang Zhe and Mr. Xu Liang Wei, the Independent Non-Executive Directors, were unable to attend the annual general meeting of the Company held on 30 August 2018.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board takes decisions objectively in the interests of the Company.

All Directors, including Non-Executive Director and Independent Non-Executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Group as well as the services and advice from the Company Secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each of the Director to perform their responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation are delegated to the senior management of the Group.

BOARD OF DIRECTORS

The Directors during the year ended 31 March 2019 and up to the date of this annual report were as follows:

Executive Directors

Mr. Dai Dong Xing *(Chairman)*
Mr. Zhang Sheng Hai
Mr. Mock Wai Yin *(resigned on 21 December 2018)*
Dr. Wong Yun Kuen *(resigned on 21 December 2018)*

Non-Executive Director

Mr. Chui Kwong Kau

Independent Non-Executive Directors

Mr. Wang Zhe
Mr. Xu Liang Wei
Mr. Chan Chi Keung Billy
Mr. Hua Shan *(passed away on 20 September 2018)*

The composition of the Board is well balanced with each Director having sound board level experience and expertise relevant to the business operations and development of the Group.

Pursuant to Article 108 of the memorandum and articles of association of the Company ("**Articles**"), one-third of the Directors shall retire from office by rotation at each annual general meeting and every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

All Non-Executive Directors are appointed for a term of three years.

In accordance with Rule 3.13 of the Listing Rules, the Company has received annual confirmation of independence from all of Independent Non-Executive Directors. Based on the confirmations received, the Company is of the view that all the Independent Non-Executive Directors are independent under the Listing Rules.

The Board members have no financial, business, family or other material or relevant relationship with members of the Board and senior management.

Board Meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group. The Directors are given adequate notice to attend such regular Board meetings or other Board meetings.

Directors may participate either in person or through electronic means of communications. Draft and final versions of minutes are circulated to all Directors for comments and records respectively, within reasonable time after Board meetings are held. Final versions of minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

The Company held 10 board meetings during the year ended 31 March 2019.

The attendance record of each Director at the Board and Board Committee meetings and the general meeting of the Company held for the year ended 31 March 2019 is set out below:

	Number of meetings attended/held				
	Board Meeting	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting
Executive Directors					
Mr. Dai Dong Xing	10/10	NA	NA	2/2	1/1
Mr. Zhang Sheng Hai	10/10	NA	NA	NA	1/1
Mr. Mock Wai Yin	6/6	NA	NA	NA	1/1
Dr. Wong Yun Kuen	6/6	NA	NA	NA	1/1
Non-Executive Director					
Mr. Chui Kwong Kau	10/10	NA	NA	NA	1/1
Independent Non-Executive Directors					
Mr. Wang Zhe	10/10	4/4	2/2	2/2	0/1
Mr. Xu Liang Wei	10/10	4/4	2/2	NA	0/1
Mr. Chan Chi Keung Billy	10/10	4/4	2/2	2/2	1/1
Mr. Hua Shan	4/4	1/1	1/1	1/1	0/1

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Director's securities transactions pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer ("**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry by the Company, all Directors have confirmed that their compliance with the Model Code and the code of conduct throughout the year ended 31 March 2019.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

Every newly appointed Director is provided with comprehensive induction to ensure that he or she has a proper understanding of the operations and business of the Group as well as his or her responsibilities and obligations under Listing Rules and relevant regulatory requirements.

The Company acknowledges the importance of adequate and ample continuing professional development for the Directors to a sound and effective internal control system and good corporate governance practice. In this regard, the Company has always encouraged the Directors to attend relevant training courses to receive the latest news and knowledge regarding corporate governance.

The Company updates Directors on the latest developments and changes to the Listing Rules and the applicable legal and regulatory requirements concerning good corporate governance practices. Reading materials on regulatory updates were also provided to the Directors for updating their knowledge on the relevant issues. The Company will, if necessary, provide timely and regular trainings to the Directors to ensure that they keep abreast of the current requirements under the Listing Rules. The Company has also adopted a policy to reimburse the Directors for any relevant training costs and expenses incurred concerning corporate governance and internal control.

All Directors confirmed that they have complied with the code provision A.6.5 of the CG Code on directors' training. During the year ended 31 March 2019, all Directors had participated in continuous professional development by attending seminars/in-house briefing and reading materials on the followings topics to develop and refresh their knowledge and skills, and provided their records of training to the Company as follows:

Director	Attending courses/ seminars/ conferences	Reading books/ journals/ articles
Executive Directors		
Mr. Dai Dong Xing	✓	✓
Mr. Zhang Sheng Hai	✓	✓
Mr. Mok Wai Yin	✓	✓
Dr. Wong Yun Kuen	✓	✓
Non-Executive Director		
Mr. Chui Kwong Kau	✓	✓
Independent Non-Executive Director		
Mr. Wang Zhe	✓	✓
Mr. Xu Liang Wei	✓	✓
Mr. Chan Chi Keung Billy	✓	✓
Mr. Hua Shan	✓	✓

The Board has three board committees, namely, the audit committee ("**Audit Committee**"), the remuneration committee ("**Remuneration Committee**") and the nomination committee ("**Nomination Committee**") for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to the Shareholders upon request.

BOARD COMMITTEES

The Company currently has three committees established under the Board, listed as follows:

- Audit committee
- Remuneration committee
- Nomination committee

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, internal control procedures and risk management systems of the Group, to oversee the audit process and the relationship with external auditors, to review arrangements enabling employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Group and to perform other duties and responsibilities as assigned by the Board.

As at the date of this annual report, Mr. Chan Chi Keung Billy, an Independent Non-Executive Director, is the chairman of the Audit Committee and Mr. Wang Zhe and Mr. Xu Liang Wei, both Independent Non-Executive Directors, are members of the Audit Committee.

During the year ended 31 March 2019, the Audit Committee had held 4 meetings and the attendance records of members are set out on page 21 of this annual report. The Audit Committee had reviewed significant issues on the financial reporting process, internal control procedures, risk management systems, scope of work and appointment of external auditors and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also met the external auditors twice for the year ended 31 March 2019 without the presence of the Executive Directors.

Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with paragraph B.1 of the CG Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration, to make recommendations to the Board on the remuneration packages of all Directors and senior management and to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

As at the date of this annual report, Mr. Xu Liang Wei, an Independent Non-Executive Director, is the chairman of the Remuneration Committee and Mr. Wang Zhe and Mr. Chan Chi Keung Billy, both Independent Non-Executive Directors, are members of the Remuneration Committee.

During the year ended 31 March 2019, the Remuneration Committee held 2 meetings and had recommended to the Board on the approval of the Directors and senior management remuneration packages. The attendance records of members are set out on page 21 of this annual report.

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with paragraphs A.5 of the CG Code. The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the issuer's corporate strategy, to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships and to assess the independence of Independent Non-Executive Directors.

As at the date of this annual report, Mr. Dai Dong Xing, the Chairman and Executive Director, is the chairman of the Nomination Committee. Mr. Wang Zhe and Mr. Chan Chi Keung Billy, both Independent Non-Executive Directors, are members of the Nomination Committee.

During the year ended 31 March 2019, the Nomination Committee held 2 meetings and the attendance records of members of the Nomination Committee are set out on page 21 of this annual report.

AUDITOR'S REMUNERATION

The Company appointed BDO Limited as the external auditors to fill the casual vacancy following the resignation of Zenith CPA Limited for the year ended 31 March 2019. During the year ended 31 March 2019, the total fees paid/payable, excluding disbursements, in respect of audit and non-audit services provided by BDO Limited and Zenith CPA Limited (including any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally) are set out below:

Items	HK$'000
Annual audit fee charged by BDO Limited	1,080
Advisory and other services charged by Zenith CPA Limited	700

COMPANY SECRETARY

The Board appointed Mr. Chong Yuk Fai as its Company Secretary in accordance with the Articles and in compliance with the requirements of the Listing Rules on 30 November 2018. During the year ended 31 March 2019, the Company Secretary had taken no less than 15 hours of relevant professional training.

INTERNAL CONTROL

The Board is entrusted with responsibilities of devising the Group's systems of risk management and internal control and conducting an annual review of their effectiveness. This ensures that the Board oversees and monitors the Group's overall financial position so that the interests of the Shareholders are well protected and covered.

During the year ended 31 March 2019, the Audit Committee had reviewed the potential areas of improvement on internal control of the Group. The Board had also reviewed updates on regulations regarding risk management and the effectiveness of the internal control systems of the Group and considered them effective and adequate.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy in relation to the nomination and appointment of Directors. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In recommending candidates for appointment to the Board, the Nomination Committee will consider a number of factors relating to the candidates, including but not limited to their gender, age, cultural and educational background, ethnicity, professional experience and knowledge. The Nomination Committee will review the composition of the Board under diversity perspectives and will monitor the implementation of the board diversity policy to ensure its effectiveness.

DIRECTORS' INSURANCE

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. A permitted indemnity provision (as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) is currently in force and was in force during the year ended 31 March 2019 for the benefit of the Directors.

DIRECTOR AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledge and understand their responsibilities in preparing the financial statements and ensuring that the financial statements of the Group are prepared to reflect the true and fair view of the state of affairs, results and cash flows of the Group and are in compliance with the relevant accounting standards and principles, applicable laws and disclosure provisions as required under the Listing Rules. The Directors are of the view that the financial statements of the Group for each financial year have been prepared on these bases.

In the opinion of the Directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group and after taking into the following considerations:

(i) Subsequent to the reporting period, the Group has obtained a loan credit facility ("**Facility**") from a related party and the substantial shareholder of the Company of RMB900,000,000 to finance the Group's working capital needs, it is expected that the Group will start to utilise the Facility in October 2019. The Facility is unsecured, interest bearing of 5% per annum and repayable within a period of twenty-four months from drawdown date of the Facility;

(ii) The Group is able to fully recover all the outstanding loans and interest receivables from four independent third parties on their maturity dates; and

(iii) Pre-sales proceeds from the Group's property development segment of approximately HK$25,905,000 has been received subsequent to the year ended 31 March 2019.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Statement of the responsibilities of the Company's external auditor for preparing the consolidated financial statements is set out in the Independent Auditor's Report of this annual report.

GENERAL MEETINGS WITH SHAREHOLDERS

The annual general meeting ("**AGM**") is a forum in which the Board and the Shareholders can communicate directly and exchange views concerning the affairs and overall performance of the Group, and its future developments, etc. At the AGM, the Directors are available to attend to questions raised by the Shareholders. The external auditor of the Company is also invited to be present at the AGM to address the queries of the Shareholders concerning the audit procedures and the auditor's report.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meeting on Requisition by Shareholders

Pursuant to Article 64 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting ("**EGM**"). EGM shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The written requisition shall be deposited at the place of business of the Company in Hong Kong (Unit 3704, 37/F, Shun Tak Centre West Tower, 168–200 Connaught Road Central, Sheung Wan, Hong Kong) or, in the event the Company ceases to have such place of business, the registered office of the Company (PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands). The requisition must state clearly the name of the requisitionist(s), his/her/their shareholding in the Company, the reason(s) to convene the EGM, the agenda proposed to be included and the details of the business(es) proposed to be transacted in the EGM and signed by the requisitionist(s).

Procedures for Shareholders' Nomination of Directors

Pursuant to Article 113 of the Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his or her willingness to be elected have been lodged with the head office or at the registration office of the Company. The period for lodgment of the notices required under the Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

Procedures for directing Shareholders' enquiries to the Board

Shareholders may direct their enquiries concerning their shareholdings to the Company's share registrars. Shareholders may also make a request for the Company's information to the extent that such information has been made publicly available by the Company. All written enquiries or requests may be forwarded to the Company's head office or by email to ir@boill.com or by fax to (852) 3914 7530. The Company will not normally deal with verbal or anonymous enquiries.

INVESTOR RELATIONS

To ensure transparent and comprehensive disclosures to investors, the Group delivers corporate development information to the public through various channels, including general meetings, public announcements, interim reports and annual reports. The investors have access to the latest news and information of the Group via our website (https://www.boillhealthcare.com.hk).

In order to maintain good and effective communication, the Company together with the Board extend their invitation to all Shareholders and encourage them to attend the forthcoming AGM and all future general meetings.

The Shareholders may also forward their enquiries and suggestions in writing to the Company to the followings:

Address: Unit 3704, 37/F, Shun Tak Centre West Tower, 168–200 Connaught Road Central, Sheung Wan, Hong Kong

Email: ir@boill.com

During the year ended 31 March 2019, the Company did not make changes to its Articles. A copy of the latest version of the Articles is available on the Company's website and the Stock Exchange's website.

Directors' Report

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the foundation business, property development business, healthcare holiday resorts development and investment securities.

The results of the Group for the year ended 31 March 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 39 to 40.

The Board does not recommend payment of final dividend to the Shareholders for the year ended 31 March 2019.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 128.

BUSINESS REVIEW

The discussion and analysis of principal activities of the Group as required by Schedule 5 of Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including financial key performance indicators, a fair review of the Company's business, a description of principal risks and uncertainties facing the Company and future development in the Company's business, can be found in section headed "Management Discussion and Analysis" of this annual report.

ENVIRONMENTAL POLICY

The Group is committed to building an eco-friendly corporation. Details of the Group's environmental policy and performance are disclosed in the Environmental, Social and Governance Report on pages 11 to 18.

The Group will review its environmental practices from time to time and consider implementing further measures and practices in the operation of the Group's business.

PROPERTY, PLANT AND EQUIPMENT

Details of movements of the property, plant and equipment of the Group during the year ended 31 March 2019 are set out in Note 18 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2019 are set out in Note 44 to the consolidated financial statements.

SHARE CAPITAL

The Company's total issued share capital as at 31 March 2019 was 9,074,000,000 ordinary shares of HK$0.025 each.

Details of movements of the share capital of the Company during the year ended 31 March 2019 are set out in Note 35 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company and the Group are set out in Note 49 to the consolidated financial statements and in the consolidated statement of changes in equity on page 43 respectively.

SHARE OPTION SCHEME

The Company's share option scheme ("**Scheme**") was adopted pursuant to a resolution passed on 22 September 2013 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the Directors may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, consultants or advisor of the Group, or any substantial Shareholders, or any distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the Directors from time to time on the basis of the Directors' opinion as to their contribution to the development and growth of the Group.

During the AGM of the Company held on 30 August 2018, the existing scheme mandate limit in respect of granting of options to subscribe for shares of the Company under the Scheme was refreshed and renewed provided that the total number of Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit, that is 907,400,000 shares of the Company. Subject to the approval of the Shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme in any 12-month period up to date of grant must not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such participant and his associates abstaining from voting.

Share options granted to Directors, chief executive or substantial Shareholders, or any of their respective associates must be approved by the Independent Non-Executive Directors (excluding Independent Non-Executive Directors who are the grantee). Where any share options granted to substantial Shareholders or an Independent Non-Executive Directors, or any of their respective associates would result in the total number of shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million must be approved in advance by the Shareholders.

The offer of a grant of share options might be accepted in writing within 7 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

The subscription price shall be a price solely determined by the Directors and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's share on the date of grant of the option.

The Scheme shall be valid and effective for a period of ten years commencing on 22 September 2013, subject to early termination provisions contained in the Scheme.

No share options were granted since the adoption of the Scheme and there were no share option outstanding as at 31 March 2019.

BOARD OF DIRECTORS

The Directors during the year ended 31 March 2019 and up to the date of this annual report were as follows:

Executive Directors

Mr. Dai Dong Xing *(Chairman)*
Mr. Zhang Sheng Hai
Mr. Mock Wai Yin *(resigned on 21 December 2018)*
Dr. Wong Yun Kuen *(resigned on 21 December 2018)*

Non-Executive Director

Mr. Chui Kwong Kau

Independent Non-Executive Directors

Mr. Wang Zhe
Mr. Xu Liang Wei
Mr. Chan Chi Keung Billy
Mr. Hua Shan *(passed away 20 September 2018)*

In accordance with article 108 of the Articles, at each AGM one-third of the Directors for the time being, shall retire from office by rotation and provided that every Director shall be subject to retirement by rotation at least once every three (3) years. Mr. Dai Dong Xing, Mr. Chui Kwong Kau and Mr. Xu Liang Wei will retire from office as the Directors at the coming forthcoming AGM. Each of them, being eligible, offer themselves for re- election as Directors at the forthcoming AGM.

An annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules has been received from each of the Independent Non-Executive Directors.

DIRECTORS' SERVICE CONTRACT

No Director proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Each of the Executive Directors shall also be entitled to discretional bonus to be determined by the Board based on, among other things, the performance of the individual Director and the overall financial position of the Group and is subject to the recommendation of the Remuneration Committee of the Company.

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

As at 31 March 2019, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**") which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was deemed or taken to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code adopted by the Company, to be notified to the Company and the Stock Exchange.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2019, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were disclosable to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholder	Capacity/Nature of interest	Long/short position	No. of shares held	Approximate percentage of shareholding in the Company *(Note 3)*
Liyao Investment Limited *(Note 1)*	Beneficial owner *(Note 2)*	Long position	2,600,000,000	28.65%
Mr. Qiu Dongfang	Interest in controlled corporation *(Note 2)*	Long position	2,600,000,000	28.65%

Notes:

1. On 30 September 2016, the Company entered into a subscription agreement with Liyao Investment Limited as the subscriber pursuant to which Liyao Investment Limited conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue, in aggregate 2,600,000,000 subscription shares at the subscription price of HK$0.20 per subscription share. The subscription was completed on 19 April 2017.

2. Liyao Investment Limited is a company incorporated in the British Virgin Islands and is 100% owned by Mr. Qiu Dongfang.

3. As at 31 March 2019, the total number of issued shares of the Company was 9,074,000,000 ordinary shares of HK$0.025 each of the Company.

Save as disclosed above, as at 31 March 2019, the Company had not been notified of any other persons (other than a Director and chief executive of the Company) who had an interest or short position in the shares and underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO.

MAJOR CUSTOMERS

During the year ended 31 March 2019, the Group's five largest customers accounted for approximately 21.2% (2018: 29.8%) of the total revenue of the Group and the largest customer of the Group accounted for approximately 15.2% (2018: 20.5%) of the total revenue.

None of the Directors or any of their close associates, or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers during the year ended 31 March 2019.

MAJOR SUPPLIERS

During the year, the Group's five largest suppliers accounted for 5.8% (2018: 18.0%) of the total purchases of the Group and the largest supplier of the Group accounted for 2.0% (2018: 10.1%) of the total purchases.

None of the Directors or any of their close associates, or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest suppliers during the year.

DIRECTORS' INTEREST IN CONTRACTS

Save as the related party transactions disclosed in Note 43 to the consolidated financial statements, no contract of significance to which the Company or any of its subsidiaries, holding company or fellow subsidiaries was a party and in which a Director or any entity connected with a Director had a material interest directly or indirectly subsisted at the end of the reporting period or at any time during the year ended 31 March 2019.

MANAGEMENT CONTRACTS

No management contracts concerning the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2019.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 March 2019 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

CONNECTED TRANSACTIONS

During the year ended 31 March 2019, the Group did not have any connected transactions which are discloseable pursuant to Chapter 14A of the Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to Article 191 of the Articles, the Director, Company Secretary and other officers for the time being of the Company for the time being acting in relation to any of the affairs of the Company, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they may incur or sustain by reasons of any act or execution of their duties to the Company.

Such provision was in force during the course of the financial year ended 31 March 2019 and remained in force as of the date of this annual report. The Company has taken out and maintained Directors' and officers' liabilities insurance throughout the year, which provides appropriate cover for the Directors, Company Secretary and officers.

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence. The emoluments of the Executive Directors are reviewed and determined by the Remuneration Committee, having regard to the Group's operating results, individual performance and prevailing market conditions. The emoluments of the Non-Executive Directors are reviewed by the Remuneration Committee and determined by the Board. No Director or any of his or her associates was involved in deciding his or her own remuneration.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Having made specific enquiry of all Directors, all Directors have confirmed that neither themselves nor their respective associates (as defined in the Listing Rules) had held any position or had interest in any businesses or companies that were or might be materially competing with the business of the Group or gave rise to any concern regarding conflict of interests during the year ended 31 March 2019.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2019.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the prescribed public float under the Listing Rules up to the date of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Except for the matters disclosed under the "Management Discussion and Analysis", the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2019 and up to the date of this annual report.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated financial statements for the year ended 31 March 2019 and met with the auditors of the Company without the presence of the Executive Directors. In addition, the Audit Committee has also discussed auditing, risk management and internal control, and financial reporting matters including the review of the accounting practices and principles adopted by the Group with senior management member of the Group.

INDEPENDENT AUDITOR

Zenith CPA Limited ("**Zenith**") resigned as the auditor of the Company with effect from 22 February 2019. The Company's Audit Committee recommended to appoint BDO Limited ("**BDO**") as the auditor of the Company with effect from 22 February 2019 to fill the casual vacancy following the resignation of Zenith and to hold office until the conclusion of the next AGM of the Company. For further details on the change of auditor, please refer to the announcement of the Company dated 22 February 2019.

The consolidated financial statements for the year ended 31 March 2019 have been audited by BDO who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of BDO as auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board
Boill Healthcare Holdings Limited

Dai Dong Xing
Chairman and Executive Director

Hong Kong, 28 June 2019

Independent Auditor's Report

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TO THE SHAREHOLDERS OF BOILL HEALTHCARE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Boill Healthcare Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 39 to 126, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Group in accordance with the HKICPA's "*Code of Ethics for Professional Accountants*" (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3(b) in the consolidated financial statements, which indicates that the Group incurred a net loss of HK$223,867,000 during the year ended 31 March 2019 and, as of that date, the Group's current liabilities exceeded its current assets by HK$938,780,000. The Group's ability to meet these liquidity requirements depends on its ability to obtain sufficient cash sources through refinancing arrangement from a related party and the substantial shareholder of the Company and the related party and substantial shareholder can realise their cash to the Group in the required timescale. As stated in Note 3(b), these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

TO THE SHAREHOLDERS OF BOILL HEALTHCARE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the "*Material Uncertainty Related to Going Concern*" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of investment properties under construction

(refer to Note 4(f) on the significant accounting policies, Notes 5(b) and 19 to the consolidated financial statements)

Management estimated the fair value of the Group's investment properties under construction, which comprise various categories of properties including holiday resort, residential apartment, villa and carparks, located in the People's Republic of China ("**PRC**") to be HK$1,769,918,000 at 31 March 2019, with a fair value loss of HK$27,331,000 for the year ended 31 March 2019 recorded in the consolidated statement of profit or loss. Independent external valuations were performed for the investment properties under construction in order to support management's estimates. The valuation methods of different investment properties include residual method and direct comparison method. The valuations are dependent on certain key assumptions that require significant management judgement, including fair market prices of similar properties, estimated development costs, capitalisation rate and expected developer's profit.

We identified the valuation of investment properties under construction as a key audit matter because of its significance to the consolidated financial statements and the significant management judgement and estimates involved in the determination of the fair value of the investment properties under construction.

Our Response

Our procedures in relation to this key audit matter included:

- Evaluation of the Group's independent external valuers' competence, capabilities and objectivity;
- Assessing the methodologies used by the valuer and the appropriateness of the key assumptions based on our knowledge of the property industry;
- Engaging our internal valuation specialist to assist us in evaluating and assessing the appropriateness of the key assumptions used in the valuation; and
- Checking the accuracy and relevance of the input data used in the valuation, also the disclosures including fair value hierarchy and the valuation techniques used and the key input.

TO THE SHAREHOLDERS OF BOILL HEALTHCARE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Key Audit Matters (continued)

Assessment of net realisable value of completed properties held for sale

(refer to Note 4(j) on the significant accounting policies, Notes 5(c) and 22 to the consolidated financial statements)

The carrying amount of the Group's completed properties held for sale as at 31 March 2019 was HK$115,524,000. For the properties held for sale, management determined the net realisable value of the properties by the direct comparison approach, which involved the use of estimates and assumptions including recent sales prices of similar properties with adjustments for any difference in nature, locality and condition of the properties in the PRC. Independent external valuations were performed in order to support management's estimates. The valuations are dependent on certain key assumptions that require significant management judgement, including the fair market prices of similar nature. Based on the management estimation of the net realisable value of the properties as at 31 March 2019, no write-downs were considered to be necessary.

We have identified the assessment of net realisable value of completed properties held for sale as a key audit matter because of its significance to the consolidated financial statements and the significant management judgements and estimates involved in the determination of the net realisable value of the completed properties held for sale.

Our Response

Our procedures in relation to this key audit matter included:

- Assessing the appropriateness of the methodology used by the management for the assessments of the net realisable value of completed properties held for sale;
- Evaluation of independent external valuer's competence, capabilities and objectivity;
- Assessing the appropriateness of the estimated selling prices of the completed properties held for sale used in the valuation, on a sample basis, by comparing them to transaction prices of similar properties in the nearby or relevant locations, or actual selling price of properties sold subsequent to the end of the reporting period in the project based on our knowledge of the property market in the PRC; and
- Assessing the estimation of net realisable value of the completed properties held for sale by comparing the previous estimation to the actual sales amounts.

Other Matter

The consolidated financial statements of the Group for the year ended 31 March 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 27 June 2018.

Other Information in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

TO THE SHAREHOLDERS OF BOILL HEALTHCARE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Other Information in the Annual Report (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors of the Company in discharging their responsibility in this regards.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit 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 Group's internal control;

TO THE SHAREHOLDERS OF BOILL HEALTHCARE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company;

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited
Certified Public Accountants
Lam Tsz Ka
Practising Certificate Number P06838
Hong Kong, 28 June 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2019

	Note	2019 HK$'000	2018 HK$'000 *(Restated)* *(Note 50)*
CONTINUING OPERATIONS			
Revenue	7	**419,762**	738,147
Cost of sales		**(430,208)**	(824,201)
Gross loss		**(10,446)**	(86,054)
Write-down of completed properties held for sales to net realisable value	11	**–**	(20,531)
Write-down of properties under development to net realisable value	11	**–**	(2,026)
Other income and gains or (losses), net	8	**(15,212)**	45,275
Selling and distribution expenses		**(12,718)**	(22,063)
Administrative and other expenses		**(80,006)**	(106,348)
Fair value (loss)/gain on equity instruments, net	9	**(8,725)**	65,593
Share of loss from an associate		**(14,661)**	(11,242)
Finance costs	10	**(84,085)**	(93,868)
LOSS BEFORE TAX	11	**(225,853)**	(231,264)
Income tax credit	15	**1,986**	9,208
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(223,867)**	(222,056)
DISCONTINUED OPERATION			
Profit for the year from a discontinued operation	12	**–**	389
LOSS FOR THE YEAR		**(223,867)**	(221,667)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Change in fair value of available-for-sale investments		**–**	(684)
Release of available-for-sale investments revaluation reserve upon disposal of available-for-sale investments		**–**	(1,481)
Share of other comprehensive income of an associate		**(6,210)**	–
Exchange differences arising on translation to presentation currency		**(100,853)**	163,890
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(107,063)**	161,725
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(330,930)**	(59,942)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2019

	Note	**2019** **HK$'000**	2018 HK$'000 *(Restated)* *(Note 50)*
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company			
– from continuing operations		**(200,114)**	(214,164)
– from discontinued operation		**–**	389
Non-controlling interests		**(23,753)**	(7,892)
		(223,867)	(221,667)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company			
– from continuing operations		**(275,210)**	(102,000)
– from discontinued operation		**–**	389
Non-controlling interests		**(55,720)**	41,669
		(330,930)	(59,942)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	17		
Basic and diluted			
– For loss for the year		**HK2.21 cents**	HK2.39 cents
– For loss from continuing operations		**HK2.21 cents**	HK2.39 cents

Consolidated Statement of Financial Position

at 31 March 2019

	Note	31 March 2019 HK$'000	31 March 2018 HK$'000 (Restated) (Note 50)	1 April 2017 HK$'000 (Restated) (Note 50)
NON-CURRENT ASSETS				
Property, plant and equipment	18	**365,929**	389,808	57,742
Goodwill		**–**	–	17,336
Investment properties under construction	19	**1,769,918**	1,559,467	–
Interest in an associate	20	**22,223**	43,094	–
Available-for-sale investments	21	**–**	192	875
Equity instruments at fair value through profit or loss	26	**168**	–	–
Prepayments, deposits and other receivables	25	**74,838**	120,788	2,474
Total non-current assets		**2,233,076**	2,113,349	78,427
CURRENT ASSETS				
Inventory		**–**	–	370
Completed properties held for sale	22	**115,524**	438,928	72,781
Properties under development	23	**–**	45,158	917,927
Trade and retention receivables	24	**20,366**	42,409	68,316
Contract assets	31	**3,930**	–	–
Prepayments, deposits and other receivables	25	**119,873**	36,175	43,434
Equity instruments at fair value through profit or loss	26	**6,136**	14,947	121,916
Tax recoverable		**2,511**	351	8,053
Restricted cash	27	**8,632**	101,111	64,969
Cash and cash equivalents	27	**62,106**	210,385	410,740
Total current assets		**339,078**	889,464	1,708,506
CURRENT LIABILITIES				
Trade payables	28	**40,404**	21,893	35,137
Contract liabilities	31	**42,315**	–	–
Other payables and accruals	29	**220,040**	184,266	253,306
Due to related companies	30	**159,206**	68,216	50,687
Due to a director		**270**	–	–
Interest-bearing bank and other borrowings	32	**805,501**	874,520	802,310
Tax payables		**10,122**	848	770
Total current liabilities		**1,277,858**	1,149,743	1,142,210
NET CURRENT (LIABILITIES)/ASSETS		**(938,780)**	(260,279)	566,296
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,294,296**	1,853,070	644,723

Consolidated Statement of Financial Position

at 31 March 2019

	Note	**31 March 2019 HK$'000**	31 March 2018 HK$'000 *(Restated) (Note 50)*	1 April 2017 HK$'000 *(Restated) (Note 50)*
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	32	**87,701**	280,800	–
Provision for long service payments	33	**376**	841	3,262
Deferred tax liabilities	34	**14,663**	48,943	96,680
Total non-current liabilities		**102,740**	330,584	99,942
Net assets		**1,191,556**	1,522,486	544,781
EQUITY				
Equity attributable to owners of the Company				
Share capital	35	**226,850**	226,850	161,850
Reserves		**410,450**	685,660	332,271
		637,300	912,510	494,121
Non-controlling interests	38	**554,256**	609,976	50,660
Total equity		**1,191,556**	1,522,486	544,781

Dai Dong Xing
EXECUTIVE DIRECTOR

Chui Kwong Kau
NON-EXECUTIVE DIRECTOR

Consolidated Statement of Changes in Equity

for the year ended 31 March 2019

		Attributable to ordinary equity holders of the Company									
	Note	Share capital HK$'000	Share premium HK$'000	Merger reserve# HK$'000	Available-for-sale investments revaluation reserve HK$'000	Exchange reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2017 As previously reported		161,850	895,993	10,000	2,165	(21,072)	26,517	(572,817)	502,636	50,660	553,296
Prior year adjustment	50	–	–	–	–	(32)	–	(8,483)	(8,515)	–	(8,515)
At 1 April 2017 *(Restated)*		161,850	895,993	10,000	2,165	(21,104)	26,517	(581,300)	494,121	50,660	544,781
Loss for the year		–	–	–	–	–	–	(213,775)	(213,775)	(7,892)	(221,667)
Other comprehensive income for the year		–	–	–	(2,165)	114,329	–	–	112,164	49,561	161,725
Total comprehensive income for the year		–	–	–	(2,165)	114,329	–	(213,775)	(101,611)	41,669	(59,942)
Issue of new shares	35	65,000	455,000	–	–	–	–	–	520,000	–	520,000
Acquisition of assets and liabilities	39	–	–	–	–	–	–	–	–	517,647	517,647
		65,000	455,000	–	–	–	–	–	520,000	517,647	1,037,647
At 31 March 2018 *(Restated)*		226,850	1,350,993*	10,000*	–*	93,225*	26,517*	(795,075)*	912,510	609,976	1,522,486
At 1 April 2018 As previously reported		**226,850**	**1,350,993***	**10,000***	**–***	**94,611***	**26,517***	**(760,153)***	**948,818**	**609,976**	**1,558,794**
Prior year adjustment	50	**–**	**–**	**–**	**–**	**(1,386)**	**–**	**(34,922)**	**(36,308)**	**–**	**(36,308)**
At 1 April 2018, as restated		**226,850**	**1,350,993***	**10,000***	**–***	**93,225***	**26,517***	**(795,075)***	**912,510**	**609,976**	**1,522,486**
Loss for the year		**–**	**–**	**–**	**–**	**–**	**–**	**(200,114)**	**(200,114)**	**(23,753)**	**(223,867)**
Other comprehensive income for the year		**–**	**–**	**–**	**–**	**(75,096)**	**–**	**–**	**(75,096)**	**(31,967)**	**(107,063)**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**(75,096)**	**–**	**(200,114)**	**(275,210)**	**(55,720)**	**(330,930)**
At 31 March 2019		**226,850**	**1,350,993***	**10,000***	**–***	**18,129***	**26,517***	**(995,189)***	**637,300**	**554,256**	**1,191,556**

* The reserve accounts comprise the consolidated reserves of HK$410,450,000 (2018: HK$685,660,000) in the consolidated statement of financial position.

The merger reserve represented the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation in September 2013.

Consolidated Statement of Cash Flows

for the year ended 31 March 2019

	Note	**2019** **HK$'000**	2018 HK$'000 *(Restated)* *(Note 50)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax from the continuing operations		**(225,853)**	(231,264)
Profit before tax from the discontinued operation	12	**–**	389
		(225,853)	(230,875)
Adjustments for:			
Dividend income from equity instruments at fair value through profit or loss	8	**(6)**	(425)
Share of profit or loss from an associate		**14,661**	11,242
Gain on disposal of property, plant and equipment	8	**(3,143)**	(10,223)
Interest income	8	**(6,334)**	(14,769)
Depreciation		**11,812**	27,298
Gain on disposal of available-for-sale investments	9	**–**	(1,481)
Fair value loss/(gains) on investment properties under construction	8	**27,331**	(17,407)
Loss on disposal of subsidiaries		**–**	2,286
Write-down of completed properties held for sale to net realisable value	11	**–**	20,531
Write-down of properties under development to net realisable value	11	**–**	2,026
Impairment loss recognised on other receivables	8	**–**	2,374
Write-back of provision for long service payments	8	**(284)**	(1,326)
Finance costs	10	**84,085**	93,868
Operating loss before movements in working capital		**(97,731)**	(116,881)
Decrease in inventory		**–**	93
Decrease in completed properties held for sale		**371,300**	598,393
Increase in properties under development		**–**	(115,484)
Decrease in trade and retention receivables		**12,542**	25,907
Decrease in contract assets		**5,706**	–
Increase in prepayments, deposits and other receivables		**(42,901)**	(479)
Decrease in equity instruments at fair value through profit or loss		**8,726**	106,969
Decrease/(increase) in restricted cash		**93,166**	(36,142)
Increase/(decrease) in trade and other payables		**103,871**	(137,624)
Decrease in contract liabilities		**(5,981)**	–
Utilisation of long service payments		**(181)**	(1,095)
Cash generated from operations		**448,517**	323,657
PRC Enterprise Income Tax paid		**(15,508)**	(18,405)
PRC Land Appreciation Tax ("**LAT**") paid		**(7,191)**	(7,992)
Net cash flows from operating activities		**425,818**	297,260

	Note	**2019 HK$'000**	2018 HK$'000 *(Restated) (Note 50)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from listed investments		**6**	425
Purchases of items of property, plant and equipment		**(23,349)**	(1,947)
Proceeds from disposal of property, plant and equipment		**15,185**	16,488
Acquisition of assets and liabilities	39	**–**	(859,471)
Acquisition of an associate		**–**	(52,682)
Addition to investment properties under construction	19	**(322,631)**	(95,249)
Prepaid construction costs for investment properties under construction		**–**	(68,730)
Refund from a related company		**–**	327,522
Disposal of subsidiaries	40	**–**	24,261
Interest received		**3,153**	14,769
Net cash flows used in investing activities		**(327,636)**	(694,614)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	35	**–**	520,000
Share issue expenses		**–**	–
New bank loans		**–**	374,400
New other loans		**–**	785,821
Repayment of bank loans		**(231,800)**	(809,976)
Repayment of other loans		**–**	(240,000)
Advances from related companies		**121,625**	29,913
Repayments to related companies		**(29,689)**	(353,541)
Interest paid		**(89,569)**	(91,395)
Net cash flows (used in)/from financing activities		**(229,433)**	215,222
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(131,251)**	(182,132)
Cash and cash equivalents at 1 April		**210,385**	410,740
Effect of foreign exchange rate changes, net		**(17,028)**	(18,223)
Cash and cash equivalents at 31 March		**62,106**	210,385

Notes to the Consolidated Financial Statements

1. GENERAL

Boill Healthcare Holdings Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered address of the Company is located at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The principal place of business of the Company is located at Unit 3704, 37/F, Shun Tak Centre West Tower, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

The Company acts as an investment holding company and the principal activities of its principal subsidiaries are set out in Note 44.

The consolidated financial statements for the year ended 31 March 2019 were approved and authorised for issue by the board (the "**Board**") of directors (the "**Directors**") on 28 June 2019.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or amended HKFRSs – effective 1 April 2018

In the current year, the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") have applied for the first time the following new or amended HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") which are relevant to and effective for the Group's financial statements for the annual period beginning on or after 1 April 2018:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions
Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKAS 28, Investments in Associates and Joint Ventures

HKFRS 9 – Financial Instruments

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual years beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: (1) classification and measurement; (2) impairment; and (3) hedge accounting. The adoption of HKFRS 9 from 1 April 2018 has resulted in changes in accounting policies of the Group. However, it does not have significant impact on the classification and the amounts of financial instruments recognised in the consolidated financial statements.

(i) Classification and measurement of financial instruments

HKFRS 9 basically retains the existing requirements in HKAS 39 for the classification and measurements of financial liabilities. However, it eliminates the previous HKAS 39 categories for financial assets of held-to-maturity financial assets, loans and receivables and available-for-sale financial assets. The adoption of HKFRS 9 has no material impact on the Group's accounting policies in relation to financial liabilities. The impact of HKFRS 9 on the Group's classification and measurement of financial assets is set out below.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new or amended HKFRSs – effective 1 April 2018 (continued)

HKFRS 9 – Financial Instruments (continued)

(i) Classification and measurement of financial instruments (continued)

Under HKFRS 9, except for certain trade receivables (that the trade receivables do not contain a significant financing component in accordance with HKFRS 15), an entity shall, at initial recognition, measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVTPL**"), transaction costs. A financial asset is classified as: (i) financial assets at amortised cost ("**amortised cost**"); (ii) financial assets at fair value through other comprehensive income ("**FVOCI**"); or (iii) financial assets at FVTPL (as defined in above). The classification of financial assets under HKFRS 9 is generally based on two criteria: (i) the business model under which the financial asset is managed; and (ii) its contractual cash flow characteristics (the "**solely payments of principal and interest**" criterion, also known as "**SPPI criterion**"). Under HKFRS 9, embedded derivatives is no longer required to be separated from a host financial asset. Instead, the hybrid financial instrument is assessed as a whole for the classification.

A financial asset is measured at amortised cost if it both of the following conditions are met and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

A debt investment is measured at FVOCI if it meets both of the following conditions and it has not been designated as at FVTPL:

- It is held within a business model whose objective is to be achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that meet the SPPI criterion.

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. All other financial assets not classified at amortised cost or FVOCI as described above are classified as FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new or amended HKFRSs – effective 1 April 2018 (continued)

HKFRS 9 – Financial Instruments (continued)

(i) Classification and measurement of financial instruments (continued)

The following accounting policies would be applied to the Group's financial assets as follows:

FVTPL	FVTPL is subsequently measured at fair value. Changes in fair value, dividends and interest income are recognised in profit or loss.
Amortised cost	Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

(I) As of 1 April 2018, certain investment in listed equity investments were reclassified from available-for-sale financial assets to financial assets at FVTPL. The investments are not held for trading, but the Group has nevertheless not elected to recognise fair value gains and losses through other comprehensive income. The carrying value of these equity investments approximated its fair value as at 1 April 2018. As a result, financial assets with carrying value of HK$192,000 were reclassified from available-for-sale financial assets to FVTPL.

The following table summarises the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Group's financial assets as at 1 April 2018:

Financial assets	**Original classification under HKAS 39**	**New classification under HKFRS 9**	**Carrying amount as at 1 April 2018 under HKAS 39** HK$'000	**Carrying amount as at 1 April 2018 under HKFRS 9** HK$'000
Listed equity investments	Available-for-sale investments	FVTPL	192	192
Trade and retention receivables	Loans and receivables	Amortised cost	42,409	42,409
Deposits and other receivables	Loans and receivables	Amortised cost	32,477	32,477
Equity instruments at FVTPL	Held-for-trading	FVTPL	14,947	14,947
Restricted cash	Loans and receivables	Amortised cost	101,111	101,111
Cash and cash equivalents	Loans and receivables	Amortised cost	210,385	210,385

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new or amended HKFRSs – effective 1 April 2018 (continued)

HKFRS 9 – Financial Instruments (continued)

(ii) Impairment of financial assets

The adoption of HKFRS 9 has changed the Group's impairment model by replacing the HKAS 39 "incurred loss model" to the "expected credit losses ("**ECLs**") model". HKFRS 9 requires the Group to recognise ECLs for trade receivables, contract assets, financial assets at amortised cost including deposit and other receivables, restricted cash, cash and cash equivalents earlier than HKAS 39. Cash and cash equivalents are subject to ECLs model but the impairment is immaterial for the current year.

Under HKFRS 9, the ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the end of the reporting period; and (2) lifetime ECLs: these are the ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are based on the difference between all contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. The 12-month ECLs is the portion of the lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the end of the reporting period. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has been increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Presentation of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new or amended HKFRSs – effective 1 April 2018 (continued)

HKFRS 9 – Financial Instruments (continued)

(ii) Impairment of financial assets (continued)

Impact of the ECLs model

As mentioned above, the Group applies the HKFRS 9's simplified approach to measure ECLs which adopts a lifetime ECLs for all trade receivables and contract assets. To measure the ECLs, these receivables have been grouped based on shared credit risk characteristics and the days past due. No additional impairment for these receivables as at 1 April 2018 and during the year ended 31 March 2019 is recognised as the amount of additional impairment measured under the ECLs model is insignificant.

Other financial assets at amortised cost of the Group including deposits and other receivables which are considered to have low credit risk. No additional impairment for these financial assets as at 1 April 2018 and during the year ended 31 March 2019 is recognised as the amount of additional impairment measured under the ECLs model is insignificant.

(iii) Hedge accounting

Hedge accounting under HKFRS 9 has no impact on the Group as the Group does not apply hedge accounting in its hedging relationships.

(iv) Transition

The Group has applied the transitional provision in HKFRS 9 such that HKFRS 9 was generally adopted without restating comparative information. The reclassifications and the adjustments arising from the new ECLs rules are therefore not reflected in the consolidated statement of financial position as at 31 March 2018, but are recognised in the consolidated statement of financial position on 1 April 2018. Based on the management's assessment, there was no material difference in the carrying amounts of financial assets and financial liabilities of the Group resulting from the adoption of HKFRS 9 recognised in accumulated losses and reserves as at 1 April 2018.

HKFRS 15 – Revenue from Contracts with Customer

HKFRS 15 supersedes HKAS 11 "Construction Contracts", HKAS 18 "Revenue" and related interpretations. HKFRS 15 has established a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at the amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted HKFRS 15 using the cumulative effect method with practical expedients. The Group has recognised the cumulative effect of initially applying HKFRS 15 as an adjustment to the opening balance of accumulated losses at the date of initial application (that is, 1 April 2018). Under this transition method, the Group has elected to apply this standard retrospectively only to contracts that were not completed contracts as at 1 April 2018. As a result, the financial information presented for 2018 has not been restated.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new or amended HKFRSs – effective 1 April 2018 (continued)

HKFRS 15 – Revenue from Contracts with Customer (continued)

The following tables summarised the impact, net of tax, of transition to HKFRS 15 on the opening balances of contract assets, trade and retention receivables, contract liabilities and other payables and accruals as follows (increase/(decrease)):

	HKAS 18 carrying amount 31 March 2018	**Reclassification**	**HKFRS 15 carrying amount 1 April 2018**
	HK$'000	HK$'000	HK$'000
Contract assets *(Note a)*	–	9,636	9,636
Trade and retention receivables *(Note a)*	42,409	(9,636)	32,773
Contract liabilities *(Note b)*	–	(50,018)	(50,018)
Other payables and accruals *(Note b)*	(184,266)	50,018	(134,248)

Note a: In relation to foundation pilling contracts previously accounted for under HKAS 11, the Group estimated the performance obligations satisfied up to date of initial application of HKFRS 15. Retention receivable of HK$9,636,000 was reclassified to contract assets as at 1 April 2018.

Note b: Under HKFRS 15, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. Previously, contract balances relating to "Deposits received and receipt in advance" were presented in the consolidated statement of financial position under "Other payables and accruals". To reflect these changes in presentation, the Group has made the reclassification adjustment as at 1 April 2018. As a result of the adoption of HKFRS 15, "Other payables and accruals – Deposits received and receipt in advance" amounting to HK$50,018,000 as at 1 April 2018 has been classified as contract liabilities.

The following tables summarised the impact of adopting HKFRS 15 on the Group's consolidated statement of financial position as at 31 March 2019 and its consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2019. There was no material impact on the Group's consolidated statement of cash flow for the year ended 31 March 2019:

Impact on the consolidated statement of financial position as of 31 March 2019

	As at 31 March 2019		
Consolidated statement of financial position (extract)	**Amounts without the adoption of HKFRS 15**	**Effects of the adoption of HKFRS 15**	**Amounts as reported**
	HK$'000	**HK$'000**	**HK$'000**
Contract assets	**–**	**3,930**	**3,930**
Trade and retention receivables	**24,296**	**(3,930)**	**20,366**
Contract liabilities	**–**	**(42,315)**	**(42,315)**
Other payables and accruals	**(262,355)**	**42,315**	**(220,040)**

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new or amended HKFRSs – effective 1 April 2018 (continued)

HKFRS 15 – Revenue from Contracts with Customer (continued)

Details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's foundation piling segment and property development segments are set out below:

Product/service	Nature of the goods or services, satisfaction of performance obligations and payment terms	Nature of change in accounting policy and impact on 1 April 2018
Provision of foundation piling works	For the performance obligation related to the provision of foundation piling works, the Group determines that the customers control all the work in progress when the foundation piling work is provided. The work in progress is being enhanced during the terms of the contracts. Therefore, revenue from these contracts is recognised over time. Invoices are issued according to contractual terms and are usually payable within 30 days. Uninvoiced amounts are presented as contract assets.	HKFRS 15 did not result in significant impact on the Group's accounting policies. However, upon the adoption of HKFRS 15, the Group has to make reclassification from retention receivables to contract assets. Since under HKFRS 15, if there is any satisfied performance obligation but where the Group does not have an unconditional right to consideration, the Group should recognise a contract asset.
Property development	Customers obtain control of the property units when customers obtains the physical possession or the legal title of properties are transferred to and the collection of the consideration is probable. Revenue is thus recognised upon when the customers accept the property units so transferred.	Upon the adoption of HKFRS 15, the Group has to make reclassification for the deposits received for sales of properties from deposits received to contract liabilities.
	Financing component	
	Should the contract contain a significant financing component, the transaction price should reflect the time value of money. The Group is not required to consider the time value of money if the period between payment and the transfer of the property unit is one year or less, as a practical expedient. In assessing whether a contract contains a significant financing component, the Group considers various factors, including the length of time between when the Group expected to transfer the property unit to the customer and when the customer pays for them, and the interest rate in the contract and prevailing interest rates in the relevant market. For contracts where the period between the payment by the customer and transfer of the promised property or service exceeds one year, the transaction price should be adjusted for the effects or a financing component, if significant. The Group has assessed that the financing component effect was insignificant.	There is no financing component considered necessary by the Group.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new or amended HKFRSs – effective 1 April 2018 (continued)

HKFRS 15 – Revenue from Contracts with Customer (continued)

Product/service	Nature of the goods or services, satisfaction of performance obligations and payment terms	Nature of change in accounting policy and impact on 1 April 2018
Provision of property management services	For property management services contracts, the Group recognises revenue equal to the right to invoice amount when it corresponds directly with the value to the customer of the Group's performance to date, on a monthly basis. The Group has assessed that revenue is recognised when relevant services are rendered and the customer simultaneously receives and consumes the benefits provided by the Group's performance. The Group bills a fixed amount for each month for services provided and recognises as revenue in the amount to which the Group has a right to invoice and corresponds directly with the value of performance completed.	HKFRS 15 did not result in significant impact on the Group's accounting policies.

Amendments to HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The adoption of these amendments has no impact on these consolidated financial statements as the Group had not previously adopted HKFRS 15 and took up the clarifications in this, its first year.

HK(IFRIC)-Int 22 – Foreign Currency Transactions and Advance Consideration

The interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The interpretation specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The adoption of this interpretation has no material impact on these consolidated financial statements as all the times the Group determines the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(a) Adoption of new or amended HKFRSs – effective 1 April 2018 (continued)

Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The adoption of these amendments has no impact on these consolidated financial statements as the Group does not have any cash-settled share-based payment transaction and has no share-based payment transaction with net settlement features for withholding tax.

Annual Improvements to HKFRSs 2014–2016 Cycle – Amendments to HKAS 28, Investments in Associates and Joint Ventures

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 28 "Investments in Associates and Joint Ventures" clarifying that a venture capital organisation's permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

The adoption of these amendments has no impact on these consolidated financial statements as the Group is not a venture capital organisation.

(b) New or amended HKFRSs that have been issued but not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

HKFRS 16	Leases[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRS 3	Definition of a Business[3]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKFRS 3, Business Combinations[1]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 12, Income Taxes[1]
Annual Improvements to HKFRSs 2015–2017 Cycle	Amendments to HKAS 23, Borrowing Costs[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2019.
2 Effective for annual periods beginning on or after 1 January 2020.
3 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
4 The amendments were originally intended to be effective for periods beginning on or after 1 January 2017. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(b) New or amended HKFRSs that have been issued but not yet effective (continued)

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Application of HKFRS 16 will result in the Group's recognition of right-of-use assets and corresponding liabilities in respect of its operating lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed in Note 42(a). As at 31 March 2019, the Group has non-cancellable operating lease commitments of HK$1,444,000. The Directors made an assessment of the impact of adopting the above standards to the Group. It indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's consolidated statement of financial position. However, the adoption would not have significant impact on the Group's financial performance.

Except as described above, the Directors are not yet in a position to state whether these new or amended HKFRSs below will result in substantial changes to the Group's accounting policies and consolidated financial statements.

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The interpretation supports the requirements of HKAS 12 "Income Taxes", by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(b) New or amended HKFRSs that have been issued but not yet effective (continued)

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at FVOCI if specified conditions are met – instead of at FVTPL.

Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that HKFRS 9 applies to long-term interests ("**LTI**") in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

Annual Improvements to HKFRSs 2015–2017 Cycle – Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarify that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015–2017 Cycle – Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Annual Improvements to HKFRSs 2015–2017 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarify that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

(b) New or amended HKFRSs that have been issued but not yet effective (continued)

Amendments to HKAS 1 and HKAS 8 – Definition of Material

The amendments clarify the definition of material and align the definition used across the HKFRSs. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Amendments to HKFRS 3 – Definition of a Business

The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. An entity shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period.

Earlier application of these amendments is permitted, including in annual reporting periods beginning before 18 January 2019 (the date of issuance of these amendments). If an entity applies these amendments for an earlier period, it shall disclose that fact.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective terms include all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and interpretations issued by the HKICPA. The consolidated financial statements also include the applicable disclosure requirements of Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under historical cost basis, except for investment properties under construction and financial instruments at FVTPL, which is measured at fair value as explained in the accounting policies set out below.

During the year, the Group has incurred a loss of HK$223,867,000 and at the end of reporting period, its current liabilities exceeded its current assets by HK$938,780,000. The Group is committed to repay certain borrowings in October 2019 and April 2020. The Group will be unable to repay these borrowings in full when they fall due unless it is able to obtain sufficient cash sources through refinancing arrangement from a related party and the substantial shareholder of the Company and the related party and the substantial shareholder can realise their cash to the Group in the required timescale. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

3. BASIS OF PREPARATION (continued)

(b) Basis of measurement and going concern assumption (continued)

In the opinion of the Directors, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due in the foreseeable future, based on the cash flow projections of the Group and after taking into the following considerations:

(i) Subsequent to the reporting period, the Group has obtained a loan credit facility (the "**Facility**") from a related party and the substantial shareholder of the Company of RMB900,000,000, to finance the Group's working capital needs, it is expected that the Group will start to utilise the Facility in October 2019. The Facility is unsecured, interest bearing of 5% per annum and repayable within a period of twenty-four months from drawdown date of the Facility;

(ii) The Group is able to fully recover all the outstanding loans and interest receivables from four independent third parties on their maturity dates *(Note 25(a) and (b))*; and

(iii) Pre-sales proceeds from the Group's property development segment of HK$25,905,000 has been received subsequent to the reporting period.

Accordingly, the Directors are of the opinion that it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

The consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to operate as a going concern.

(c) Functional and presentation currency

Previously, the Directors regarded Hong Kong dollar ("**HK$**") as the functional currency of the Company. Upon completion of the acquisition of its subsidiaries in November 2015, the Directors reassessed the Company's functional currency and considered that the functional currency of the Company should be changed from HK$ to Renminbi ("**RMB**") as RMB has become the currency that mainly influences the sales prices and the costs of goods and services of the Company's significant subsidiaries. The change of functional currency of the Company was applied prospectively from the date of change in accordance with HKAS 21 "The Effect of Changes in Foreign Exchange Rates".

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"). All values are rounded to the nearest thousand except when otherwise indicated.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee; (ii) exposure, or rights, to variable returns from the investee; and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less any accumulated impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable during the year.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Associates

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

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the interest in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

(d) Property, plant and equipment

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

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are recognised as an expense in profit or loss during the reporting period in which they are incurred.

Property, plant and equipment are depreciated so as to write off costs over their estimated useful lives, using a straight-line basis, at the rates shown below per annum. The estimated useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of the reporting period. The useful lives are as follows:

Leasehold improvements	Over the shorter of expected useful life and period of lease or 25%
Plant and machinery	25%
Furniture and fixtures	20% to 25%
Office equipment	20% to 50%
Motor vehicles	25% to 33%

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

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

(e) Construction in progress

Construction in progress represented buildings under construction and is stated at cost less any accumulated impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

(f) Investment properties under construction

Investment property is property held either to earn rentals or for capital appreciation purposes or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

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

For a transfer from investment properties under construction to owner-occupied properties, the property's deemed cost for subsequent accounting is its fair value at the date of change in use.

(g) Leases

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

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

(h) A. Financial instruments (accounting policies applied from 1 April 2018)

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) A. Financial instruments (accounting policies applied from 1 April 2018) (continued)

(i) Financial assets (continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There is only one measurement category into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for ECLs on trade receivables, contract assets and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) A. Financial instruments (accounting policies applied from 1 April 2018) (continued)

(ii) Impairment loss on financial assets (continued)

The Group has elected to measure loss allowances for trade receivables and contract assets using HKFRS 9's simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors, current creditworthiness of the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non-credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities measured at amortised cost

Financial liabilities at amortised cost including trade payables, other payables and accruals, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) A. Financial instruments (accounting policies applied from 1 April 2018) (continued)

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

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

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(h) B. Financial instruments (accounting policies applied until 31 March 2018)

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. The Group's financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) B. Financial instruments (accounting policies applied until 31 March 2018) (continued)

(i) Financial assets (continued)

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, and also incorporate other types of contractual monetary assets. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group assesses, at the end of the reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty; and
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) B. Financial instruments (accounting policies applied until 31 March 2018) (continued)

(ii) Impairment loss on financial assets (continued)

Loans and receivables (continued)

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities measured at amortised cost

Financial liabilities at amortised cost including trade payables, other payables and accruals, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

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

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost and net realisable value and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

(j) Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and buildings costs attributable to unsold properties. Net realisable value is estimated by the Directors based on the prevailing market prices, on an individual property basis.

(k) A. Revenue recognition (accounting policies applied from 1 April 2018)

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if the Group's performance:

- provides benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) A. Revenue recognition (accounting policies applied from 1 April 2018) (continued)

(i) Revenue from foundation piling business

The Group's performance creates or enhances an asset or work in progress that the customer controls as the asset is created or enhanced, thus the Group satisfies a performance obligation and recognises revenue over time, by reference to the progress certificate (by reference to the amount of completed works confirmed by surveyor) issued by the customers.

The Group recognises revenue over time only if it can reasonably measure its progress toward complete satisfaction of the performance obligation. However, if the Group cannot reasonably measure the outcome but expects to recover the costs incurred in satisfying the performance obligation, then it recognises revenue to the extent of the costs incurred.

(ii) Revenue from property development business

For property development and sales contract for which the control of the property is transferred at a point in time and there is no enforceable right to payment from the customers for performance completed to date, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

Property management service income derived from the provision of property management services is recognised when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs. The Group bills a fixed amount for each month of service provided and recognises as revenue in the amount to which the Group has a right to invoice and corresponds directly with the value of performance completed.

(iii) Revenue from hotel room rental

The Group provides hotel accommodations and other hospitality in the PRC. The Group self-operates its hotel. Revenue from hotel room rental is recognised over time in the accounting period in which the hotel accommodation services are provided to the customer.

(iv) Dividend income

Dividend income is recognised when the shareholders' right to receive payment has been established.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) A. Revenue recognition (accounting policies applied from 1 April 2018) (continued)

(iv) Dividend income (continued)

Contract assets and liabilities (continued)

Contract asset is recognised when (i) the Group completes the foundation piling contracts under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers; or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference.

Contract costs

The Group recognises an asset from the costs incurred to fulfil a contract when whose costs meet all of the following criteria:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

(k) B. Revenue recognition (accounting policies applied until 31 March 2018)

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

(a) Revenue from catering services is recognised when the services are rendered, and goods are sold to customers;

(b) Revenue arising from property management is recognised in the accounting period in which the services are rendered;

(c) Revenue from the sale of properties is recognised when the significant risks and rewards of ownership have been transferred to the buyers, which is when the construction work has been completed and the properties have been delivered to the buyer. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities;

(d) Revenue from foundation piling contracts is recognised on the percentage of completion basis, as further explained in the accounting policy for "Construction contracts" below;

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) B. Revenue recognition (accounting policies applied until 31 March 2018) (continued)

(e) Realised fair value gains or losses on securities trading are recognised on a trade date basis whilst unrealised fair value gains or losses on securities with reference to the prices ruling at the end of the reporting period;

(f) Interest income is recognised on an accrual basis using the effective interest method; and

(g) Dividend income is recognised when the shareholders' right to receive payment has been established.

Construction contracts

Contract costs are recognised when incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably, and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that they have been agreed with the customer and are capable of being reliably measured.

Revenue from contract work is recognised based on the stage of completion of the contracts, provided that the stage of contract completion and the gross billing value of contracting work can be measured reliably. The stage of completion of a contract is established according to the progress certificate (by reference to the amount of completed works confirmed by surveyor) issued by the customers.

(l) Income tax

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income tax (continued)

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, 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.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

(m) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Employee benefits

Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

Defined contribution retirement plan

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

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become payable in accordance with the rules of the central pension scheme.

Long service payments

The Group's net obligation in respect of amounts payable on cessation of employment in certain circumstances under the employment law of the respective countries in which the Group operates is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long service payments are assessed using the projected unit credit method. The cost of providing the long service payment liabilities is charged to the income statement so as to spread the cost over the service lives of employees in accordance with the advice of the actuaries. Long service payments are discounted to determine the present value of obligation and reduced by entitlement accrued under the Group's defined contribution plans that are attributable to contributions made by the Group. Actuarial gains and losses are recognised over the average remaining service lives of employees. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested.

(o) Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the services received is measured by reference to the fair value of the options at the date of grant. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all non-market vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Share-based payments (continued)

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

(p) Impairment of non-current assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment;

– construction in progress; and

– interest in an associate.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value in use is based on the estimated future cash flows expected to be derived from the asset, 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.

(q) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Cash and cash equivalents

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

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

(s) Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets.

Capitalisation of borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.

(t) Related parties

(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 key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

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

(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 the employees of the Group or an entity related to the Group;

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Related parties (continued)

(b) (continued)

(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 key management personnel of the entity (or of a parent of the entity); or

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements 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) Going concern basis

These consolidated financial statements have been prepared on a going concern basis and the detail in Note 3(b) to the consolidated financial statements.

(b) Fair value of investment properties under construction

Fair value of investment properties under construction of the Group is quoted by independent professional valuers. The valuation involves, inter-alia, certain estimates, including comparable market transactions, appropriate capitalisation rate, expected developer's profit and estimated development cost. In relying on the valuation, the management has exercised judgement and is satisfied that the method of valuation is reflective of the current market conditions. As at 31 March 2019, the fair value of investment properties under construction was HK$1,769,918,000 (2018: HK$1,559,467,000).

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(c) Provision for write-down in value of property under development and completed properties held for sale

As explained in Notes 4(i) and 4(j), Group's property under development and completed properties held for sale are stated at the lower of cost and net realisable value. The Directors made significant judgments in determining the net realisable value of these properties and the estimation of future costs to completion of these properties.

Based on the experience of the Directors and the nature of the subject properties, the Directors determine the net realisable value of these properties by reference to the estimated market prices of the properties, which takes into account a number of factors including the recent prices of similar property types in the same project or by similar properties, and the prevailing and forecasted real estate market conditions in the PRC. The Directors estimate the future cost to completion of the properties by reference to the actual development cost of the Group's completed projects, adjusted by certain current market data.

If there is an increase in costs to completion or a decrease in estimated market prices, this may result in write-downs for these properties. Such write-downs require the use of judgment and estimates of the Directors.

(d) Provision for ECLs on trade receivables, contract assets and other receivables

The provision for ECLs on trade receivables, contract assets and other receivables are based on assumptions about ECLs. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of each reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to profit or loss. The carrying amounts of trade and retention receivables and other receivables are disclosed in notes 24 and 25, respectively.

(e) Impairment of non-current assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset. This requires an estimation of the value-in-use of the cash-generating unit to which the asset is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated future cash flows and/or the discount rate applied will result in an adjustment to the estimated impairment provision previously made.

(f) Useful lives and impairment of property, plant and equipment

In determining the useful lives of property, plant and equipment, the Group has to consider various factors, such as expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is made based on the experience of the Group with similar assets that are used in a similar way. Depreciation charge is revised if the estimated useful lives of items of property, plant and equipment are different from the previous estimation. Estimated useful lives are reviewed, at the end of each of the reporting period, based on changes in circumstances. The carrying amount of property, plant and equipment is disclosed in Note 18.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(g) Provision for litigation

Provision for litigation is measured in accordance with the legal opinion and relevant laws and regulation applicable in Hong Kong at the end of the reporting period, and using the cash flows estimated to settle the present value of those cash flows. Appropriate provisions are made for legal claims or actions against the Group on the basis of likely outcome, but no provisions are made for those which in the view of management are unlikely to succeed.

(h) Income taxes and deferred taxes

The Group is subject to taxation in the PRC and Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of the related payments. 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 difference will have impact on the income tax and/or deferred tax provisions in the period in which such determination is made.

(i) Land appreciation taxes

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

The subsidiaries of the Company which are engaged in property development business in the PRC are subject to LAT, which have been included in income tax expense in profit or loss. However, the Group has not finalised its LAT returns with the relevant tax authorities in respect of the property development project. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expense and provision for land appreciation taxes in the period in which such determination is made.

(j) Deferred taxation on investment properties under construction

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties under construction 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 held by the Group in the PRC are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties under construction, the Directors have determined that the presumption that the carrying amounts of investment properties under construction measured using the fair value model is recovered entirely through sale is not rebutted. As a result, the deferred taxes on change in fair value of investment properties under construction are recognised taking into account LAT and enterprise income tax payable upon sales of those investment properties in the PRC.

6. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. The Group reportable segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

i. Foundation piling: Contracts for foundation piling business;

ii. Property development: Sale of properties and provision of property management services;

iii. Investment securities: Trading and investment in securities; and

iv. Healthcare holiday resorts development and operation: Provision of elderly home care, healthcare and leisure services.

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/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's loss before tax except that interest income, share of result of an associate, loss on disposal of subsidiaries, finance costs as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude interests in an associate, tax recoverable and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude amounts due to related companies, interest-bearing bank and other borrowings, tax payables, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

For the year ended 31 March 2019

	Continuing operations				
	Foundation piling HK$'000	**Property development HK$'000**	**Securities investment HK$'000**	**Healthcare holiday resorts development and operation HK$'000**	**Total HK$'000**
Segment revenue					
Revenue from external customers	**81,817**	**337,945**	**–**	**–**	**419,762**
Segment results	**(17,245)**	**(47,864)**	**(16,459)**	**(20,567)**	**(102,135)**
Interest income					**6,334**
Share of loss from an associate					**(14,661)**
Finance costs					**(84,085)**
Corporate and other unallocated expenses, net (Note)					**(31,306)**
Loss before tax					**(225,853)**

Note: Corporate and other unallocated expenses mainly includes Directors' remuneration, consultancy fee, legal and professional fee.

6. SEGMENT REPORTING (continued)

Other Segment Information

For the year ended 31 March 2019

	Continuing operations				
	Foundation piling HK$'000	Property development HK$'000	Securities investment HK$'000	Healthcare holiday resorts development and operation HK$'000	Total HK$'000
Dividend income from equity investments at fair value through profit or loss	–	–	(6)	–	(6)
Depreciation	11,291	277	30	214	11,812
Fair value gains on investment properties under construction	–	–	–	(27,331)	(27,331)
Fair value gain on equity investments at fair value through profit or loss, net	–	–	(8,676)	–	(8,676)
Gain on disposal of equity investments at fair value through profit or loss, net	–	–	(49)	–	(49)
Gain on disposal of property, plant and equipment, net	(3,143)	–	–	–	(3,143)
Write-back of provision for long service payment	(284)	–	–	–	(284)
Capital expenditures (Note)	31	2	5	345,942	345,980

Note: Capital expenditure consists of additions to property, plant and equipment and investment properties under construction.

6. SEGMENT REPORTING (continued)

Other Segment Information (continued)

For the year ended 31 March 2018 *(Restated)*

	Continuing operations					Discontinued operation
	Foundation piling HK$'000	Property development HK$'000	Securities investment HK$'000	Healthcare holiday resorts development and operation HK$'000	Total HK$'000	Food and beverage HK$'000
Segment revenue						
Revenue from external customers	220,041	518,106	–	–	738,147	7,866
Segment results	(23,310)	(128,881)	65,998	(1,609)	(87,802)	2.675
Interest income					14,769	–
Share of loss from an associate					(11,242)	–
Loss on disposal of subsidiaries					–	(2,286)
Finance costs					(93,868)	–
Corporate and other unallocated expenses, net					(53,121)	–
(Loss)/profit before tax					(231,264)	389
Dividend income from equity investments at fair value through profit or loss	–	–	(425)	–	(425)	–
Depreciation	26,527	401	–	239	27,167	105
Fair value gains on investment properties under construction	–	–	–	(17,407)	(17,407)	–
Fair value gain on equity investments at fair value through profit or loss, net	–	–	(6,040)	–	(6,040)	–
Gain on disposal of available-for-sales investments	–	–	(1,481)	–	(1,481)	–
Gain on disposal of equity investments at fair value through profit or loss, net	–	–	(58,072)	–	(58,072)	–
(Gain)/loss on disposal of property, plant and equipment, net	(10,535)	13	–	241	(10,281)	–
Write-back of provision for long service payment	(1,326)	–	–	–	(1,326)	–
Impairment loss recognised on other receivable	–	2,374	–	–	2,374	–
Write-down of completed properties held for sale to net realisable value	–	20,531	–	–	20,531	–
Write-down of properties under development to net realisable value	–	2,026	–	–	2,026	–
Capital expenditures *(Note)*	79	96,096	100	1,643,793	1,740,068	838

6. SEGMENT REPORTING (continued)

Other Segment Information (continued)

At 31 March 2019

	Foundation piling HK$'000	Property development HK$'000	Securities investment HK$'000	Healthcare holiday resorts development and operation HK$'000	Total HK$'000
Segment assets	32,330	283,407	11,451	2,174,224	2,501,412
Reconciliation:					
Interest in an associate					22,223
Tax recoverable					2,511
Corporate and other unallocated assets(Note)					46,008
Total assets					2,572,154
Segment liabilities	8,159	59,776	2,299	232,896	303,130
Reconciliation:					
Due to related companies					159,206
Interest-bearing bank and other borrowings					893,202
Tax payables					10,122
Deferred tax liabilities					14,663
Corporate and other unallocated liabilities					275
Total liabilities					1,380,598

6. SEGMENT REPORTING (continued)

Other Segment Information (continued)

At 31 March 2018 *(Restated)*

	Foundation piling HK$'000	Property development HK$'000	Securities investment HK$'000	Healthcare holiday resorts development and operation HK$'000	Total HK$'000 *(Restated)*
Segment assets	113,289	736,079	952	2,051,981	2,902,301
Reconciliation:					
Interest in an associate					43,094
Tax recoverable					351
Corporate and other unallocated assets(Note)					57,067
Total assets					3,002,813
Segment liabilities	17,629	88,687	–	98,328	204,644
Reconciliation:					
Due to a related company					68,216
Interest-bearing bank and other borrowings					1,155,320
Tax payables					848
Deferred tax liabilities					48,943
Corporate and other unallocated liabilities					2,356
Total liabilities					1,480,327

Note: Corporate and unallocated assets mainly represent loan receivable to an independent third party (Note 25(a)) and other receivables.

Geographical Information

The revenue information is based on the location of customers. The non-current assets are based on the location of the assets and excluded equity instruments at FVTPL (2018: available-for-sale investments) and loan and interests receivables.

	Revenue from external customers		**Non-current assets**	
	2019 HK$'000	2018 HK$'000	**2019 HK$'000**	2018 HK$'000
Hong Kong	**81,817**	220,041	**22,593**	24,101
Mainland China	**337,945**	518,106	**2,135,477**	2,089,056
	419,762	738,147	**2,158,070**	2,113,157

6. SEGMENT REPORTING (continued)

Information About Major Customers

During the year ended 31 March 2019, revenue from one customer of the Group's foundation piling segment amounted to HK$63,919,000 (2018: HK$151,218,000), which represented over 10% of the total revenue of the Group.

Disaggregation of revenue

	Foundation piling		Property development		Total	
	2019	2018	**2019**	2018	**2019**	2018
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Timing of revenue recognition						
At a point in time	**–**	–	**332,111**	514,185	**332,111**	514,185
Transferred over time	**81,817**	220,041	**5,834**	3,921	**87,651**	223,962
	81,817	220,041	**337,945**	518,106	**419,762**	738,147

7. REVENUE

Revenue represents gross proceeds, net of business tax, from the sale of properties and provision of properties management services; and contract revenue of foundation piling works.

An analysis of revenue is as follows:

	2019	2018
	HK$'000	HK$'000
Revenue from contract with customer within the scope of HKFRS 15:		
Contract income of foundation piling works	**81,817**	220,041
Sales of properties	**331,994**	516,293
Provision of properties management services	**5,951**	1,813
	419,762	738,147

8. OTHER INCOME AND GAINS OR (LOSSES), NET

An analysis of other income and gains or (losses), net, is as follows:

	2019 **HK$'000**	2018 HK$'000
Interest income	**6,334**	14,769
Dividend income from equity instruments at fair value through profit or loss	**6**	425
Gain on disposal of property, plant and equipment	**3,143**	10,223
Fair value (loss)/gains on investment properties under construction *(Note 19)*	**(27,331)**	17,407
Impairment loss recognised on other receivables	**–**	(2,374)
Write-back of provision for long service payment *(Note 33)*	**284**	1,326
Others	**2,352**	3,499
	(15,212)	45,275

9. FAIR VALUE (LOSS)/GAIN ON EQUITY INSTRUMENTS, NET

An analysis of (loss)/gain on equity instruments, net, is as follows:

	2019 **HK$'000**	2018 HK$'000
Fair value (loss)/gain on equity instruments at fair value through profit or loss, net	**(8,676)**	6,040
Gain on disposal of available-for-sale investments, net of transaction cost	**–**	1,481
(Loss)/gain on disposal of equity instruments at fair value through profit or loss, net	**(49)**	58,072
	(8,725)	65,593

10. FINANCE COSTS

An analysis of finance costs is as follows:

	2019 HK$'000	2018 HK$'000
Interest on bank and other loans	**96,575**	106,898
Interest on loan from a related company	**2,256**	2,473
Less: Imputed interest capitalised into construction in progress *(Note 18)* and investment properties under construction *(Note 19)*	**(14,746)**	(15,503)
	84,085	93,868

11. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2019 HK$'000	2018 HK$'000
Auditors' remuneration	**1,847**	1,540
Cost of properties sold	**215,838**	598,393
Cost of services provided	**4,400**	5,300
Depreciation	**11,812**	27,193
Foreign exchange differences, net	**21,235**	10,275
Write-down of completed properties held for sales to net realisable value *(Note 50)*	**–**	20,531
Write-down of properties under development to net realisable value *(Note 50)*	**–**	2,026
Minimum lease payments under operating leases	**3,161**	1,549
Employee benefit expense (excluding Directors' remuneration) *(Note 13)*:		
– Wages, salaries and bonus	**62,327**	106,232
– Contribution to defined contribution plans	**3,178**	3,048
Less: Amount capitalised	**(2,848)**	(2,980)
	62,657	106,300

12. DISCONTINUED OPERATION

On 17 July 2017, the Company disposed of its 100% equity interest in Pride Review Limited and its subsidiaries ("**Pride Review Group**"), which were engaged in provision of catering service to an independent third party at consideration of HK$30,000,000 in cash.

The consolidated statement of profit or loss and other comprehensive income of the Pride Review Group is as follow:

	For period ended 17 July 2017 HK$'000
Revenue	7,866
Cost of services	(2,252)
Gross profit	5,614
Administrative expenses	(2,939)
Profit before tax from the discontinued operation	2,675
Income tax	–
Profit from the discontinued operation	2,675
Loss on disposal of the Pride Review Group	(2,286)
Profit from the discontinued operation *(Note 17)*	389

The net cash flows incurred by the Pride Review Group are as follows:

	Period ended 17 July 2017 HK$'000
Operating activities	(3,563)
Investing activities	(838)
Financing activities	5,432
Net cash inflow	1,031

Earnings per share:	
Basic and diluted, from the discontinued operation *(re-presented)*	HK0.004 cents

Calculation of the basic and diluted earnings per share from the discontinued operation is based on:

	Year 2018
Profit attributable to ordinary equity holders of the Company from the discontinued operation	HK$389,000
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation *(Note 17)*	8,945,780,000

13. DIRECTORS' REMUNERATION

Directors' remuneration is disclosed as follows:

	Fees HK$'000	Salaries, allowances and benefit in kind HK$'000	Discretionary bonus HK$'000	Contribution to defined contribution plans HK$'000	Total remuneration HK$'000
2019:					
Executive Directors:					
Mr. Dai Dong Xing	–	1,680	–	18	1,698
Mr. Zhang Sheng Hai	–	497	–	–	497
Mr. Mock Wai Yin[1]	–	432	–	14	446
Dr. Wong Yun Kuen[1]	–	432	–	14	446
	–	3,041	–	46	3,087
Non-Executive Director:					
Mr. Chui Kwong Kau	120	–	–	–	120
Independent Non-Executive Directors:					
Mr. Wang Zhe	120	–	–	–	120
Mr. Xu Liang Wei	120	–	–	–	120
Mr. Chan Chi Keung, Billy	120	–	–	–	120
Mr. Hua Shan[2]	60	–	–	–	60
	420	–	–	–	420
Total	540	3,041	–	46	3,627

13. DIRECTORS' REMUNERATION (continued)

	Fees HK$'000	Salaries, allowances and benefit in kind HK$'000	Discretionary bonus HK$'000	Contribution to defined contribution plans HK$'000	Total remuneration HK$'000
2018:					
Executive Directors:					
Mr. Dai Dong Xing	–	1,091	–	12	1,103
Mr. Zhang Sheng Hai	–	422	–	–	422
Mr. Mock Wai Yin[1]	–	600	–	18	618
Dr. Wong Yun Kuen[1]	–	600	–	18	618
	–	2,713	–	48	2,761
Non-Executive Director:					
Mr. Chui Kwong Kau	120	–	–	–	120
Independent Non-Executive Directors:					
Mr. Chan Chi Keung, Billy	45	–	–	–	45
Mr. Wang Zhe	76	–	–	–	76
Mr. Hua Shan[2]	76	–	–	–	76
Mr. Xu Liang Wei	76	–	–	–	76
Mr. Chai Chi Man[3]	53	–	–	–	53
Mr. Eric Todd[4]	55	–	–	–	55
Mr. Lam Chi Wai[4]	55	–	–	–	55
Ms. Lau Mei Ying[5]	45	–	–	–	45
Ms. Thadani Jyoti Ramesh[6]	6	–	–	–	6
	487	–	–	–	487
Total	607	2,713	–	48	3,368

During the year ended 31 March 2019, no emoluments were paid by the Group to the Directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office (2018: Nil).

Notes:

1. Resigned on 21 December 2018
2. Passed away on 20 September 2018
3. Appointed 19 April 2017 and resigned on 27 September 2017
4. Resigned on 14 August 2017
5. Resigned on 17 July 2017
6. Resigned on 19 April 2017

14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year ended 31 March 2019 included one Director (2018: one Director), details of whose remuneration are set out in Note 13 above. Details of the remuneration for the year of the four (2018: four) highest paid employees who are neither Director nor chief executive of the Company are as follows:

	2019 **HK$'000**	2018 HK$'000
Salaries, allowances and benefits in kind	**4,893**	7,409
Discretionary bonuses	**1,018**	813
Contribution to defined contribution plans	**72**	61
	5,983	8,283

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2019	2018
Nil to HK$1,000,000	**2**	2
HK$1,000,001 to HK$1,500,000	**1**	–
HK$1,500,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$2,500,000	**–**	–
HK$2,500,001 to HK$3,000,000	**–**	–
HK$3,000,001 to HK$3,500,000	**1**	2
	4	4

No Director or any of the highest paid individuals waived or agreed to waive any emoluments (2018: Nil). No emoluments were paid by the Group to the Directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

15. INCOME TAX CREDIT

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 31 March 2018; and at 8.25% on the first HK$2,000,000 of estimated assessable profits and at 16.5% for the portion of the estimated assessable profits above HK$2,000,000 for the year ended 31 March 2019.

Enterprise income tax arising from the PRC is calculated at 25% (2018: 25%) of the estimated assessable profits.

The provision of PRC LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided, as appropriate, at ranges of progressive rates from 30% to 60% on the appreciation value, with certain allowable deductions including land costs, borrowing costs and the relevant property development expenditure.

15. INCOME TAX CREDIT (continued)

	2019 HK$'000	2018 HK$'000 *(Restated)*
Continuing operations		
Charge for the year:		
Current – Hong Kong Profits Tax	–	193
Current – PRC Enterprise Income Tax	**25,355**	27,062
Current – PRC LAT	**6,939**	11,274
Deferred tax for the year *(Note 34)*	**(34,280)**	(47,737)
Tax credit for the year	**(1,986)**	(9,208)

A reconciliation of the tax credit applicable to loss before tax at the statutory rate of Hong Kong, where the Company is headquartered, is as follows:

	2019 HK$'000	2018 HK$'000 *(Restated)*
Loss before tax from continuing operations	**(225,853)**	(230,875)
Tax credit at the statutory tax rate of 16.5% (2018: 16.5%)	**(37,266)**	(38,094)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(3,686)**	(9,770)
Tax effect of income not taxable for tax purpose	**(2,917)**	(316)
Tax effect of expenses not deductible for tax purpose	**20,417**	20,205
Utilisation of tax losses previously not recognised	**(530)**	(101)
Tax effect of tax losses not recognised	**15,060**	8,505
Tax effect of PRC LAT	**6,939**	11,274
Others	**(3)**	(911)
Tax credit for the year	**(1,986)**	(9,208)

16. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2019, nor has any dividend been proposed since the end of the reporting period (2018: Nil).

17. LOSS PER SHARE

Calculation of the basic and diluted loss per share attributable to owners of the Company is based on:

	2019 **HK$'000**	2018 HK$'000 *(Restated)*
Loss attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation:		
From continuing operations	**(200,114)**	(214,164)
From a discontinued operation *(Note 12)*	**–**	389
Loss attributable to ordinary equity holders of Company	**(200,114)**	(213,775)

	Number of shares	
	2019 **'000**	2018 '000
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**9,074,000**	8,945,780

Dilutive loss per share is the same as the basic loss per share because the Group has no dilutive potential ordinary shares outstanding during the years ended 31 March 2019 and 2018.

18. PROPERTY, PLANT AND EQUIPMENT

31 March 2019	**Leasehold improvements HK$'000**	**Plant and machinery HK$'000**	**Furniture and Fixtures HK$'000**	**Office equipment HK$'000**	**Motor vehicles HK$'000**	**Construction In progress HK$'000**	**Total HK$'000**
At 1 April 2018:							
Cost	**1,812**	**117,769**	**1,195**	**1,857**	**4,721**	**364,416**	**491,770**
Accumulated depreciation	**(1,272)**	**(94,718)**	**(680)**	**(1,248)**	**(4,044)**	**–**	**(101,962)**
Net carrying amount	**540**	**23,051**	**515**	**609**	**677**	**364,416**	**389,808**
At 1 April 2018, net of accumulated depreciation	**540**	**23,051**	**515**	**609**	**677**	**364,416**	**389,808**
Additions	**–**	**31**	**2**	**40**	**–**	**23,276**	**23,349**
Depreciation provided during the year	**(161)**	**(11,003)**	**(214)**	**(277)**	**(157)**	**–**	**(11,812)**
Disposals	**–**	**(12,003)**	**–**	**–**	**(179)**	**–**	**(12,182)**
Exchange realignment	**(27)**	**–**	**(26)**	**(30)**	**(12)**	**(23,139)**	**(23,234)**
At 31 March 2019, net of accumulated depreciation	**352**	**76**	**277**	**342**	**329**	**364,553**	**365,929**
At 31 March 2019:							
Cost	**1,729**	**9,951**	**982**	**1,468**	**2,186**	**364,553**	**380,869**
Accumulated depreciation	**(1,377)**	**(9,875)**	**(705)**	**(1,126)**	**(1,857)**	**–**	**(14,940)**
Net carrying amount	**352**	**76**	**277**	**342**	**329**	**364,553**	**365,929**

18. PROPERTY, PLANT AND EQUIPMENT (continued)

31 March 2018	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
At 1 April 2017:							
Cost	1,195	199,620	1,002	1,666	7,078	–	210,561
Accumulated depreciation	(530)	(145,331)	(477)	(830)	(5,651)	–	(152,819)
Net carrying amount	665	54,289	525	836	1,427	–	57,742
At 1 April 2017, net of accumulated depreciation	665	54,289	525	836	1,427	–	57,742
Additions	1,114	70	302	340	121	–	1,947
Acquisition of assets and liabilities *(Note 39)*	73	–	116	81	274	–	544
Transfer from investment properties under construction *(Note 19)*	–	–	–	–	–	364,416	364,416
Depreciation provided during the year	(326)	(25,450)	(270)	(392)	(860)	–	(27,298)
Disposals	(21)	(5,858)	(32)	(32)	(322)	–	(6,265)
Disposal of subsidiaries *(Note 40)*	(966)	–	(163)	(274)	–	–	(1,403)
Exchange realignment	1	–	37	50	37	–	125
At 31 March 2018, net of accumulated depreciation	540	23,051	515	609	677	364,416	389,808
At 31 March 2018:							
Cost	1,812	117,769	1,195	1,857	4,721	364,416	491,770
Accumulated depreciation	(1,272)	(94,718)	(680)	(1,248)	(4,044)	–	(101,962)
Net carrying amount	540	23,051	515	609	677	364,416	389,808

At 31 March 2019, the Group's construction in progress with a carrying amount of HK$364,553,000 (2018: HK$364,416,000) were pledged to secure bank loan granted to the Group (Note 32).

19. INVESTMENT PROPERTIES UNDER CONSTRUCTION

	Note	**2019 HK$'000**	2018 HK$'000
Carrying amount at 1 April		**1,559,467**	–
Acquisition of assets and liabilities	39	**–**	1,643,166
Additions		**322,631**	95,249
(Loss)/gain from a fair value adjustment	8	**(27,331)**	17,407
Transfer to property, plant and equipment	18	**–**	(364,416)
Exchange realignment		**(84,849)**	168,061
Carrying amount at 31 March		**1,769,918**	1,559,467

At 31 March 2019, the Group's investment properties under construction with carrying amount of HK$1,769,918,000 (2018: HK$1,559,467,000) were pledged to secure bank loan granted to the Group (Note 32).

19. INVESTMENT PROPERTIES UNDER CONSTRUCTION (continued)

The Group's investment properties under construction is planned to hold under operating leases to earn rentals or for capital appreciation purposes.

During the years ended 31 March 2019 and 2018, the Group's management had engaged an external valuer in the valuation of the Group's investment properties under construction. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's properties were valued as at 31 March 2019 based on valuations performed by Grant Sherman Appraisal Limited, independent professionally qualified valuers, at HK$1,769,918,000 (equivalent to approximately RMB1,607,500,000) (2018: HK$1,559,467,000 (equivalent to RMB1,250,000,000)). The Group's management had discussion with the external valuer on the valuation assumptions and valuation result when the valuation was performed.

Particulars of the Group's investment properties under construction are as follows:

Location	Use	Attributable interest of the Group
No. 1 Sheyuan Road, Sheshan Town, Songjiang District, Shanghai, PRC ("**Sheshan Project**")	Commercial	68%

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties under construction:

	Fair value measurement as at 31 March 2019 using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Recurring fair value measurement for:				
Investment properties under construction	**–**	**–**	**1,769,918**	**1,769,918**

	Fair value measurement as at 31 March 2018 using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Recurring fair value measurement for:				
Investment properties under construction	–	–	1,559,467	1,559,467

During the years ended 31 March 2019 and 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

19. INVESTMENT PROPERTIES UNDER CONSTRUCTION (continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties under construction:

Investment properties under construction held by the Group	Valuation technique and key inputs	Significant unobservable inputs and range or weighted average	Relationship of unobservable input to fair value
Holiday resort and residential apartment (phase I and II) of Sheshan Project	Direct comparison method The key input is estimated market price per square meter ("**m^2**")	Estimated market prices below have been taking into account location and other individual factors such as building age, building facilities For residential (apartment) properties: Ranging from HK$19,890 to HK$54,405 (2018: Ranging from HK$24,504 to HK$29,765) For residential (villa) properties: Ranging from HK$52,684 to HK$113,226 (2018: Ranging from HK$36,247 to HK$36,521) For car parking spaces: Ranging from HK$44,460 to HK$66,690 (2018: Ranging from HK$187,200 to HK$287,040)	The higher the market price per m^2, the higher the fair value
Residential under development (phase III) of Sheshan Project	Residual method The key inputs are:		
	(1) Estimated price per m^2	Ranging from HK$19,890 to HK$54,405 (estimated market price per m^2, has been taking into account location and other individual factors such as building age and building facilities) (2018: Ranging from HK$36,247 to HK$36,521)	The higher the market price per m^2, the higher the fair value
	(2) Estimated development costs	HK$799,204,770 (2018: HK$554,112,000)	The higher the project development cost, the lower the fair value
	(3) Capitalisation rate	5.50% (2018: 4.75%)	The higher the capitalisation rate, the lower the fair value
	(4) Expected developer's profit	15–20% (2018: 15%)	The higher the expected developer's profit, the lower the fair value

20. INTEREST IN AN ASSOCIATE

	2019 HK$'000	2018 HK$'000
Cost of investment in an associate	**52,682**	52,682
Share of post-acquisition losses and other comprehensive income	**(25,903)**	(11,242)
Exchange realignment	**(4,556)**	1,654
	22,223	43,094

Particulars of the Group's associate at the end of the reporting period are as follows:

Name	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Tengchong Zongheng Volcanic Tourism Development Company Limited ("**Tengchong Project**")	PRC	44%	Property development, property investment and provision of healthcare services

The Group obtained 44% equity interest in Tengchong Project on 22 December 2017, the shareholdings in which is held through a wholly-owned subsidiary of the Company.

Summarised financial information in respect of the Group's associate is set out below. The associate is accounted for using the equity method in the consolidated financial statements.

Tengchong Project	2019 HK$'000	2018 HK$'000
Current assets	**488,003**	374,086
Non-current assets	**1,087**	416
Current liabilities	**(438,582)**	(276,560)
Non-current liabilities	**–**	–
Net assets	**50,508**	97,942
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**44%**	44%
Group's share of net assets of an associate and carrying amount of the investment	**22,223**	43,094
Revenue	**–**	–
Loss for the year/period	**(33,320)**	(25,550)
Other comprehensive income	**(14,114)**	–
Total comprehensive income for the year/period	**(47,434)**	(25,550)
Dividend received	**–**	–

21. AVAILABLE-FOR-SALE INVESTMENTS

	2019 **HK$'000**	2018 HK$'000
Listed equity investments, at fair value	–	192

During the year ended 31 March 2018, the gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$2,165,000 of which HK$1,481,000 was reclassified from other comprehensive loss to the profit or loss for the year.

As of 1 January 2018, certain investment in listed equity investments were reclassified from available-for-sale financial assets to FVTPL. The investments are not held for trading, but the Group has nevertheless not elected to recognise fair value gains and losses through other comprehensive income. The carrying value of these equity investments approximated its fair value as at 1 April 2018. As a result, financial assets with carrying value of HK$192,000 were reclassified from available-for-sale financial assets to equity investments at FVTPL.

22. COMPLETED PROPERTIES HELD FOR SALE

The Group's completed properties held for sale are located in the PRC. All completed properties held for sale are stated at the lower of costs and net realisable value.

There was no write-down of the carrying value for the year ended 31 March 2019 in respect of completed properties held for sale in the PRC (2018: HK$20,531,000).

23. PROPERTIES UNDER DEVELOPMENT

	2019 **HK$'000**	2018 HK$'000
Properties under development, expected to be recovered:		
– Within one year	–	45,158

The Group's properties under development are located in the PRC and stated at the lower of cost and net realisable value.

24. TRADE AND RETENTION RECEIVABLES

	2019 **HK$'000**	2018 HK$'000
Trade receivables	**20,366**	24,712
Retention receivables *(Notes 2(a) and 31)*	**–**	17,697
	20,366	42,409

Trade receivables represented receivables from construction contracts for foundation piling business. Trade and retention receivables are past due if a counterparty failed to make a payment when contractually due and their credit period granted to customers is generally for a period of one month or otherwise the payment terms of contract work are stipulated in the related contract. The Group maintains strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and retention receivable balances. Trade and retention receivables are non-interest bearing.

As explained in Note 2(a), retention receivable of HK$9,636,000 was reclassified to contract assets (Note 31) on 1 April 2018 for adoption of HKFRS 15.

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

	2019 **HK$'000**	2018 HK$'000
Within 30 days	**4,546**	10,767
31 to 60 days	**159**	13,217
61 to 90 days	**14,651**	–
Over 90 days	**1,010**	728
	20,366	24,712
Retention receivables	**–**	17,697
	20,366	42,409

Further details on the Group's credit policy and credit risk arising from trade and retention receivables are set out in Note 47.

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	2019 HK$'000	2018 HK$'000
Deposits		**805**	1,252
Prepayments		**3,970**	124,486
Other receivables	(a)	**189,936**	31,225
		194,711	156,963
Less: Prepayments, deposits and other receivables expected to be recovered more than twelve months and classified as non-current assets	(b)	**(74,838)**	(120,788)
		119,873	36,175

Notes:

(a) Loan and interest receivables to an independent third party of HK$30,278,000 were included in other receivables (2018: HK$27,572,000) at 10% per annum and repayable within 12 months from the drawdown date. The Group does not hold any collateral or other credit enhancements over the loan receivable and have assessed the recoverability of the loan receivable with reference to the personal wealth and income sources of the borrower.

Apart from the loan and interest receivables, a deposit of HK$70,161,000 was pledged for the other borrowing (Note 32) during the year ended 31 March 2019.

(b) As at 31 March 2019, there were loans and interest receivables to three independent third parties of HK$74,838,000 (2018: Nil) at 4.75% per annum and repayable in April 2020 from the drawdown date. The Group does not hold any collateral or other credit enhancements over the loan receivable and has assessed the recoverability of the loan receivable with reference to the personal wealth and income sources of the borrowers.

Prepayments of HK$120,520,000 as at 31 March 2018 represented a prepaid construction cost to the Group's main constructor for healthcare holiday resort development under construction located in the PRC. The properties, upon completion, are for rental purpose and hence, it is classified a non-current assets.

None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default.

26. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 HK$'000	2018 HK$'000
Listed equity instruments, at market value	**6,304**	14,947
Analysed for reporting purpose as:		
Current assets *(Note a)*	**6,136**	14,947
Non-current assets *(Note b)*	**168**	–
	6,304	14,947

Notes:

(a) Certain equity instruments at 31 March 2019 and 2018 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

(b) The investments are not held for trading, but the Group has nevertheless not elected to recognise fair value gains and losses through other comprehensive income.

27. RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

	2019 HK$'000	2018 HK$'000
Cash and bank balances	**70,738**	311,496
Less: Restricted cash *(Note a)*	**(8,632)**	(101,111)
Cash and cash equivalents	**62,106**	210,385
Denominated in RMB *(Note b)*	**50,181**	253,094
Denominated in USD	**3,571**	–
Denominated in HK$	**16,986**	58,402
	70,738	311,496

Notes:

(a) Pursuant to relevant regulations in the PRC, the properties development company of the Group are required to place certain amounts of pre-sale proceeds received at the designated bank accounts as guarantee deposits for the construction of the related properties. As at 31 March 2019, such guarantee deposits amounted to HK$8,632,000 (2018: HK$101,111,000).

(b) The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for others currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rate based on daily bank deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

28. TRADE PAYABLES

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

	2019 **HK$'000**	2018 HK$'000
Within 30 days	**1,594**	10,166
31 to 60 days	**1,186**	3,193
61 to 90 days	**13,721**	23
Over 90 days	**23,903**	8,511
	40,404	21,893

29. OTHER PAYABLES AND ACCRUALS

	2019 **HK$'000**	2018 HK$'000
Accruals	**9,870**	12,133
Deposits received	**44,144**	86,740
Receipt in advance *(Notes 2(a) and 31)*	**–**	48,087
Other payables	**168,026**	37,306
	220,040	184,266

As explained in Note 2(a), deposit received and receipt in advance of HK$50,018,000 was reclassified to contract liabilities on 1 April 2018 for adoption of HKFRS 15.

30. AMOUNTS DUE TO RELATED COMPANIES

(a) The amount included a loan advanced from Excellent Speed Limited ("**Excellent Speed**") of HK$38,140,000 (2018: HK$49,456,000) and interest payables of HK$606,000 (2018: HK$3,704,000) as at 31 March 2019. Excellent Speed is beneficially owned as to 50% by Dr. Wong Sai Cheng, Albert ("**Dr. Albert Wong**") and as to 50% by Mr. Lam Wing Sum ("**Mr. WS Lam**"). Dr. Albert Wong and Mr. WS Lam are directors of a subsidiary of the Company and considered as key management personnel of the Group as at 31 March 2019 and 2018. The loan advanced from Excellent Speed is unsecured, bears interest at 5% per annum and repayable on demand.

During the year ended 31 March 2019, the finance costs charged to the Group for the amount due to Excellent Speed were HK$2,256,000 (2018: HK$2,473,000).

(b) The amounts of HK$120,460,000 (2018: HK$15,056,000) due to related companies controlled by Mr. Qiu Doug Fang ("**Mr. Qiu**"), the substantial shareholder of the Company, are unsecured, interest free and repayable on demand.

31. CONTRACT ASSETS AND LIABILITIES

	31 March 2019 HK$'000	1 April 2018 HK$'000 *(Note 2(a))*	31 March 2018 HK$'000
Contract assets arising from:			
Foundation piling	**3,930**	9,636	–
Contract liabilities arising from:			
Sales of properties	**(40,361)**	(48,087)	–
Provision of property management services	**(1,954)**	(1,931)	–
	(42,315)	(50,018)	–

The timing of revenue recognition, progress billings to customers and payments received from customers would affect the amount of trade receivables, contract assets and contract liabilities recognised as at the end of reporting period on the consolidated statements of the financial position.

Typical progress billings which impact on the amount of contract assets are as follows:

Foundation pilling

Contract assets represent the Group's right to consideration for work completed but not yet billed to customers at the end of the reporting period. The contract assets are transferred to trade receivables when the rights become unconditional, that is, when the Group issues progress billings to customers based on certified amount agreed with customers. All contract assets are expected to be recovered/settled within one year.

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables appropriately grouped by similar loss pattern. The calculation reflects the probability weighted outcome, the time value of money, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecast of future economic conditions. Further details on the Group's credit risk arising from contract assets are set out in Note 47.

Typical payment terms which impact on the amount of contract liabilities are as follows:

Sales of properties

Contract liabilities represent the receipt in advance from property sales. The Group normally receives certain percentage of the contract value as deposits from customer when they sign the sale and purchase agreement. The Group expects to deliver the properties to satisfy the obligations of these contract liabilities within one year or less.

Provision of property management service

Contract liabilities represent the property management fee received in advance from the customers. The Group expects to deliver the properties to satisfy the obligations of these contract liabilities within one year or less.

31. CONTRACT ASSETS AND LIABILITIES (continued)

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	HK$'000
Balance as at 1 April 2018 *(Note)*	50,018
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(45,923)
Increase in contract liabilities as a result of billing in advance, excluding those recognised as revenue in the current year	39,942
Exchange realignment	(1,722)
Balance as at 31 March 2019	42,315

Note:

The Group has initially applied HKFRs 15 using the cumulative effect method and adjusted the opening balance at 1 April 2018. Upon the adoption of HKFRs 15, amounts previously included as "Retention receivables" (Note 24) and "Deposit received and receipt in advance" (Note 29) have been reclassified to "contract assets" and "contract liabilities".

32. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2019			2018		
	Effective interest rate (%)	Maturity	HK$'000	Effective interest rate (%)	Maturity	HK$'000
Current						
Bank loans – unsecured *(Note (a))*			–	2.375–2.5	On demand	10,805
Bank loan – secured *(Note (b))*	4.75	Oct 2019	175,401	4.75	October 2018	76,714
Other loan – secured *(Note (c))*	12	Oct 2019	630,100	10	October 2018	787,001
			805,501			874,520
Non-current						
Bank loan – secured *(Note (b))*	4.75	Apr 2020	87,701	4.75	2019–2020	280,800
			893,202			1,155,320

Notes:

(a) As at 31 March 2018, personal guarantee was given by each of Dr. Albert Wong and Mr. WS Lam, for the Group's bank loans up to HK$69,800,000. The bank loans are denominated in HK$. All balance had been repaid during the year ended 31 March 2019.

(b) As at 31 March 2019, the Group's bank loan was secured by the Group's construction in progress and investment properties under construction with total carrying value of HK$2,134,471,000 (2018: HK$1,923,883,000); and personal guarantees given by each of Mr. Qiu and his spouse, Ms. Huang Jian; and corporate guarantees provided by the related companies controlled by Mr. Qiu. The bank loan is denominated in RMB.

(c) As at 31 March 2019, the Group's other loan was secured by the pledged shares of an associate and certain subsidiaries held by the Company, and pledged deposit of RMB60,000,000 (2018: shares of an associate and certain subsidiaries held by the Company). The other loan is denominated in United States dollars.

33. PROVISION FOR LONG SERVICE PAYMENTS

	2019 HK$'000	2018 HK$'000
At beginning of year	**841**	3,262
Write-back of provision	**(284)**	(1,326)
Amount utilised during the year	**(181)**	(1,095)
At end of year	**376**	841

Under the Hong Kong Employment Ordinance, the Group obligated to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of services, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations. The long service payments are paid out from the Group's cash at banks when such payments are required. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group at the end of each of the reporting period.

34. DEFERRED TAX LIABILITIES

The movements in deferred tax liabilities during the year are as follows:

	Fair value adjustments arising from acquisition of subsidiaries HK$'000	Depreciation allowance in excess of related depreciation HK$'000	Revaluation of investment properties under construction HK$'000	Total HK$'000
At 1 April 2017	91,760	4,920	–	96,680
Credited to the profit or loss *(Note 15)*	(49,750)	(2,339)	4,352	(47,737)
At 31 March 2018 and 1 April 2018	42,010	2,581	4,352	48,943
Credited to the profit or loss *(Note 15)*	**(29,227)**	**(701)**	**(4,352)**	**(34,280)**
At 31 March 2019	**12,783**	**1,880**	**–**	**14,663**

At the end of the reporting period, the Group has tax losses arising in Hong Kong of approximately HK$197,161,000 (2018: HK$154,700,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also had tax losses arising in the PRC of approximately HK$59,354,000 (2018: HK$29,258,000) that may be carried forward for five years from the financial year when the corresponding loss was incurred, which are available for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the tax losses, including the tax losses arising from the subsidiaries in Hong Kong and the PRC, as it is not probable that taxable profits will be available against which the tax losses can be utilised in the foreseeable future.

35. SHARE CAPITAL

	2019 Number of shares	2019 HK$'000	2018 Number of shares	2018 HK$'000
Authorised:				
Ordinary shares of HK$0.025 each	**16,000,000,000**	**400,000**	16,000,000,000	400,000

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

	Number of shares in issue	Share capital HK$'000	Share premium account HK$'000	Total HK$'000
Issued and fully paid:				
At 1 April 2017	6,474,000,000	161,850	895,993	1,057,843
Issue of new shares *(Note)*	2,600,000,000	65,000	455,000	520,000
At 31 March 2018 and 2019	**9,074,000,000**	**226,850**	**1,350,993**	**1,577,843**

Note:

On 30 September 2016, the Company entered into a subscription agreement with Liyao Investment Limited ("**Subscriber**"), pursuant to which the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue, a total of 2,600,000,000 ordinary share of the Company ("**Subscription Shares**") at issue price of HK$0.20 per Subscription Share for an aggregate amount of HK$520,000,000. Details of which are set out in the Company's circular dated 26 January 2017 and announcement dated 19 April 2017.

36. SHARE OPTION SCHEME

The Company's share option scheme ("**Scheme**") was adopted pursuant to a resolution passed on 22 September 2013 to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the Directors may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), Directors, consultants or advisor of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the Directors from time to time on the basis of the Directors' opinion as to their contribution to the development and growth of the Group.

36. SHARE OPTION SCHEME (continued)

Under the Scheme, the maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue upon the date of which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. Subject to the approval of the Company's shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme in any 12-month period up to date of grant must not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approval by the independent non-executive directors of the Company (excluding independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates would result in the total number of shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million must be approved in advance by the Company's shareholders.

The offer of a grant of share options might be accepted in writing within 7 days from the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

The subscription price shall be a price solely determined by the Directors and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's share on the date of grant of the option.

The Scheme shall be valid and effective for a period of ten years commencing on 22 September 2013, subject to early termination provisions contained in the Scheme.

No share options were granted, exercised, cancelled or lapsed under the Scheme during the year nor outstanding at the end of the reporting period.

37. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

38. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2019	2018
Percentage of equity interest held by non-controlling interests		
Pearl Swirls Limited and its subsidiary ("**PS Group**")	**49%**	49%
Anway and its subsidiaries ("**Anway Group**")	**32%**	32%

	2019 **HK$'000**	2018 HK$'000
Loss for the year allocated to non-controlling interests:		
PS Group	**(5,856)**	(10,518)
Anway Group	**(17,897)**	2,626
Accumulated balances of non-controlling interests at the reporting date:		
PS Group	**18,605**	40,142
Anway Group	**535,651**	569,834

The following tables illustrate the summarised financial information of PS Group and Anway Group. The amounts disclosed are before any inter-company eliminations:

	PS Group HK$000	Anway Group HK$000	**2019 Total** **HK$000**	2018 Total HK$'000
Revenue	81,817	–	**81,817**	250,682
Other income and gains, net	36,668	130	**36,798**	(263,943)
Total expenses	(98,436)	(56,058)	**(154,494)**	(263,943)
Loss for the year	(11,951)	(55,928)	**(67,879)**	(13,261)
Total comprehensive income for the year	(11,951)	(106,822)	**(118,773)**	141,621
Current assets	47,699	5,437	**53,136**	348,741
Non-current assets	311	1,986,395	**1,986,706**	2,069,551
Current liabilities	(7,784)	(230,222)	**(238,006)**	(267,063)
Non-current liabilities	(2,256)	(87,701)	**(89,957)**	(288,574)
Net cash flows (used in)/generated from operating activities	(12,519)	42,368	**29,849**	56,560
Net cash flow used in investing activities	(8,056)	(305,013)	**(313,069)**	(248,251)
Net cash flows (used in)/generated from financing activities	(10,805)	263,102	**252,297**	119,917
Net increase/(decrease) in cash and cash equivalents	(31,380)	457	**(30,923)**	(71,774)

39. ACQUISITION OF ASSETS AND LIABILITIES

On 30 September 2016, the Group entered into a sale and purchase agreement with Boill International Co., Limited for acquisition of 68% interest in Anway Group at the consideration of HK$1,100,000,000. The acquisition has been completed on 19 April 2017. At the time of acquisition, the major assets held by Anway Group consisted of investment properties under construction. In the opinion of the Directors, the acquisition of Anway Group does not constitute a business combination but an acquisition of assets and liabilities. The assets and liabilities of Anway Group acquired at the date of acquisition were as follows:

	Note	HK$'000
Net assets acquired:		
Property, plant and equipment	18	544
Investment properties under construction	19	1,643,166
Prepayment, deposits and other receivables		52,875
Due from a related company		311,705
Cash and bank balances		529
Trade payables		(1,530)
Other payables and accruals		(50,959)
Due to related companies		(338,683)
Due to shareholders		(781,383)
Total identifiable net assets acquired		836,264
Shareholder's loan assigned		781,383
Non-controlling interest		(517,647)
		1,100,000
Satisfied by:		
Cash		860,000
Other borrowings		240,000
		1,100,000

Analysis of cash flows in respect of acquisition of Anway Group is as follows:

	HK$'000
Cash and bank balances	529
Cash paid	(860,000)
Net outflow of cash and cash equivalents	(859,471)

40. DISPOSAL OF SUBSIDIARIES

As disclosed in Note 12 to the consolidated financial statements, the Group disposed of its equity interest in Pride Review Group on 17 July 2017, and the assets and liabilities disposed of at the disposal date were as below:

	Note	HK$'000
Net assets disposed of:		
Property, plant and equipment	18	1,403
Inventories		277
Trade and other receivables		8,655
Tax recoverable		77
Cash and bank balances		5,739
Trade and other payables		(431)
Due to the immediate holding company		(10,676)
Tax payable		(770)
		4,274
Goodwill acquired through business combination		17,336
Due to the immediate holding company assigned		10,676
Loss on disposal of the Pride Review Group		(2,286)
		30,000
Satisfied by cash:		
Cash		30,000

Analysis of cash flows in respect of disposal of Pride Review Group is as follows:

	HK$'000
Cash consideration	30,000
Cash and bank balances disposed of	(5,739)
Net inflow of cash and cash equivalents	24,261

41. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Change in liabilities arising financing activities

	Amounts due to related companies HK$'000	Interest-bearing bank and other borrowings HK$'000
At 1 April 2017	50,687	802,310
Changes from financing cash flows	(323,628)	110,245
Acquisition of assets and liabilities	338,683	240,000
Interest expenses	2,473	91,395
Interest paid	–	(91,395)
Exchange realignment	1	2,765
At 31 March 2018 and 1 April 2018	68,216	1,155,320
Changes from financing cash flows	91,936	(231,800)
Interest expenses	2,256	84,085
Interest paid	(5,356)	(89,569)
Exchange realignment	2,154	(24,834)
At 31 March 2019	159,206	893,202

42. COMMITMENTS

(a) Operating lease arrangements

The Group lease certain of office properties and staff quarters and are negotiated for terms ranging from one to three years (2018: one to three years).

At 31 March 2019, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2019 HK$'000	2018 HK$'000
Within one year	**1,444**	3,278
In the second to fifth years, inclusive	**–**	1,557
	1,444	4,835

42. COMMITMENTS (continued)

(b) Other commitments

The Group has the following commitments at the end of the reporting period:

	2019 HK$'000	2018 HK$'000
Capital commitments:		
Contracted, but not provided for:		
Investment properties under construction	–	334,034
Other commitments:		
Development cost for properties under development for sale	–	1,076
	–	335,110

43. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group entered into the following material transactions with related parties during the years ended 31 March 2019 and 2018.

(a) Compensation of key management personnel of the Group

	2019 HK$'000	2018 HK$'000
Short-term employee benefits	**3,627**	3,368

Further details of Directors' remuneration are included in Note 13 to the consolidated financial statements.

(b) On 20 September 2017, the outstanding amount of HK$297,229,000 together with interest receivable of HK$36,714,000 due from a related company, Shanghai Shenbiao Building Construction Company Limited ("**Shenbiao**") was fully repaid. Shenbiao is controlled by the brother of Mr. Qiu. The advance amount to Shenbiao was charged at an interest rate of 12% per annum and the accrued interest for the amounted to HK$13,534,000 was included in the other income and gains/(losses), net, on the face of the consolidated statement of profit or loss and other comprehensive income.

(c) The purchase of HK$958,000 was made from 上海錦臻盛國際貿易有限公司, a company of which controlled by Mr. Qiu during the year ended 31 March 2018. The Directors considered that the purchase of construction materials was charged in accordance with terms mutually agreed between the respective parties.

44. SUBSIDIARIES

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company 2019	2018	Principal activities
Ngai Shun Construction & Drilling Company Limited	Hong Kong	HK$10,000,000	**51%**	51%	Foundation piling in Hong Kong
Shanghai Jinshenlong Land Company Limited	PRC	RMB652,575,078	**68%**	68%	Healthcare holiday resort development and operation business in PRC
Starry Focus Limited	Hong Kong	HK$1	**100%**	100%	Investment securities in Hong Kong
Turbo Leader (Hong Kong) Limited	Hong Kong	HK$1	**100%**	100%	Investment holding in Hong Kong
Yueyang Nanhu Meishu Properties Limited	PRC	RMB106,000,000 (2018: RMB306,000,000)	**100%**	100%	Property development in PRC
Yueyang Shi Feng Lan Property Management Service Limited	PRC	RMB500,000	**100%**	100%	Property management in PRC

The above table lists the subsidiaries of the Company, which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

45. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

At 31 March 2019

Financial assets	Financial assets at fair value through profit or loss HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000
Equity investment at fair value through profit or loss (non-current portion)	168	–	168
Trade receivables	–	20,366	20,366
Financial assets included in prepayment, deposits and other receivables	–	190,741	190,741
Equity investment at fair value through profit or loss (current portion)	6,136	–	6,136
Restricted cash	–	8,632	8,632
Cash and cash equivalents	–	62,106	62,106
	6,304	281,845	288,149

Financial liabilities	Financial liabilities at amortised cost HK$'000	Total HK$'000
Trade payables	40,404	40,404
Financial liabilities included in other payables and accruals	177,896	177,896
Due to related companies	159,206	159,206
Due to a director	270	270
Interest-bearing bank and other borrowings	893,202	893,202
	1,270,978	1,270,978

45. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

At 31 March 2018

Financial assets	Financial assets at fair value through profit or loss HK$000	Loans and receivables HK$000	Available-for-sale financial assets HK$000	Total HK$'000
Available-for-sale investments	–	–	192	192
Trade and retention receivables	–	42,409	–	42,409
Financial assets included in prepayment, deposits and other receivables	–	32,477	–	32,477
Equity investments at fair value through profit or loss	14,947	–	–	14,947
Restricted cash	–	101,111	–	101,111
Cash and cash equivalents	–	210,385	–	210,385
	14,947	386,382	192	401,521

Financial liabilities	Financial liabilities at amortised cost HK$000	Total HK$'000
Trade payables	21,893	21,893
Financial liabilities included in other payables and accruals	37,306	37,306
Due to a relate company	68,216	68,216
Interest-bearing bank and other borrowings	1,155,320	1,155,320
	1,282,735	1,282,735

46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the Directors and the Audit Committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Directors. The valuation process and results are discussed with the Audit Committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair value of equity investments are based on quoted market price.

46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial assets measured at fair value on recurring basis:

	Fair value measurement using			
As at 31 March 2019	**Quoted prices in active markets (Level 1) HK$'000**	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Equity investments at fair value through profit or loss	**6,304**	**–**	**–**	**6,304**
	6,304	**–**	**–**	**6,304**

	Fair value measurement using			
As at 31 March 2018	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Available-for-sale investments:				
Equity investments	192	–	–	192
Equity investments at fair value through profit or loss	14,947	–	–	14,947
	15,139	–	–	15,139

The Group did not have any financial liabilities measured at fair value as at 31 March 2019 and 31 March 2018.

During the years ended 31 March 2019 and 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Management has assessed that the fair values of financial assets and financial liabilities recorded at amortised cost and considered their carrying amounts approximate their fair values largely due to the short term maturities of these instruments.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted cash and interest-bearing bank and other borrowings. The main purpose of these financial instruments is used to raise finance for the Group's operations and investments. The Group has various other financial assets and liabilities such as trade and retention receivables, amounts due to related companies, deposits and other receivables, trade and other payables, which arise directly from its operations.

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

Interest rate risk

The Group cash flow interest rate risk primarily relates to its variable-rate bank balances and unsecured bank borrowings. In addition, the Group also expose to fair value interest rate risk relates to fixed interest rate other borrowings, secured bank loan and certain loan advanced from related parties.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances and bank borrowings. The analysis is prepared assuming the amount of bank balances and bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis points (2018: 10 basis points) increase is used for bank balances and a 100 basis points (2018: 100 basis points) increase or decrease is used for bank borrowings, which represents management's assessment of reasonably possible changes in interest rates.

For variable-rate bank balances, if the interest rate increase by 10 basis points (2018: 10 basis points) and all other variables were held constant, the post-tax loss for the year will decrease by approximately HK$51,859 (2018: HK$311,000). No sensitivity for the decrease in interest rate is performed as the Directors considered the existing interest rate level for bank balances is so low that close to zero and the financial impact would not be material.

For bank borrowings, if interest rate increases/decreases by 100 basis points (2018: 100 basis points) and all other variables were held constant; the post-tax loss for the year will increase/decrease by approximately HK$2,197,000 (2018: HK$108,000).

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments classified as equity instrument at fair value through profit or loss (Note 26) as at 31 March 2019 (31 March 2018: Equity instrument at fair value through profit or loss and available-for-sale investment(s). The Group's listed investments are listed on the Stock Exchange and are valued at quoted market prices at the end of the reporting period.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk (continued)

The following table demonstrates the sensitivity to every 5% (2018: 5%) increase in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis in 2018, for the available-for-sale equity investments, the impact is deemed to be on the revaluation reserve and no account is given for factors such as impairment which might impact the profit or loss.

	Carrying amount of equity instruments HK$'000	**Increase/ (decrease) in loss before tax HK$'000**	**Increase/ (decrease) in equity HK$'000**
2019			
Equity investments at fair value through profit or loss	**6,304**	**(315)**	**–**
	6,304	**(315)**	**–**

	Carrying amount of equity instruments HK$'000	Increase/ (decrease) in loss before tax HK$'000	Increase/ (decrease) in equity HK$'000
2018			
Investments listed in Hong Kong			
Available-for-sale	192	–	10
Held-for-trading	14,947	(747)	–
	15,139	(747)	10

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

Substantially all the transactions of the Company's subsidiaries in Hong Kong are carried out in HK$. The expenses or expenditures incurred in the operations of the Group's subsidiaries in the PRC were denominated in RMB.

As at 31 March 2019, the carrying amounts of significant monetary assets and monetary liabilities denominated in foreign currencies are as follows:

	2019 **HK$'000**	2018 HK$'000
Liabilities		
United States Dollars	**630,100**	787,001

The following table details the sensitivity to a 5% (2018: 5%) increase and decrease in the relevant foreign currency and all other variables were held constant. 5% is the sensitivity rate used which represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2018: 5%) change in foreign currency rate. A positive (negative) number below indicates a decrease (increase) in post-tax loss for the year where functional currency entities strengthen 5% (2018: 5%) against foreign currency. For a 5% (2018: 5%) weakening of functional currency of respective group entities against foreign currency, there would be an equal and opposite impact on the result for the year.

	2019 **HK$000**	2018 HK$'000
USD	**31,505**	39,350

Credit risk

As at 31 March 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its trade receivables, contract assets, deposit and other receivables, restricted cash, cash and cash equivalent. The amounts presented in the consolidated statement of financial position are net of allowances for credit losses, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

There was one customer (2018: two customers) which individually contributed over 10% of the Group's trade and retention receivables. The aggregate amount of trade and retention receivables from this customers amounted to 80% (2018: 88%) of the Group's total trade and retention receivables.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

The Group always recognises lifetime ECLs for trade receivables and contract assets without significant financing component. The ECLs on these assets are assessed collectively using a provision matrix with appropriate groupings.

For the other debt financial assets, the Group measures the loss allowance equal to 12-month ECLs, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECLs. The assessment of whether lifetime ECLs should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default and credit impaired financial assets

Irrespective of the above, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Definition of default and credit impaired financial assets (continued)

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- significant financial difficulty of the debtors;
- a breach of contract, such as a default or past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganization.

Trade receivables and contract assets

In respect of trade receivables and contract assets from foundation piling segment, these evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of the customers. The Group does not obtain collateral from customers.

Given (i) the customers of the Group are mainly well-known constructors and there was no history of default in prior years, the Directors considered the default rate of financial assets is minimal, (ii) no adverse change in the business environment is anticipated, management considered that ECLs rates of constructors for the amounts past due over 1 months and 3 months are immaterial, respectively. Therefore, no provision for impairment of trade and retention receivables as at 1 April 2018 and 31 March 2019.

Prior to 1 April 2018, an impairment loss was recognised only when there was objective evidence of impairment (see Note 4(h)B(ii)). At 31 March 2018, the ageing analysis of trade and retention receivables that were not considered to be impaired was as follows:

	HK$'000
Neither past due nor impaired	22,905
Less than 1 month past due	13,217
1 to 2 months past due	–
Over 2 months past due	6,287
	42,409

Receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to several independent customers that have a good track record with the Group.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Definition of default and credit impaired financial assets (continued)

Deposits and other receivables

The management assessed the ECLs for deposits and other receivables are not material when they do not have default history and the debtors has a strong capacity to meet its contractual cash flow obligations in the near term.

Restricted cash and cash and cash equivalents

In respect of cash deposited with banks and financial institutions, the credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. There has been no recent history of default in relation to these financial institutions. The ECLs of bank balances and cash is close to zero.

Maximum exposure

The credit risk of the Group's other financial assets, which comprised of deposit, other receivables, restricted cash, cash and cash equivalents, arises from default of the counterparties were with a maximum exposure equal to the carrying amounts of these financial instruments as detailed in the respective notes to the consolidated financial statements.

Liquidity risk

The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations. The Group aims to maintain flexibility in funding by keeping committed credit lines available and sufficient bank deposits to meet its short-term cash requirements. The Group's liquidity risk management includes diversifying the funding sources.

At 31 March 2019, the Group had net current liabilities of HK$938,780,000. Having taken into account (i) the Group has obtained loan credit facilities from an independent third party and connected persons in aggregate of RMB900,000,000 for a period of at least twelve months from the end of the report period subsequent to 31 March 2019 for financing the Group's working capital; and (ii) sales proceeds from the Group's property development segment, the Directors are satisfied that the Group will have sufficient working capital for its present requirements.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

At 31 March 2019	**Within 1 year or on demand HK$'000**	**More than 1 year but less than 2 years HK$'000**	**More than 2 years but less than 5 years HK$'000**	**More than 5 years HK$'000**	**Total Contractual amount HK$'000**	**Carrying amount HK$'000**
Trade payables	**40,404**	**–**	**–**	**–**	**40,404**	**40,404**
Other payables	**177,896**	**–**	**–**	**–**	**177,896**	**177,896**
Due to related companies	**159,206**	**–**	**–**	**–**	**159,206**	**159,206**
Due to a director	**270**	**–**	**–**	**–**	**270**	**270**
Interest-bearing bank and other borrowings	**849,917**	**87,872**	**–**	**–**	**937,789**	**893,202**
	1,227,693	**87,872**	**–**	**–**	**1,315,565**	**1,270,978**

At 31 March 2018	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	More than 5 years HK$'000	Total Contractual amount HK$'000	Carrying amount HK$'000
Trade payables	21,893	–	–	–	21,893	21,893
Other payables	37,306	–	–	–	37,306	37,306
Due to a related company	68,216	–	–	–	68,216	68,216
Interest-bearing bank and other borrowings	922,584	300,807	–	–	1,223,391	1,155,320
	1,049,999	300,807	–	–	1,350,806	1,282,735

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of debt balance and equity balance. Debt balance consists of interest-bearing bank and other borrowings and amount due to a related company. Equity balance consists of equity attributable to owners of the Company, comprising issued capital and reserves.

The Directors review the capital structure on an on-going annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure and take appropriate actions to adjust the Group's capital structure.

The Group monitors capital on the basis of debt over EBITDA. Debt is calculated as total borrowings including 'current and non-current borrowings' as shown in the consolidated statement of financial position. EBITDA is determined as loss before income tax from continuing operations before finance income, finance cost, depreciation and amortisation.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital risk management (continued)

The debt to equity ratios as at March 31, 2019 and 2018 were as follows:

	2019 **HK$'000**	2018 HK$'000
Debt *(Note (i))*	**931,948**	1,208,480
Cash and cash equivalents	**62,106**	210,385
Net debt	**869,842**	998,095
Equity *(Note (ii))*	**637,300**	912,510
Net debt-to-equity ratio	**1.36**	1.1

Notes:

(i) Debt comprised borrowings as detailed in Note 30(a) and Note 32.

(ii) Equity includes all capital and reserves attributable to owners of the Company.

48. CONTINGENT LIABILITIES

Pending litigation

As at 31 March 2019, there were two outstanding cases for compensation and personal injuries claims, against the Group by the employee of the subcontractors and the employee of the Group. The claims were related to the employee of the subcontractors and the employee of the Group who alleged to have suffered from bodily injuries during their course of work and employment in the Group's construction sites. The claims are dealt with and handled by the insurers and are covered by mandatory insurance. The Directors assessed the cases and believed that there would not be a material impact to the financial position of the Group. No provision has been made for the cases in the consolidated financial statements.

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of reporting period is as follows:

	2019 **HK$'000**	2018 HK$'000 *(restated)*
NON-CURRENT ASSETS		
Property, plant and equipment	**58**	83
Interests in subsidiaries	**1,201,763**	1,461,352
Rental deposit	**–**	268
Total non-current assets	**1,201,821**	1,461,703
CURRENT ASSETS		
Prepayments, deposits and other receivables	**1,085**	646
Equity investments at fair value through profit or loss	**6,136**	14,789
Cash and cash equivalents	**3,713**	13,443
Total current assets	**10,934**	28,878
CURRENT LIABILITIES		
Other payables and accruals	**2,279**	2,302
Due to a related company	**38,746**	53,160
Interest-bearing other borrowings	**630,099**	787,001
Total current liabilities	**671,124**	842,463
NET CURRENT LIABILITIES	**(660,190)**	(813,585)
NET ASSETS	**541,631**	648,118
EQUITY		
Share capital *(Note 35)*	**226,850**	226,850
Reserves *(Note)*	**314,781**	421,268
Total equity	**541,631**	648,118

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium HK$'000	Special reserves* HK$'000	Exchange fluctuation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2017	895,993	93,267	–	(650,477)	338,783
Loss for the year and total comprehensive loss for the year	–	–	–	(372,515)	(372,515)
Issue of rights share *(Note 35)*	455,000	–	–	–	455,000
Exchange differences on translation	–	–	75,052	(75,052)	–
At 31 March 2018	**1,350,993**	**93,267**	**75,052**	**(1,098,044)**	**421,268**
Loss for the year and total comprehensive expense for the year	**–**	**–**	**–**	**(106,487)**	**(106,487)**
At 31 March 2019	**1,350,993**	**93,267**	**75,052**	**(1,204,531)**	**314,781**

* The special reserve represents the difference between the fair value of the shares of Pearl Swirls Limited acquired pursuant to the reorganisation in September 2013 over the nominal value of the Company's share issued in exchange therefore.

50. PRIOR YEAR ADJUSTMENTS

(a) Recognition of income tax expense

In preparation of the consolidated financial statements for the year ended 31 March 2019, the management has discovered errors in the Group's consolidated financial statements for the years ended 31 March 2017 and 2018. Such errors were related to the calculation of income tax expenses of a wholly-owned subsidiary of the Company, which engages in property development in the PRC.

The income tax expenses of the subsidiary were understated by HK$26,439,000 and HK$8,515,000 in the consolidated financial statements for the years ended 31 March 2018 and 2017 respectively as the provisions of the income tax expense were not estimated in accordance with the relevant rules and regulations related to Enterprise income tax in the PRC.

Also, the exchange gain arising on translation to the presentation currency of the Group was overstated by HK$1,354,000 for the year ended 31 March 2018.

(b) Reclassification

Certain comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated as follows:

– Reclassification of write-down of completed properties held for sales to net realisable value of HK$20,531,000 and write-down of properties under development to net realisable value of HK$2,026,000 from cost of sales and those amounts are presented on their own.

50. PRIOR YEAR ADJUSTMENTS (continued)

Impact on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2018:

	As previously reported HK$'000	Prior year adjustments HK$'000	As restated HK$'000
CONTINUING OPERATIONS			
Cost of sales	(846,758)	22,557	(824,201)
Write-down of completed properties held for sales net realised value	–	(20,531)	(20,531)
Write-down of properties under development to net realisable value	–	(2,026)	(2,026)
LOSS BEFORE TAX	(231,264)	–	(231,264)
Income tax credit/(expense)	35,647	(26,439)	9,208
Profit for the year from a discontinued operation	389	–	389
LOSS FOR THE YEAR	(195,228)	(26,439)	(221,667)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences arising on translation to presentation currency	165,244	(1,354)	163,890
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	163,079	(1,354)	161,725
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(32,149)	(27,793)	(59,942)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company			
From continuing operations	(187,725)	(26,439)	(214,164)
From discontinued operation	389	–	389
Non-controlling interests	(7,892)	–	(7,892)
	(195,228)	(26,439)	(221,667)
Total comprehensive income for the year attributable to:			
Owners of the Company:			
– from continuing operations	(74,207)	(27,793)	(102,000)
– from discontinued operation	389	–	389
Non-controlling interests	41,669	–	41,669
	(32,149)	(27,793)	(59,942)
Basic and diluted loss per share (HK cents)			
– For loss from continuing and discontinuing operations	2.09	0.30	2.39
– For loss from continuing operations	2.12	0.27	2.39

50. PRIOR YEAR ADJUSTMENTS (continued)

Impact on the consolidated statement of financial position as at 31 March 2018:

	As previously reported HK$'000	Prior year adjustments HK$'000	As restated HK$'000
CURRENT ASSETS			
Tax recoverable	36,659	(36,308)	351
Total current assets	925,772	(36,308)	889,464
TOTAL ASSETS LESS CURRENT LIABILITIES	1,889,378	(36,308)	1,853,070
Net assets	1,558,794	(36,308)	1,522,486
Total equity	1,558,794	(36,308)	1,522,486

Impact on the consolidated statement of financial position as at 1 April 2017:

	As previously reported HK$'000	Prior year adjustments HK$'000	As restated HK$'000
CURRENT ASSETS			
Tax recoverable	16,568	(8,515)	8,053
Total current assets	1,717,021	(8,515)	1,708,506
TOTAL ASSETS LESS CURRENT LIABILITIES	653,238	(8,515)	644,723
Net assets	553,296	(8,515)	544,781
Total equity	553,296	(8,515)	544,781

Particulars of Properties Held by the Group

Year ended 31 March 2019

INVESTMENT PROPERTIES UNDER DEVELOPMENT

Property	Location	Use	Approximate site area Sq.m	Projected gross floor area Sq.m	Attributable interest of the Group
Fu Chun Sheshan Project	No.1 Sheyuan Road, Sheshan Town, Songjiang District, Shanghai, PRC	Lodging, food and beverage use	150,602	79,457	68%

The construction works of Phase 1 and 2 have been completed and Phase 3 is scheduled in October 2019.

COMPLETED PROPERTIES HELD FOR SALE

Property	Location	Use	Site area Sq.m	Gross floor area Sq.m	Attributable interest of the Group
The Tangxi Villas	Nan Hu Feng Jing District, Yueyang City, Hunan Province, PRC	Commercial services and residential uses	12,320	8,772	100%

Five Years Financial Summary

RESULTS	For the year ended 31 March 2019 HK$'000	2018 HK$'000 *(Restated)*	2017 HK$'000 *(Restated)*	2016 HK$'000	2015 HK$'000
Continuing operations					
Revenue	419,762	738,147	487,119	532,194	558,150
Cost of sales	430,208	(824,201)	(676,104)	(480,404)	(408,371)
Gross (loss)/profit	(10,446)	(86,054)	(188,985)	51,790	149,779
Write-down completed properties held for sales to net realisable value	–	(20,531)	–	–	–
Write-down of properties under development to net realisable value	–	(2,026)	–	–	–
Other income and gains/(losses), net	(15,212)	45,275	7,409	13,148	22,755
Selling and distribution expenses	(12,718)	(22,063)	(7,141)	(2,251)	–
Administrative expenses	(80,006)	(106,348)	(81,616)	(88,508)	(61,155)
Share of result of a joint venture	(14,661)	(11,242)	–	–	–
Operating (loss)/profit	(133,043)	(202,989)	(270,333)	(25,821)	111,379
Gains/(losses) on equity investments	(8,725)	65,593	(193,633)	(103,184)	(3,497)
Finance Costs	(84,085)	(93,868)	(127,891)	(71,176)	(1,186)
(Loss)/profit before tax	(225,853)	(231,264)	(591,857)	(200,181)	106,696
Income tax credit/(expenses)	1,986	9,208	10,076	6,788	(16,134)
(Loss)/profit for the year from continuing operations	223,867	(222,056)	(581,781)	(193,393)	90,562
Discontinued operation					
Profit for the year from a discontinued operation	–	389	1,054	–	–
(Loss)/profit attributable to owners of the Company	223,867	(221,667)	(580,727)	(193,393)	90,562

RESULTS	As at 31 March 2019 HK$'000	2018 HK$'000 *(Restated)*	2017 HK$'000 *(Restated)*	2016 HK$'000	2015 HK$'000
ASSETS AND LIABILITIES					
Total assets	2,572,154	3,002,813	1,786,933	1,916,771	544,771
Total liabilities	(1,380,598)	(1,480,327)	(1,242,152)	(1,727,732)	(223,347)
Net assets	1,191,556	1,522,486	544,781	189,039	321,424
Equity attributable to owners of the Company	637,300	912,510	494,121	189,039	321,424