WANG ON GROUP LIMITED
(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 1222)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

ANNUAL FINANCIAL HIGHLIGHTS

	FY2021	FY2020 (restated)	**YoY change**
Revenue *(HK$'million)*	**1,894**	3,441	-45.0%
Gross profit *(HK$'million)*	**758**	1,611	-52.9%
Net profit attributable to shareholders *(HK$'million)*	**124**	475	-73.9%
EPS *(HK cents)*			
Basic and diluted	**0.77**	2.77	-72.2%
	As at 31.3.2021	As at 31.3.2020 (restated)	
Total net asset value *(HK$'million)*	**9,969**	9,684	+2.9%
NAV per share *(HK$)*	**0.60**	0.56	+7.1%
Gearing ratio	**54.6%**	47.7%	+6.9%
Total cash and bank balances *(HK$'million)*	**1,730**	1,584	+9.2%

* *For identification purpose only*

RESULTS

The board of directors (the "**Board**" or the "**Directors**") of Wang On Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2021, together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2021

	Notes	2021 *HK$'000*	2020 *HK$'000* (Restated)
REVENUE			
Revenue from contracts with customers	*5*	**1,310,387**	2,978,116
Interest income from treasury operation	*5*	**175,234**	224,837
Revenue from other sources	*5*	**407,964**	237,770
Total revenue		**1,893,585**	3,440,723
Cost of sales		**(1,135,644)**	(1,829,735)
Gross profit		**757,941**	1,610,988
Other income and gains, net	*5*	**186,629**	825,624
Selling and distribution expenses		**(234,372)**	(456,313)
Administrative expenses		**(480,440)**	(435,915)
Impairment losses of financial assets, net	*6*	**(25,919)**	(70,328)
Other expenses		**(44,182)**	(117,736)
Finance costs	*7*	**(249,532)**	(225,252)
Fair value losses on financial instruments at fair value through profit or loss, net		**(32,595)**	(49,826)
Fair value losses on owned investment properties, net		**(95,391)**	(181,148)
Write-down of properties held of sale		**(139,829)**	(9,663)
Share of profits and losses of:			
Joint ventures		**594,798**	28,080
Associates		**4,654**	11,859
PROFIT BEFORE TAX	*6*	**241,762**	930,370
Income tax expense	*8*	**(139,964)**	(146,117)
PROFIT FOR THE YEAR		**101,798**	784,253

	2021	2020
	HK$'000	*HK$'000*
		(Restated)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**54,577**	(96,997)
Reclassification adjustments for (gains)/losses included in profit or loss:		
— (reversal of impairment losses)/impairment losses, net	**(6,972)**	52,746
— gain on disposal/redemption, net	**(365)**	(117,930)
	(7,337)	(65,184)
Exchange differences on translation of foreign operations	**286,739**	(83,845)
Other reserves:		
Share of other comprehensive income/(loss) of joint ventures	**9,337**	(10,786)
Share of other comprehensive income/(loss) of associates	**9,978**	(13,093)
Release of other reserve upon disposal of an associate	**19,378**	—
	38,693	(23,879)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**372,672**	(269,905)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	**102,003**	(87,057)
Deferred tax	**—**	9,977
	102,003	(77,080)
Share of other comprehensive loss of an associate	**(869)**	(6,331)
Fair value adjustment upon transfer from owner-occupied property to investment property, net of tax	**58,683**	—
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**159,817**	(83,411)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	**532,489**	(353,316)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**634,287**	430,937

	Note	2021	2020
		HK$'000	*HK$'000*
			(Restated)
Profit/(loss) attributable to:			
Owners of the parent		**123,884**	474,860
Non-controlling interests		**(22,086)**	309,393
		101,798	784,253
Total comprehensive income attributable to:			
Owners of the parent		**411,512**	216,530
Non-controlling interests		**222,775**	214,407
		634,287	430,937
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		(Restated)
Basic and diluted		**HK0.77 cents**	HK2.77 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2021

	Notes	2021 HK$'000	2020 HK$'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,313,246**	1,373,298
Investment properties		**4,588,305**	4,609,816
Properties under development		**1,594,960**	1,475,902
Investments in joint ventures		**2,324,842**	1,976,654
Investments in associates		**2,832**	69,903
Financial assets at fair value through other comprehensive income		**444,298**	1,096,016
Financial assets at fair value through profit or loss		**119,115**	111,178
Loans and interest receivables	*12*	**31,553**	11,336
Prepayments, other receivables and other assets		**319,648**	476,273
Deferred tax assets		**9,337**	4,607
Total non-current assets		**10,748,136**	11,204,983
CURRENT ASSETS			
Properties under development		**3,394,705**	2,298,232
Properties held for sale		**2,351,266**	2,432,770
Inventories		**162,670**	155,061
Trade receivables	*11*	**71,208**	88,773
Loan and interests receivables	*12*	**571,362**	508,523
Prepayments, other receivables and other assets		**510,678**	289,358
Cost of obtaining contracts		**68,022**	47,852
Financial assets at fair value through other comprehensive income		**398,892**	186,640
Financial assets at fair value through profit or loss		**342,714**	203,404
Tax recoverable		**41,060**	29,381
Restricted bank balances		**22,302**	8,157
Cash and cash equivalents		**1,707,994**	1,575,810
		9,642,873	7,823,961
Assets classified as held for sale		**54,900**	59,900
Total current assets		**9,697,773**	7,883,861

	Note	2021 *HK$'000*	2020 *HK$'000* (Restated)
CURRENT LIABILITIES			
Trade payables	*13*	**104,883**	100,146
Other payables and accruals		**1,077,081**	791,977
Contract liabilities		**598,078**	569,785
Financial liabilities at fair value through profit or loss		**5,392**	5,022
Interest-bearing bank and other borrowings		**3,269,339**	2,656,906
Convertible notes		**131,901**	—
Tax payable		**256,868**	355,767
Total current liabilities		**5,443,542**	4,479,603
NET CURRENT ASSETS		**4,254,231**	3,404,258
TOTAL ASSETS LESS CURRENT LIABILITIES		**15,002,367**	14,609,241
NON-CURRENT LIABILITIES			
Unsecured notes		**199,348**	181,220
Interest-bearing bank and other borrowings		**3,571,441**	3,117,103
Financial liabilities at fair value through profit or loss		**13,684**	—
Convertible notes		—	249,814
Other payables		**540,908**	707,834
Deferred tax liabilities		**708,005**	669,490
Total non-current liabilities		**5,033,386**	4,925,461
Net assets		**9,968,981**	9,683,780
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**166,575**	173,975
Reserves		**6,271,482**	5,887,887
		6,438,057	6,061,862
Non-controlling interests		**3,530,924**	3,621,918
Total equity		**9,968,981**	9,683,780

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income, and financial assets and liabilities at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2021. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

(a) *Conceptual Framework for Financial Reporting 2018* (the "**Conceptual Framework**") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

(b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 April 2020. The amendments did not have any impact on the financial position and performance of the Group.

(c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate ("**RFR**"). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.

(d) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that 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. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

3. ADJUSTMENTS ARISING FROM PRIOR YEAR PROVISIONAL ACCOUNTING

The Group completed the acquisition of China Agri-Products Exchange Limited ("**CAP**") and its subsidiaries (collectively, the "**CAP Group**") on 12 February 2020 (the "**Acquisition Date**"). In the preparation of the Company's consolidated financial statements for the year ended 31 March 2020, the purchase price allocation of the acquisition and the resulting gain on bargain purchase were determined on a provisional basis. During the year ended 31 March 2021, the Group has finalised the fair value assessment of the identifiable assets and liabilities of the CAP Group (the "**Finalised Assessment**") as of the Acquisition Date.

In 2007, the CAP Group acquired Wuhan Baisazhou Agricultural By-Product Grand Market Company Limited ("**Baisazhou Agricultural**") from independent third parties, Ms. Wang Xiu Qun ("**Ms. Wang**") and Wuhan Tian Jiu Industrial and Commercial Development Co., Ltd ("**Tian Jiu**") for their respective 70% and 20% interest in Baisazhou Agricultural (the "**Baisazhou Acquisition**").

On 18 January 2021, the Court of First Instance in the High Court of Hong Kong ("**CFI**") handed down a judgement in respect of the Baisazhou Acquisition, pursuant to which CAP is not required to make any payment under the instruments to Ms. Wang or Tian Jiu. The trials in the CFI were completed before the Acquisition Date, and the judgement was handed down within one year from the Acquisition Date, which is within the measurement period. As such, on completion of the fair value assessments, retrospective adjustments were made to the provisional amounts related to identifiable liabilities of the CAP Group recognised as of the Acquisition Date. Consequently, the Group's consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2020, and certain explanatory notes have been restated to reflect these restatements.

Impact on profit and total comprehensive income for the prior year:

	2020 *HK$'000*
Adjustments arising from the Finalised Assessment:	
Increase in other income and gains, net	340,634
Decrease in finance costs	3,917
Increase in profit and total comprehensive income for the year	344,551
Net increase in profit and total comprehensive income attributable to:	
Owners of the parent	199,055
Non-controlling interests	145,496
	344,551

The effects of the adjustments arising from the Finalised Assessment on the financial position as at 31 March 2020 by line items presented in the consolidated statement of financial position were as follows:

	31 March 2020 *HK$'000* (Originally stated)	Adjustments arising from Finalised Assessment *HK$'000*	31 March 2020 *HK$'000* (Restated)
Current liabilities			
Other payables and accruals	(1,434,090)	642,113	(791,977)
Net assets	9,041,667	642,113	9,683,780
Equity			
Retained profits	4,566,091	199,055	4,765,146
Non-controlling interests	3,178,860	443,058	3,621,918
Total equity	9,041,667	642,113	9,683,780

Impact on basic and diluted earnings per share:

	2020 *HK cents*
Basic and diluted earnings per share, as originally reported	1.61
Adjustment arising from the Finalised Assessment	1.16
Basic and diluted earnings per share, as restated	2.77

4. OPERATING SEGMENT INFORMATION

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

(a) the property development segment engages in the development of properties;

(b) the property investment segment engages in investment in industrial and commercial premises and residential units for rental or for sale;

(c) the fresh markets segment engages in the management and sub-licensing of fresh markets and butchery business which also includes management of agricultural produce exchange markets in Mainland China;

(d) the pharmaceutical segment engages in the production and sale of pharmaceutical and health food products; and

(e) the treasury management segment engages in the provision of finance and investments in debt and other securities which earn interest income.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource 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 before tax is measured consistently with the Group's profit before tax except that bank interest income, finance costs, fair value gains/losses from the Group's financial assets at fair value through profit or loss, gains/losses arising from acquisition/disposal transactions and head office and corporate income and expenses are excluded from such measurement.

	Property development		Property investment		Fresh markets		Pharmaceutical		Treasury management		Elimination		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
														(Restated)
Segment revenue *(note 5)*:														
Sales to external customers	**534,443**	2,368,405	**48,697**	20,628	**654,475**	265,702	**474,749**	560,137	**181,221**	225,851	**—**	—	**1,893,585**	3,440,723
Intersegment sales	**—**	—	**12,388**	13,012	**—**	—	**1,206**	8,872	**—**	—	**(13,594)**	(21,884)	**—**	—
Other income	**43,711**	23,871	**34,313**	78,144	**5,770**	2,181	**—**	—	**149**	531	**—**	—	**83,943**	104,727
Total	**578,154**	2,392,276	**95,398**	111,784	**660,245**	267,883	**475,955**	569,009	**181,370**	226,382	**(13,594)**	(21,884)	**1,977,528**	3,545,450
Segment results	**494,686**	787,916	**(7,572)**	(107,721)	**24,797**	34,432	**(54,567)**	(212,721)	**107,067**	195,003	**—**	—	**564,411**	696,909
Reconciliation:														
Bank interest income													**7,128**	24,684
Finance costs													**(249,532)**	(225,252)
Gain on bargain purchase													**—**	571,478
Fair value losses on financial instruments at fair value through profit or loss, net													**(32,595)**	(49,826)
Gains/(losses) on disposals of subsidiaries, net													**30,688**	(4,326)
Gains/(losses) on disposal of an associate													**16,863**	(14,833)
Corporate and unallocated expenses, net													**(95,201)**	(68,464)
Profit before tax													**241,762**	930,370
Income tax expense													**(139,964)**	(146,117)
Profit for the year													**101,798**	784,253

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	2021	2020
	HK$'000	*HK$'000*
Revenue		
Revenue from contracts with customers		
Sale of properties	**534,443**	2,368,405
Sale of goods	**594,279**	595,481
Commission income from agricultural produce exchange markets	**83,276**	5,618
Agricultural produce exchange markets ancillary services	**98,389**	8,612
	1,310,387	2,978,116
Interest income		
Interest income from treasury operation	**175,234**	224,837
Revenue from other sources		
Sub-licensing fee income	**189,277**	189,677
Gross rental income from investment property operating leases	**212,700**	47,079
Dividend income from financial assets	**4,031**	1,014
Gain on disposal of financial assets at fair value through profit or loss held for trading	**1,956**	—
	407,964	237,770
	1,893,585	3,440,723

An analysis of the Group's other income and gains, net is as follows:

	2021 *HK$'000*	2020 *HK$'000* (Restated)
Other income		
Bank interest income	**7,128**	24,684
Management fee income	**27,382**	16,109
Forfeiture of deposits from customers	**5,245**	2,483
Government subsidies*	**26,673**	3,531
Others	**58,548**	27,873
	124,976	74,680
Gains, net		
Gain on bargain purchase of subsidiaries	—	571,478
Gain on modification/termination of lease contracts	**13,737**	—
Gain on disposal of subsidiaries, net	**30,688**	—
Gain on disposal of an associate	**16,863**	—
Gain on disposal of investment properties, net	—	5,243
Gain on disposal of property, plant and equipment, net	—	56,293
Gain on disposal/redemption of debt investments at fair value through other comprehensive income, net	**365**	117,930
	61,653	750,944
Other income and gains, net	**186,629**	825,624

* Government subsidies represent: (i) The People's Republic of China (the "**PRC**") government subsidies of HK$23,433,000 granted to the Group by the local governmental authority in Mainland China for the business support on its investments in an agricultural produce exchange market in Mainland China; (ii) one-off subsidies of HK$3,080,000 granted from Anti-Epidemic Fund under The Government of the Hong Kong Special Administrative Region's Retail Sector Subsidy Scheme and Food Licence Holders Subsidy Scheme; and (iii) one-off subsidies of HK$160,000 granted from The Government of Macao Special Administrative Region's 10-Billion-Pataca Fund. The Group has complied with all attached conditions before 31 March 2021 and recognised these grants in profit or loss as "Other income and gains, net".

6. PROFIT BEFORE TAX

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

	2021 *HK$'000*	2020 *HK$'000*
Cost of services provided	**154,317**	64,001
Cost of properties sold	**370,793**	1,298,221
Cost of inventories recognised as an expense (including allowance for obsolete inventories of HK$4,747,000 (2020: HK$9,567,000))	**401,422**	346,818
Depreciation of owned assets	**91,185**	78,731
Depreciation of right-of-use assets	**52,877**	71,632
Auditor's remuneration	**11,640**	10,700
Lease payments not included in the measurement of lease liabilities	**6,156**	15,448
Employee benefit expense (including directors' remuneration):		
Wages and salaries****	**338,850**	351,196
Pension scheme contributions	**9,740**	12,395
Less: Amount capitalised	**(6,839)**	(7,493)
	341,751	356,098
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties***	**2,703**	1,953
Fair value losses on sub-leased investment properties***	**206,409**	118,742
Loss/(gain) on disposal of an associate	**(16,863)****	14,833*
Loss/(gain) on disposal of subsidiaries, net	**(30,688)****	4,326*
Loss on redemption of convertible notes*	**3,933**	—
Write-down of properties under development*	**—**	3,842
Loss/(gain) on disposal of investment properties, net	**208***	(5,243)**
Loss/(gain) on disposal of property, plant and equipment, net	**300***	(56,293)**
Impairment losses on items of property, plant and equipment*	**39,741**	80,523
Foreign exchange differences, net	**(313)****	14,212*
(Reversal of impairment losses)/impairment losses of financial assets, net:		
Debt investments at fair value through other comprehensive income, net	**(6,972)**	52,746
Other receivables, net	**(646)**	30
Trade receivables, net	**(431)**	8,556
Loans and interest receivables, net	**33,968**	8,996
	25,919	70,328

* These expenses are included in "Other expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

** The gain is included in "Other income and gains, net" on the face of the consolidated statement of profit or loss and other comprehensive income.

*** Theses expenses are included in "Cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income.

**** Wage subsidies of HK$37,838,000 granted from the Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees from June to November 2020 had been received during the year ended 31 March 2021. The amounts were recognised in profit or loss and had been offset with the employee benefit expenses.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2021	2020
	HK$'000	*HK$'000*
		(Restated)
Interest on bank loans and other borrowings	**184,178**	224,282
Interest on lease liabilities	**62,182**	59,625
Interest on unsecured notes	**21,529**	3,295
Interest on convertible notes	**26,261**	4,662
Interest expenses arising from revenue contracts	**—**	972
	294,150	292,836
Less: Interest capitalised	**(44,618)**	(67,584)
	249,532	225,252

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which was a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2020/2021. The first HK$2,000,000 (2020: HK$2,000,000) of assessable profits of this subsidiary was taxed at 8.25% and the remaining assessable profits were taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/ jurisdictions in which the Group operates. The provision for PRC land appreciation tax ("**LAT**") is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

	2021	2020
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the year	**16,669**	123,069
Over-provision in prior years	**(5,910)**	(551)
Current — other jurisdiction		
Income tax charge for the year	**126,902**	3,406
LAT	**8,819**	—
	146,480	125,924
Deferred	**(6,516)**	20,193
Total tax charge for the year	**139,964**	146,117

9. DIVIDENDS

	2021	2020
	HK$'000	*HK$'000*
Interim — HK0.1 cent (2020: Interim — HK0.1 cent) per ordinary share	**16,658**	17,398
Less: interim dividend related to treasury shares attributable to the owners of the parent	**(997)**	(246)
Less: interim dividend related to treasury shares attributable to the non-controlling shareholders	**(720)**	(177)
	14,941	16,975
2020 final — HK0.5 cent (2020: 2019 final — HK0.84 cent) per ordinary share	**86,987**	150,087
Less: final dividend related to treasury shares attributable to the owners of the parent	**(1,230)**	(2,063)
Less: final dividend related to treasury shares attributable to the non-controlling shareholders	**(887)**	(1,490)
	84,870	146,534
	99,811	163,509

Subsequent to the end of the reporting period, the board of directors of the Company has recommended the payment of a final dividend of HK0.2 cent per share (2020: HK0.5 cent), totalling approximately HK$33,315,000, for the year ended 31 March 2021 (2020: HK$86,988,000) to the shareholders of the Company, which is subject to the approval of the shareholders of the Company.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year less the weighted average number of the treasury shares held by the Group during the year.

The Company had no potentially dilutive ordinary shares in issue during the years ended 31 March 2021 and 2020 and the share options of the Company's subsidiary outstanding during the years ended 31 March 2021 and 2020 also had no dilutive effect on the basic earnings per share amounts presented for the years ended 31 March 2021 and 2020. No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2021 and 2020 in respect of a dilution as the impact of the share options of WYTH during the year had no dilutive effect and the convertible notes issued by CAP outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

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

	2021	2020
	HK$'000	*HK$'000*
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**123,884**	474,860

	Number of shares	
	2021	2020
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue	**17,164,808**	17,550,904
Less: Weighted average number of treasury shares	**(1,014,935)**	(423,000)
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	**16,149,873**	17,127,904

11. TRADE RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables	**92,070**	109,467
Impairment	**(20,862)**	(20,694)
	71,208	88,773

The Group's trading terms with its customers are mainly on credit. The credit periods range from 7 to 120 days. Each customer has a maximum credit limit and the credit limit is reviewed regularly. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's associates of HK$8,181,000 (2020: HK$14,805,000) which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2021	2020
	HK$'000	*HK$'000*
Within 1 month	**41,770**	44,256
1 to 3 months	**9,596**	27,231
3 to 6 months	**10,167**	12,088
Over 6 months	**9,675**	5,198
	71,208	88,773

12. LOANS AND INTEREST RECEIVABLES

		2021	2020
	Notes	***HK$'000***	*HK$'000*
Loans and interest receivables, secured	*(i), (iii)*	**586,400**	433,577
Loans and interest receivables, unsecured	*(ii)*	**80,809**	115,112
		667,209	548,689
Less: Impairment allowance		**(64,294)**	(28,830)
		602,915	519,859
Less: Loans and interest receivables classified as non-current assets		**(31,553)**	(11,336)
Current portion		**571,362**	508,523

Notes:

(i) These loans receivable are stated at amortised cost at effective interest rates ranging from 8.00% to 36% (2020: 8.16% to 33%). The credit terms of these loans receivable range from 3 months to 10 years (2020: 2 months to 10 years).

(ii) These loans receivable are stated at amortised cost at effective interest rates ranging from 1% to 15% (2020: 1% to 15%). The credit terms of these loans receivable range from 6 months to 72 months (2020: 6 months to 36 months).

(iii) At 31 March 2021, the Group's loans receivable with an aggregate carrying value of HK$103,700,000 (2020: HK$Nil) were pledged to secure the Group's other borrowings.

13. TRADE PAYABLES

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

	2021	2020
	HK$'000	*HK$'000*
Within 1 month	**47,813**	40,188
1 to 3 months	**9,039**	3,625
3 to 6 months	**9,073**	4,470
Over 6 months	**38,958**	51,863
	104,883	100,146

The trade payables are non-interest-bearing and have an average term of 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the financial year ended 31 March 2021, the Group's revenue and profit attributable to owners of the parent amounted to approximately HK$1,893.6 million (2020: approximately HK$3,440.7 million) and approximately HK$123.9 million (2020: approximately HK$474.9 million (restated)), respectively.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK0.2 cent (2020: HK0.5 cent) per ordinary share for the year ended 31 March 2021 to the shareholders (the "**Shareholders**") whose names appear on the register of members of the Company as of 3 September 2021. The final dividend will be paid on or around 14 September 2021, subject to the Shareholders' approval at the forthcoming annual general meeting of the Company to be held on 25 August 2021. Together with the interim dividend of HK0.1 cent (30 September 2019: HK0.1 cent) per ordinary share, the total dividends for the year ended 31 March 2021 will be HK0.3 cent (2020: HK0.6 cent) per ordinary share.

BUSINESS REVIEW

The Group's revenue for the year ended 31 March 2021 decreased by approximately 45% to approximately HK$1,893.6 million (2020: approximately HK$3,440.7 million). The reduction in revenue was mainly due to the decrease in property sales contributed from property development projects with controlling stake. On the other hand, the share of profits of joint ventures has been increased significantly to HK$594.8 million (2020: approximately HK$28.1 million) mainly due to increase in property sales and profit contributed from jointly developed property projects during this financial year. Profit for the year was approximately HK$101.8 million (2020: approximately HK$784.3 million (restated)), representing a decrease of approximately 87.0% over last year, mainly due to the absence of the gain on bargain purchase arising from the acquisition of a controlling interest in China Agri-Products Exchange Limited ("**CAP**", a non-wholly owned subsidiary of the Company and the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code: 149, together with its subsidiaries, collectively, the "**CAP Group**") and the decrease in gain on disposal/redemption of debt investments at fair value through other comprehensive income.

The profit attributable to owners of the parent was approximately HK$123.9 million (2020: approximately HK$474.9 million (restated)). The Group continues to maintain a strong financial position.

As of 31 March 2021, the Group's net assets were approximately HK$9,969.0 million (2020: approximately HK$9,683.8 million (restated)). Its cash resources amounted to approximately HK$2,471.9 million (2020: approximately HK$1,974.0 million) including cash and bank balances of approximately HK$1,730.3 million (2020: approximately HK$1,584.0 million) and short-term investments of approximately HK$741.6 million (2020: approximately HK$390.0 million). In aggregate, the total borrowings as of 31 March 2021 was approximately HK$7,172.0 million (2020: approximately HK$6,205.0 million) giving the Group a net debt position (total borrowings less cash and bank balances) of approximately HK$5,441.7 million (2020: approximately HK$4,621.0 million). The review of the individual business segments of the Group is set out below.

Property Development

During the year ended 31 March 2021, property development segment recorded revenue and segment profit of approximately HK$534.4 million and approximately HK$494.7 million, respectively (2020: approximately HK$2,368.4 million and approximately HK$787.9 million, respectively).

The above segment revenue and profit represents the Hong Kong residential and commercial property market sales from Wang On Properties Limited ("**WOP**", together with its subsidiaries, collectively the "**WOP Group**"), a non-wholly owned listed subsidiary of the Company; and also the property sales in the People's Republic of China (the "**PRC**"), following the acquisition in February 2020 of a controlling interest in CAP (the "**CAP Acquisition**") by Wai Yuen Tong Medicine Holdings Limited ("**WYTH**", a non-wholly owned listed subsidiary of the Company, together with its subsidiaries, collectively, the "**WYT Group**").

The revenue contributed by the WOP Group amounted to HK$301.3 million during this financial year. Reduction in revenue was mainly due to the decrease in property sales contributed from property development projects with controlling stake. Instead, profit from property sales for the WOP Group in this financial year was mainly generated from its jointly developed property projects, namely maya and Altissimo, which have been included as part of the segment results (profit) but not segment revenue.

During the year ended 31 March 2021, the Group's property development business in the PRC recorded revenue of approximately HK$233.1 million (2020: nil). The increase in revenue contributed from CAP Group is mainly due to the fact that the CAP Acquisition took place during the last two months during the last financial year, while CAP's full year's performance is consolidated into the Group's accounts in the current financial year.

maya

"maya" is located at No. 8 Shung Shan Street and No. 15 Sze Shan Street, Yau Tong. This residential project is co-developed by the WOP Group and CIFI Holdings (Group) Co. Ltd. ("**CIFI**"). The WOP Group holds a 50% stake in the project. As at the date of this result announcement, 294 out of 326 units have been sold with an aggregated contracted sales amounted to approximately HK$3.6 billion. Moverover, 269 units with aggregate contract sale amounted to approximately HK$3.2 billion have been delivered to buyers.

Altissimo

The residential project, Altissimo, located at No. 11 Yiu Sha Road, Ma On Shan, is co-developed by the WOP Group, Country Garden Holdings Company Limited and China State Construction International Holdings Limited, and has been delivered to buyers in the fourth quarter of 2020. As at the date of this result announcement, 505 out of 547 units have been sold with an aggregated contracted sales amounted to approximately HK$5.3 billion. Moveover, 474 units with an aggregate contract sales amounted to approximately HK$4.4 billion have been delivered to buyers. The WOP Group owns 40% equity interest in this property development project.

Pokfulam residential project

In April 2018, the WOP Group completed the acquisition of all 16 properties located at Nos. 86A-86D Pokfulam Road, Hong Kong. The site will be redeveloped into luxurious properties and is undergoing the foundation work. The WOP Group owns 70% equity interest in this property development project.

The Met. Azure (Tsing Yi residential project)

The WOP Group's new residential property in Liu To Road and Hang Mei Street, Tsing Yi (Tsing Yi Town Lot No. 192) was formally named as The Met. Azure in May 2021. The project has a site area of approximately 14,400 square feet with an expected total permitted residential floor area of approximately 80,000 square feet. The Met. Azure has a low-density design with a total of 320 units. Approximately 80% of the units are studio flats and the others are one-bedroom and specific-designed units. The land has the convenience of easy accessibility, being within only a several-minutes' ride to Tsing Yi MTR Station, and is also connected with major highways, including Tsing Ma Bridge, Tai Lam Tunnel, and Ting Kau Bridge of Tuen Mun Road. It can be used for both commercial and residential development and is designed to provide a public transportation terminal (minibus station). The project is wholly-owned by the WOP Group. The WOP Group has received pre-sale consent and it is expected that the pre-sale will be taken place in the third quarter this year.

Ap Lei Chau project

In July 2020, the WOP Group has successfully acquired a new redevelopment site located at Nos. 120-126, Main Street, Ap Lei Chau. The site is adjacent to MTR Lei Tung Station. The total attributable gross floor area ("**GFA**") upon redevelopment is approximately 37,100 square feet and the project is wholly owned by the WOP Group. Foundation work is currently undergoing at the site.

Fortress Hill project

In October 2020, the WOP Group and CIFI formed a new joint venture, in which CIFI and the WOP Group owned 60% and 40% equity interest, respectively. The joint venture has acquired 101-111 King's Road, Fortress Hill, Hong Kong for a total sum of HK$1.88 billion. The total site area is approximately 12,400 square feet and the sites are situated between North Point commercial area and Victoria Park in Causeway Bay. The sites are positioned at a convenient location within only a few minutes' walk to the Fortress Hill MTR Station. The sites are planned to be redeveloped into a residential project with commercial space. Demolition work is expected to be commenced in year end.

Tai Kok Tsui project

In January 2021, the WOP Group has successfully completed the acquisition of the site located at 50-62 Larch Street and 6-8 Lime Street Tai Kok Tsui through court-ordered compulsory sales. The GFA area is approximately 61,500 square feet and the site is currently under demolition work.

Other projects

The WOP Group is currently in possession of three urban redevelopment projects with over 80% ownerships secured. Applications to the court are being made in respect of all these projects for compulsory sale orders under the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong). In the event that no court order is granted, the WOP Group may not be able to complete the consolidation of the ownership for redevelopment. The total attributable GFA upon redevelopment is approximately 175,000 square feet.

As at 28 June 2021, the Group had a development land portfolio in Hong Kong (which is being held through the WOP Group) as follows:

Project	**Approximate site area** *(square feet)*	**Approximate GFA** *(square feet)*	**Intended usage**	**Anticipated year of completion**
Pokfulam residential project	28,500	28,500	Residential	2023
The Met. Azure (Tsing Yi residential project)	14,400	90,000	Residential and Commercial	2022
Ap Lei Chau project	3,600	37,100	Residential and Commercial	2023
Tai Kok Tsui project	6,800	61,500	Residential and Commercial	2024
Fortress Hill project	12,400	129,400	Residential and Commercial	2025

Fresh Markets and Agricultural Produce Exchange Markets

The fresh market and agricultural produce exchange market business segment, which is a consistent source of profit and cash, recorded an increase in revenue by approximately 146.3% to approximately HK$654.5 million for the year ended 31 March 2021 (2020: approximately HK$265.7 million) as a result of annual revenue of approximately HK$387.6 million from the operation of agricultural produce exchange markets contributed by the CAP Group, following the CAP Acquisition which took place during the last two months during the last financial year, while CAP's full year's performance is consolidated into the Group's accounts in the financial year ended 31 March 2021. Moreover, there were revenue streams brought by butchery business of approximately HK$77.3 million. Segment result recorded a profit for the year ended 31 March 2021 of HK$24.8 million.

The Group's fresh market and agricultural produce exchange market business has been built over the past two decades. During the financial year, the Group managed a substantial portfolio of approximately 800 stalls under the "Allmart" brand and "Day Day Fresh" brands of fresh markets in Hong Kong with a GFA of over 200,000 square feet. In order to meet rising customer expectation, the Group strives to offer a more comfortable and spacious shopping environment through well-designed layouts, enhancement works and high quality management services. We will continue to strengthen the partnership with our tenants and local communities by launching effective marketing and promotion events, and thereby improving shopping experiences at our fresh markets. During the financial year, the Group continued to locate high population density areas to set up fresh markets and mini fresh markets.

In February 2021, Wang On Majorluck Limited (the "**Operator**"), an indirect wholly-owned subsidiary of the Company, received a letter from the Hong Kong Housing Authority indicating its agreement to lease a tender of proposal in respect of a fresh market located at G/F, Choi Fook Estate Phase 3, Kowloon, Hong Kong with an approximate area under the lease of approximately 1,133 square metres to the Operator. The fresh market is now under renovation and is expected to commence operation in the third quarter of 2021.

Along with the existing fresh market and agricultural produce exchange market business on a stable footing, the Group had commenced building a portfolio of self-owned fresh markets in Hong Kong through joint ventures.

In May 2019 and July 2019, joint ventures participated by the WOP Group have successfully acquired a retail podium located at Lake Silver in Ma On Shan and a commercial accommodation at The Parkside in Tseung Kwan O respectively. The Group has refurbished part of these properties as fresh markets and taken up the management of the properties under the brand “Day Day Fresh”. The fresh markets have been operating since May 2020 and January 2020 respectively. The Group is confident that our expertise in property investment and fresh market operation shall deliver strong synergy to create unique business value to fuel further growth in this segment.

In October 2019, we entered into butchery business by capturing synergies with our existing fresh market operations. We will continue to seize suitable opportunities focusing on building a chain of butchery shops with a strong cash flow and steady operating profit. For the year ended 31 March 2021, the butchery business generated revenue of approximately HK$77.3 million (2020: approximately HK$33.5 million). The increase in revenue is mainly attributed to the effect of consolidation of this segment’s full year performance in the Group’s accounts during the current financial year, since the commencement of the Group’s butchery business during the second half of the last financial year. We believe that the demand for pork in local diets, combined with our well established fresh market network, can allow for rapid growth and a relatively low-risk development for this new business. Our target is to continuously expand the butchery stores and optimise the operation platform of fresh market and butchery business so as to maximise synergies. As at 31 May 2021, 11 butchery stores were in operation.

In Mainland China, the Group operates fresh market business through its joint venture under the “Huimin” brand in various districts in Shenzhen, Guangdong Province, the PRC. The joint venture currently manages a portfolio of approximately 800 stalls with a GFA of approximately 265,000 square feet, in which approximately 166,000 square feet are owned by the joint venture.

Following the issuance of urban redevelopment policy by the Shenzhen Government, some of the fresh markets may be affected. Nevertheless, there will be negotiations between the local developers and the fresh markets operators for compensations as well as swapping locations for continue operations. The Group will continue to closely monitor the latest development, particularly the impact on the land use rights of its fresh market properties.

Following the CAP Acquisition, the Group, through CAP, operates 11 agricultural product exchange markets across five provinces in the PRC. The acquisition of these agricultural product exchange markets expanded significantly our presence in the fresh market segment in the PRC. The CAP Group operates various agricultural produce exchange markets in Hubei Province, Henan, Guangxi Zhuang Autonomous Region, Jiangsu Province and Liaoning Province of the PRC. The outbreak of the coronavirus significantly affected the market performance during early 2020 until around end of April 2020 in particular for these markets in Hubei. As the pandemic began to be under control in the PRC, the performance of these markets returned to normal. Apart from this, both the operating performance and market ranking of our markets illustrated steady progress.

It is worth noting that Wuhan Baisazhou Agricultural and By-Product Exchange Market ("**Wuhan Baisazhou Market**"), being one of the agricultural operations of the CAP Group, is one of the largest agricultural produce exchange operators in the PRC. Wuhan Baisazhou Market is situated in the Hongshan District of Wuhan City, the PRC with a site area of approximately 310,000 square metres and a total GFA of approximately 190,000 square metres. In 2020, Wuhan Baisazhou Market was awarded top 10 of agricultural produce exchange markets in the PRC by China Agricultural Wholesale Market Association.

During the financial year ended 31 March 2021, the CAP Group received judgments for the legal disputes related to the Wuhan Baisazhou Market from the Supreme People's Court of the PRC on 29 March 2021 and from the Court of First Instance in the High Court of Hong Kong on 18 January 2021 respectively. Both judgments are considered positive to the CAP Group. For details, please refer to the joint announcements of, inter alia, the Company and CAP dated 18 January 2021 and 30 March 2021, and also the litigation section of this result announcement.

Property Investment

As at 31 March 2021, our owned investment properties in Hong Kong comprised of commercial, industrial and residential units with a total carrying value of approximately HK$1,057.6 million (2020: approximately HK$1,058.4 million).

During the financial year, we received gross rental income of approximately HK$48.7 million (2020: approximately HK$20.6 million).

On 30 March 2021, the WOP Group and an independent third party (the "**Parkville Partner**") formed a new joint venture group (the "**Parkville JV**"), in which the WOP Group owns 50%. The Parkville JV has entered into a preliminary agreement for sale and purchase on the same date (the "**Acquisition**") with an independent third party in respect of 11 shop units and certain lift, lift lobby(ies) and staircase(s) on the ground floor and first floor of The Parkville, No.88 Tuen Mun Heung Sze Wui Road, Tuen Mun, New Territories for a consideration of HK$300,000,000. On 21 June 2021, the WOP Group and the Parkville Partner entered into a supplemental binding term sheet with two independent third parties (the "**New Investors**"). Subject to the completion of the Acquisition and bank consent, the shareholdings of the WOP Group, the Parkville Partner and the New Investors in the Parkville JV will become 64%, 30% and 6%, respectively. The Acquisition was completed on 25 June 2021. Details of the transaction were set out in the joint announcements of the Company and WOP dated 30 March 2021 and 21 June 2021.

During the financial year, we continued to dispose of second-hand residential properties and realised approximately HK$5.2 million (2020: approximately HK$41.3 million). As at 31 March 2021, we held 9 second-hand residential properties with valuation of approximately HK$54.9 million.

Pharmaceutical and Health Food Products Business

WYT Group is a pharmaceutical group focusing on manufacturing and/or retailing of pharmaceutical and health food products. The year under review was a challenging year for our pharmaceutical and health food products segment with revenue totaling approximately HK$474.7 million (2020: approximately HK$560.1 million), representing a drop of approximately 15.2%. The continuous COVID-19 pandemic and the related response measures from the government have inevitably hurt the inbound tourism, which directly impact on our retail sales, in particular for those districts where were previously very popular with the Mainland Chinese tourists.

Chinese Pharmaceutical and Health Food Products

Total sales of the Chinese pharmaceutical and health food products decreased by approximately 2.3% to approximately HK$449.0 million (2020: HK$459.8 million). The WYT Group continued to promote and develop a series of traditional Chinese medicine ("**TCM**") healthcare products for common diseases of urban people. Stroke prevention supplementation is a fast growth market in Hong Kong in which "Wai Yuen Tong" has three series of TCM products to cover the market: namely Angong Niuhuang Wan, Angong Zaizao Wan and Angong Jiangya Wan. The series is registered in Hong Kong according to ancient prescriptions or nationally recognized prescription and its whole production process is carried out at our Good Manufacturing Practice ("**GMP**") or The Pharmaceutical Inspection Co-operation Scheme ("**PIC/S**") factory in Yuen Long, Hong Kong. In the existing pandemic situation, Angong Niuhuang Wan is considered as good health supplement and has become more popular in the market.

The WYT Group targeted better cost efficiency through further optimisation of its retail sales network and distribution channels. By the end of the financial year, the WYT Group had 72 retail outlets in Hong Kong, including professional Chinese medicine clinics and outlets operate under self-operating and franchise modes. The number of Chinese medical service affiliated in our retail outlets has been increased from 43 as at 31 March 2020 to 62 as at 31 March 2021. The WYT Group also had 5 retail outlets in Macao as at 31 March 2021. The enhanced distribution network helps strengthen the Group's sales and brand recognition. A strong network has been laid down for a sustainable growth in the future.

We have been moving forward to secure trade customers portfolio that meet our key selection criteria of financial condition and sales abilities. "Wai Yuen Tong" brand is a reputable household name established over a century ago. We will continue to promote our brand value to maintain a leading market position in the Chinese pharmaceutical and health food product markets.

Apart from focusing on the TCM core businesses, enriching product mix on our health supplement offerings is also our primary strategy. During the year, the WYT Group has successfully launched supplements for pets named "PROVET" which is Hong Kong's first-ever pet wellness product. The development of PROVET line is greatly welcome by the market as our supplements are manufactured in Hong Kong and made with Chinese herbs for pets and are tailored to their health needs and ages.

The WYT Group recognized the importance of networks and sales channels to the business. Apart from setting up our own e-shop via website at www.wyteshop.com (位易購), the WYT Group participated in the sale channel of other Hong Kong e-business website and set-up retail outlets in Hong Kong-China cross-border e-shops, so that the Mainland customers could purchase our Hong Kong manufactured products directly through these e-shops. Furthermore, the WYT Group have set-up flagship stores in major Mainland China e-shops to expand its local sales in the PRC. The WYT Group is also in the process of exploring collaboration with casinos, commercial banks and insurance companies to broaden the customer base in future.

Western Pharmaceutical and Health Food Products

Revenue of the Western pharmaceutical and health food products decreased by approximately 74.4% to approximately HK$25.7 million (2020: approximately HK$100.3 million) since the consumption sentiment remained weak for the financial year ended 31 March 2021. WYT Group has two major product series in this segment, namely “Madame Pearl’s” and “Pearl’s”. Madame Pearl’s is our brand for cough syrup while Pearl’s product series comprises MosquitOut spray, hand cream and itch-relief products. The two major product series are under this business segment encountered different challenges during the financial year. Revenue of “Madame Pearl’s” was affected due to the COVID-19 pandemic which has significant negative impact on cough and cold market. The Pearl’s product series faced severe price competition which has further heightened during the COVID-19 pandemic. Nevertheless, during the financial year, the WYT Group placed substantial resources in revamping its Western pharmaceutical and health care product distribution channels in order to improve efficiency. The WYT Group targets to supply “Madame Pearl’s” products to local clinics and aims to cover more than 400 local private clinics by the end of 2021. Moreover, the Group will launch more products for these local clinics. More resources were put on branding aiming to strengthen the brand loyalty for both “Madame Pearl’s” and “Pearl’s” product series. To comply with Mainland China’s relevant regulations, the WYT Group has engaged various local industry players to enhance the market penetration of its upper airway product series under the “Madame Pearl’s” brand into Mainland China.

In December 2020, the National Medical Products Administration had approved the application by the WYT Group, for import into Mainland China children cough syrup products manufactured in our Yuen Long factory. We expect an improved demand for the children cough syrup products in Mainland China for the upcoming years.

Capitalising on state-of-the-art technology and advanced equipment of the WYT Group’s Yuen Long factory, the WYT Group continued to carry out research and development of products for core medical solution targeting at institutional clients and local clinics.

Treasury Management

The Group maintains a strong financial position. Liquid investments amounted to approximately HK$1,305.0 million at 31 March 2021, represented a decrease of approximately 18.3% from the balance of approximately HK$1,597.2 million as at 31 March 2020. The liquid investments represented approximately 60.1% of the debt securities, approximately 12.6% of equity securities and approximately 27.3% of fund investment.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2021, the equity attributable to owners of the parent increased by approximately 6.2% to approximately HK$6,438.1 million (2020: approximately HK$6,061.9 million (restated)). The Group's total equity, including the non-controlling interests, increased to approximately HK$9,969.0 million (2020: approximately HK$9,683.8 million (restated)) as at 31 March 2021.

As at 31 March 2021, the Group's total assets were approximately HK$20,445.9 million (2020: approximately HK$19,088.8 million). Total cash and bank balances held amounted to approximately HK$1,730.3 million (2020: approximately HK$1,584.0 million) as at 31 March 2021. The Group also maintained a portfolio of liquid investments with an aggregate market value of approximately HK$1,305.0 million (2020: approximately HK$1,597.2 million) as at 31 March 2021, which is immediately available for use when in need.

As at 31 March 2021, the Group's total debt amounted to approximately HK$7,172.0 million (2020: approximately HK$6,205.0 million). The Group's net debt to equity was approximately 54.6% (2020: approximately 47.7% (restated)) as at 31 March 2021.

The net debt to equity ratio is calculated as the net debt divided by total equity. Net debt is calculated as a total of interest-bearing bank and other borrowings, unsecured notes and convertible notes, less cash and cash equivalents.

As at 31 March 2021, the Group's property, plant and equipment, investment properties, properties under development, properties held for sale, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and loan receivable with carrying value of approximately HK$429.0 million, approximately HK$1,956.7 million, approximately HK$4,892.5 million, approximately HK$1,145.0 million, approximately HK$509.7 million, approximately HK$15.7 million and approximately HK$103.7 million (2020: approximately HK$445.0 million, approximately HK$2,285.7 million, approximately HK$3,448.4 million, approximately HK$1,035.5 million, approximately HK$743.3 million, approximately HK$32.2 million and Nil) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 31 March 2021 amounted to approximately HK$829.0 million (2020: approximately HK$899.3 million) which was mainly attributed to its property development business. In addition, the Group's share of joint ventures' own capital commitments amounted to approximately HK$145.0 million (2020: approximately 251.4 million). The Group has not given guarantee to banks in connection with facilities granted to its joint ventures as at 31 March 2021 (2020: three joint ventures up to approximately HK$1,617.6 million and were utilized to the extent of approximately HK$1,090.5 million).

As at 31 March 2021, the Group provided guarantees of approximately HK$56.8 million to customers in favour of certain banks for the loans provided by the banks to the customers of the properties sold (2020: approximately HK$63.5 million). Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any sales proceeds.

The Group strengthens and improves its financial risk control on a continual basis and has consistently adopted a prudent approach in financial management. Financial resources are under close monitoring to ensure the Group's efficient and effective operation, as well as flexibility to respond to opportunities and uncertainties. Management of the Group is of the opinion that the Group's existing financial structure is healthy and related resources are sufficient to cater for the Group's operation needs in the foreseeable future. The Group operates a central cash management system. It also prudently invests in liquid investment in order to obtain a reasonable return while maintain liquidity.

DEBT PROFILE AND FINANCIAL PLANNING

As at 31 March 2021, interest-bearing debt profile of the Group was analysed as follows:

	31 March 2021	31 March 2020
	HK$'000	*HK$'000*
Bank loans repayable		
Within one year or on demand	**3,209,249**	2,656,906
In the second year	**1,061,028**	1,153,078
In the third to fifth year, inclusive	**2,090,872**	1,473,532
Beyond five years	**217,271**	291,523
	6,578,420	5,575,039
Other loans repayable		
Within one year or on demand	**60,090**	—
In the second year	**202,270**	—
In the third to fifth year, inclusive	—	198,970
	262,360	198,970
Unsecured Notes(i)		
In the third to fifth year, inclusive	**199,348**	181,220
Convertible Notes (ii)		
Within one year or on demand	**131,901**	—
In the second year	—	249,814
	7,172,029	6,205,043

(i) CAP has issued unsecured notes with maturity in September 2024 (the “**Unsecured Notes**”) which are listed on the Stock Exchange by way of debt issue to professional investors only (stock code: 5755). As at 31 March 2021 and 31 March 2020, the Unsecured Notes in the principal amount of HK$290,000,000 remained outstanding.

(ii) CAP issued convertible notes with the aggregate principal amount of HK$500 million on 19 October 2016 which will mature on 18 October 2021 (the “**Convertible Notes**”), which entitle the holders thereof to convert into the ordinary shares of CAP (“**CAP Share(s)**”) at a conversion price of HK$0.4 per CAP Share. During the financial year, no Convertible Notes were converted into CAP Shares by the Convertible Notes’ holders and on 9 December 2020, CAP has partially early redeemed the Convertible Notes in the principal value of HK$130 million. As at 31 March 2021, the Convertible Notes with the outstanding principal amount of HK$134.8 million was in issue and maximum number of CAP Shares issuable upon exercise of conversion rights is 337,000,000 CAP Shares.

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

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2021, the Group held financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss of approximately HK$843.2 million and approximately HK$461.8 million, respectively:

			As at 31 March 2021		For the year ended 31 March 2021			Fair value/carrying amount		
			Amount held	Percentage to the Group's net assets	Fair value gain/(loss)	Bond interest income	Dividend received	As at 31 March 2021	As at 31 March 2020	Investment cost
		Notes	*HK$'000*	*%*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
FVOCI:										
A.	Equity investment		74,001	1%	102,003	—	1,374	74,001	259,061	133,709
B.	Bonds									
	Zhongliang Holdings Group Company Limited	*1*	155,893	2%	(1,071)	20,622	—	155,893	211,076	155,080
	China South City Holdings Limited	*2*	162,289	2%	4,500	18,745	—	162,289	141,728	166,991
	Yuzhou Group Holdings Co. Ltd.	*3*	92,510	1%	7,203	3,240	—	92,510	38,044	93,749
	Others		358,497	4%	43,945	54,605	—	358,497	632,747	394,142
Subtotal			843,190	8%	156,580	97,212	1,374	843,190	1,282,656	943,671
FVPL:										
A.	Equity investments		90,684	1%	(26,371)	—	111	90,684	32,783	84,078
B.	Funds Rockpool Capital SPC ("**RCS**")	*4*	132,501	1%	15,686	—	—	132,501	175,150	135,842
	Others		219,216	2%	1,920	—	2,546	219,216	68,249	217,257
C.	Bonds		15,564	0%	(552)	2,071	—	15,564	32,180	15,500
D.	Others		3,864	0%	(2,886)	—	—	3,864	6,220	5,392
Subtotal			461,829	5%	(12,203)	2,071	2,657	461,829	314,582	458,069
Total			1,305,019	13%	144,377	99,283	4,031	1,305,019	1,597,238	1,401,740

The principal activities of the securities are as follows:

1. Zhongliang Holdings Group Company Limited ("**Zhongliang**") is a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange. Zhongliang and its subsidiaries are principally engaged in property development, property leasing, and providing property management services and management consulting services.

2. China South City Holdings Limited ("**China South City**") is a company incorporated in Hong Kong with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange. China South City and its subsidiaries are principally engaged in property development, investment in integrated logistics and trade centers, residential and commercial ancillary facilities, property management, development, operations and maintenance of an E-commerce platform and provision of advertising, exhibition, logistics and warehousing services, outlet operations and other services.

3. Yuzhou Group Holdings Co. Ltd. ("**Yuzhou**") is a company incorporated in the Cayman Islands with limited liability and whose shares are listed and trade on the Main Board of the Stock Exchange. Yuzhou and its subsidiaries are principally engaged in property development. The Company operates its businesses through five segments. The property development segment is engaged in the development and sale of properties. The property investment segment is engaged in the investment in properties for their rental income potential and/or for capital appreciation. The property management segment is engaged in the provision of property management services. The hotel operation segment is engaged in the operation of hotels. The others segment is engaged in other businesses.

4. On 18 April 2019, the Group executed the subscription forms in respect of the investment. The target underlying the investment is 25,000 Class C Shares with an initial net asset value of US$25 million in a segregated portfolio of RCS. RCS is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability, and is an open-ended investment vehicle. Subject to the restriction that any single position in the segregated portfolio shall not exceed 10% of the net asset value of the entire segregated portfolio, there are no limitations on the markets or instruments that the segregated portfolio may invest in, or the percentage of the segregated portfolio's assets that may be committed to any region, market or instrument. Please refer to the joint announcement dated 18 April 2019 published by the Company and WYTH for details. In October 2020, the Group redeemed approximately 9,060.13 Class C Shares of in the segregated portfolio of RCS.

5. Save as disclosed above, the Group also invested in other shares listed on the Stock Exchange and other major stock exchanges. The fair value of each of these shares represented less than 1.0% of the net assets of the Group as at 31 March 2021.

6. Save as disclosed above, the Group also invested in other bonds and funds, the fair value of each of these bonds and funds represented less than 1.0% of the net assets of the Group as at 31 March 2021.

Acquisition of additional shares in WYTH

During the year ended 31 March 2021, the Group has acquired additional 95 million WYTH share at a total consideration of HK$39.8 million. As at 31 March 2021, the Group held 810,322,940 WYTH shares, representing approximately 65.79% of the WYTH shares in issue.

The CAP Acquisition

In the last financial year on 12 February 2020, the WYT Group acquired and became the owner of 5,312,395,685 CAP Shares, representing approximately 53.37% of the CAP Shares in issue and the WYT Group, together with parties acting in concert with it, held 7,464,800,866 CAP Shares, representing approximately 75% of the CAP Shares in issue. The CAP Group operates 11 agricultural produce exchange markets across five provinces in the PRC.

The Group completed the acquisition of China Agri-Products Exchange Limited ("**CAP**") and its subsidiaries (collectively, the "**CAP Group**") on 12 February 2020 (the "**Acquisition Date**"). In the preparation of the Company's consolidated financial statements for the year ended 31 March 2020, the purchase price allocation of the acquisition and the resulting gain on bargain purchase were determined on a provisional basis. During the year ended 31 March 2021, the Group has finalised the fair value assessment of the identifiable assets and liabilities of the CAP Group (the "**Finalised Assessment**") as of the Acquisition Date.

In 2007, the CAP Group acquired Wuhan Baisazhou Agricultural By-Product Grand Market Company Limited ("**Baisazhou Agricultural**") from independent third parties, Ms. Wang Xiu Qun ("**Ms. Wang**") and Wuhan Tian Jiu Industrial and Commercial Development Co., Ltd ("**Tian Jiu**") for their respective 70% and 20% interest in Baisazhou Agricultural (the "**Baisazhou Acquisition**").

On 18 January 2021, the Court of First Instance in the High Court of Hong Kong ("**CFI**") handed down a judgement in respect of the Baisazhou Acquisition, pursuant to which CAP is not required to make any payment under the instruments to Ms. Wang or Tian Jiu. The trials in the CFI were completed before the Acquisition Date, and the judgement was handed down within one year from the Acquisition Date, which is within the measurement period. As such, on completion of the fair value assessments, retrospective adjustments were made to the provisional amounts related to identifiable liabilities of the CAP Group recognised as of the Acquisition Date. Consequently, the Group's consolidated statement of financial position as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2020, and certain explanatory notes have been restated to reflect these restatements. For details of the financial effects of the above, please refer to note 3 to financial statements of this final results announcement.

Easy One Financial Group Limited ("Easy One") privatisation

On 4 May 2020, Caister Limited ("**Caister**"), a company wholly-owned by the Company's chairman and controlling shareholder, Mr. Tang Ching Ho, requested the board of Easy One (an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which were formerly listed and traded on the Main Board of the Stock Exchange (the then stock code: 221)) to put forward a proposal to other shareholders of Easy One for the privatisation of Easy One (the "**Proposal**") by way of a scheme of arrangement (the "**Scheme**") under Section 99 of the Bermuda Companies Act 1981 (the "**Companies Act**").

Pursuant to the Proposal, all the ordinary shares of HK$0.01 each in Easy One (the "**Scheme Shares**") were cancelled in exchange for the consideration comprising the cash consideration of HK$0.3 per Scheme Share and the consideration shares on the basis of eight (8) ordinary share(s) of HK$0.01 each of the Company as held by Caister, for each Scheme Share (collectively, the "**Consideration**"). The Proposal, upon implementation, constituted a discloseable and connected transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

On 26 August 2020, at the respective special general meetings of the Company and WYTH, the independent shareholders of the Company and WYTH have respectively approved the Proposal and the disposal of the Scheme Shares held by WYT Group in exchange for the Consideration. On 8 September 2020, the resolution proposed at the meeting of the shareholders of the Scheme Shares (the "**Scheme Shareholders**") to approve the Scheme was duly passed by the Scheme Shareholders. On 17 September 2020, the Scheme was sanctioned by the Supreme Court of Bermuda without modification. The Scheme eventually became effective on 16 October 2020 when all the conditions to the implementation of the Proposal were fulfilled.

Details of the Easy One privatisation were set out in the joint announcements published by the Company, WYTH, Easy One and Caister dated 4 May 2020; the scheme document dated 12 August 2020 jointly issued by Easy One and Caister in relation to the Proposal and the Scheme; the circulars of the Company and WYTH dated 24 July 2020 respectively and their respective poll results announcements dated 26 August 2020 in respect of the disposal of the entire shareholdings in Easy One of the Company and WYTH; the respective joint announcements of Easy One and Caister dated 8 September 2020, 18 September 2020, 12 October 2020 and 16 October 2020.

Disposal of equity interest in a non-wholly owned subsidiary

Subsequent to the year ended 31 March 2021, on 18 June 2021, Century Choice Limited ("**Century Choice**"), a wholly-owned subsidiary of CAP and a substantial shareholder (the "**PRC Shareholder**") of 玉林宏進農副產品批發市場有限公司 (Yulin Hongjin Agricultural By-products Wholesale Marketplace Limited ("**Yulin Hongjin**")) entered into an agreement in relation to the reduction of registered capital contribution of Century Choice in Yulin Hongjin. Pursuant to the agreement, the PRC Shareholder waived its entitlement to the dividend declared by Yulin Hongjin for the financial year ended 31 December 2020 in the amount of approximately RMB117 million and directed the same to be paid to Century Choice, and the amount of registered capital contribution by Century Choice in Yulin Hongjin was reduced by an amount equal to approximately RMB41.9 million. As a result of such reduction of registered capital contribution, the CAP Group's equity interest in Yulin Hongjin was decreased from 65% to 51%. Details of the capital reduction were disclosed in the joint announcement published by, inter alia, the Company dated 18 June 2021.

Subscription of interest in a fund

Subsequent to the year ended 31 March 2021, on 23 April 2021, Mailful Investments Limited (the "**Subscriber**"), an indirect wholly-owned subsidiary of the Company, entered into a subscription agreement with ZWC Fund II General Partners Limited ("**General Partner**") and ZWC Fund II L.P., a Cayman Islands exempted company (the "**Fund**"), pursuant to which the Subscriber agreed to subscribe for a limited partnership interest in the Fund at a total capital contribution of US$10 million (the "**Capital Contribution**"). The Capital Contribution will be paid in instalments upon receipt of written notice from the General Partner from time to time to provide funds for payment for the Fund's investments, expenses, liabilities and reserves. Details of the transaction were disclosed in the announcement of the Company dated 23 April 2021.

Save as disclosed above, as at the date of this result announcement, the Group has no future plan for material investments or capital assets.

LITIGATION

In 2007, the CAP Group acquired Wuhan Baisazhou Agricultural By-Product Grand Market Company Limited ("**Baisazhou Agricultural**") from independent third parties, Ms. Wang and Tian Jiu for their respective 70% and 20% interest in Baisazhou Agricultural (the "**Baisazhou Acquisition**").

Since 2011, the CAP Group has been involved in a number of civil proceedings in Mainland China and Hong Kong. The key civil proceedings in Mainland China and Hong Kong in respect of the Baisazhou Acquisition are set out below:

In Mainland China, proceedings concerning Ms. Wang, Tian Jiu and the CAP Group:

In May 2015, Ms. Wang and Tian Jiu commenced proceedings against the PRC Ministry of Commerce ("**MOFCOM**") in the Beijing Second Intermediate People's Court, seeking, *inter alia*, a direction that MOFCOM revoke its approval in respect of the Baisazhou Acquisition.

It is alleged by Ms. Wang and Tian Jiu that:

a) Baisazhou Agricultural forged share transfer agreements (the "**Contended Agreements**") in relation to the Baisazhou Acquisition wherein the related consideration was understated and the manner of settlement of the consideration was inaccurately described;

b) Baishazhou Agricultural forged the related documentation for filing with the MOFCOM and the Hubei Administration For Industry and Commerce (the "**Hubei AIC**"), and that such documentation and the Contended Agreements involved forged signatures; and

c) MOFCOM and the Hubei AIC approved the Baisazhou Acquisition and processed the related fillings on the basis of the above documents that are allegedly forged.

In December 2015, the Beijing Second Intermediate People's Court directed MOFCOM to reconsider its approval decision. In May 2016, MOFCOM decided that its approval issued in relation to the Contended Agreements shall not be revoked and shall remain to be in force (the "**Reconsidered Decision**").

In August 2016, Ms. Wang and Tian Jiu commenced administrative proceedings against MOFCOM in the Beijing Second Intermediate People's Court seeking to set aside the Reconsidered Decision. In March 2017, the Beijing Second Intermediate People's Court dismissed the application of Ms. Wang and Tian Jiu ("**31 March Judgment**"). On 20 December 2018, the Beijing Higher People's Court upheld the 31 March Judgment ("**20 December Judgment**") Ms. Wang and Tian Jiu applied to the Supreme People's Court for a retrial and for dismissal of (i) the 31 March Judgment, and (ii) the 20 December Judgment, but this application was dismissed by the Supreme People's Court on 29 December 2020.

As advised by CAP's PRC legal advisor, the approval issued by MOFCOM in 2007 in relation to the Contended Agreements shall not be revoked and remain to be in force, and the CAP Group continues to be the legal and beneficial owner of Baisazhou Agricultural.

In May 2015, CAP commenced legal proceedings against Ms. Wang and Tian Jiu in the Higher People's Court of Hubei Province ("**Hubei Court**") seeking, inter alia, declarations and orders that the sales and purchase agreements for the Baisazhou Acquisition (the "**SPA**") have been legally made, and that Ms. Wang and Tian Jiu shall assist Baisazhou Agricultural to discharge its contractual duties under the SPA to make the necessary filing with MOFCOM (which were subsequently withdrawn in April 2019 in light of the decisions in respect of the MOFCOM approvals). Ms. Wang and Tian Jiu filed their counterclaim for, inter alia, the return of the CAP's 90% interest in Baisazhou Agricultural, which was dismissed by the Hubei Court in December 2019 ("**23 December Judgment**").

In January 2020, Ms. Wang and Tian Jiu appealed against the 23 December Judgment. On 29 March 2021, the CAP Group received the judgment of the Supreme Court dated 29 December 2020 (the "**29 December Judgment**") which upheld the 23 December Judgment and dismissed the appeal of Ms. Wang and Tian Jiu. As advised by the PRC legal advisors of the CAP Group, according to the 23 December Judgment and the 29 December Judgment, the CAP Group continues to be the legal and beneficial owner of Baisazhou Agricultural.

In Hong Kong, CAP as plaintiff against Ms. Wang and Tian Jiu as defendants:

In 2011, CAP issued a Writ of Summons in the CFI against Ms. Wang and Tian Jiu. CAP (as purchaser) sought damages from Ms. Wang and Tian Jiu (as vendors) for their breach of various provisions of the SPA. Ms. Wang and Tian Jiu counterclaimed for, amongst others, an order that CAP do cause and/or procure the shares in Baisazhou Agricultural to be transferred back to Ms. Wang and Tian Jiu.

In 2012, CAP obtained a court order from the CFI to the effect that undertakings (the "**Undertakings**") were given by Ms. Wang and Tian Jiu not to (i) indorse, assign, transfer or negotiate the two instruments (purportedly described as promissory notes in the SPA) (the "**Instruments**"); and (ii) enforce payment in relation to the SPA by presentation of the Instruments until the final determination of these proceedings or further court order. Pursuant to the Undertakings, the Instruments will no longer fall due for payment by CAP on 5 December 2012.

The CFI handed down its judgment on 18 January 2021 awarding damages in favour of CAP for sum exceeding the sum owed under the Instruments. The CFI also ordered that the damages awarded to CAP be set-off by the sum owed under the Instruments, and that Ms. Wang and Tian Jiu not be allowed to enforce the Instruments against CAP. In effect, CAP is not required to make any payment under the Instruments to Ms. Wang or Tian Jiu. CAP is seeking legal advice for the recovery of the balance of the damages awarded to it. Further, as the counterclaim of Ms. Wang and Tian Jiu was dismissed, CAP continues to be the legal and beneficial owner of Baisazhou Agricultural.

Further details regarding the civil proceedings which the CAP Group has been involved in can be found in the interim/annual reports and announcements issued by CAP.

FOREIGN EXCHANGE

Management of the Group is of the opinion that the Group has no material foreign exchange exposure and therefore, the Group does not engage in any hedging activities. The revenue of the Group, also being mostly denominated in Renminbi and Hong Kong dollar, matches the currency requirements of the Group's operating expenses.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2021, the Group had 2,102 (2020:2,037) employees, of whom approximately 41% (2020: approximately 38%) were located in Hong Kong and the rest were located in Mainland China. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's as well as individual's performances. The Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees in Hong Kong and retirement contributions in accordance with the statutory requirements for our staff in the PRC. The Group had launched a defined scheme of remuneration and promotion review to accommodate the above purpose and such review is normally carried out annually. Other forms of benefits such as medical and retirement benefits and structured training programs are also provided.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has reviewed the principal risks and uncertainties which may affect its businesses, financial condition, operations and prospects based on its risk management system and considered that the major risks and uncertainties that may affect the Group included (i) Hong Kong economic conditions which may directly affect the property market; (ii) availability of suitable land bank for future development; (iii) the continuous escalation of construction cost in Hong Kong in recent years; (iv) business cycle for property under development may be influenced by a number of factors and the Group's revenue will be directly affected by the mix of properties available for sale and delivery; (v) all construction works were outsourced to independent third parties and they may fail to provide satisfactory services adhering to our quality and safety standards or within the timeline required by the Group; (vi) fluctuations of fair value gain or loss incurred on financial assets and investment properties; (vii) credit risk and recoverability of provision of loans which may incur bad debts during the downturn of economy; (viii) loss of management contracts for fresh markets which may arise in light of severe competition with existing market players and entry of new participants into the market; (ix) industrial policy risk and supply chain disruption for pharmaceutical business; and (x) internet risk; moreover, following the acquisition of CAP by the WYT Group since the last financial year, further risks and uncertainties have been identified including (xi) fluctuation in the exchange rate of Renminbi against Hong Kong dollars which may affect the repatriation of profit and/or additions of investment when converting currencies, and (xii) industrial policy risk for development, construction, operations and acquisition of agri-produce exchange markets.

In response to the abovementioned possible risks, the Group has a series of internal control and risk management policies to cope with the possible risks and has serious scrutiny over the selection of quality customers and suppliers. The Group has formed various committees to develop and review strategies, policies and guidelines on risk control which enable the Group to monitor and response to risk effectively and promptly. The Group also actively proposes solutions to lower the impact of the possible risks on the businesses of the Group.

PROSPECTS

We believe 2021 will be a year with challenges and opportunities. Hong Kong economy is still on its way to recovery, the real GDP is resuming appreciable year-on-year growth of 7.9% in the first quarter of 2021, led by very strong growth of exports of goods. Moreover, the reduction in unemployment rate from January to March 2021 to 6.8% showed signs of recovery for the economy of Hong Kong. The Hong Kong Government has launched the free vaccination programme which is expected to help mitigate the COVID-19 pandemic situation and is expected to be conducive to the recovery of the local economy. Nevertheless, the economic recovery was uneven and overall economic activity remained below the pre-recession level, as the pandemic, social distancing requirements and travel restrictions continued to weigh on certain economic segments. We believe that the performance of various segments of the Group will gradually be restored in different paces.

In respect of the property development segment in Hong Kong, the low interest rate environment and concrete demands on residential properties will continue to benefit the Hong Kong economy especially the residential property sector, which is expected to remain resilient over the long term. With the upmost opening of the pre-sales of The Met. Azure, the growth momentum and branding of the Group shall be escalated.

The Group will continue to monitor the market changes closely whilst keep looking for opportunities in property acquisition and collaboration with strategic partners to strengthen the real estate business.

The fresh market operations have been a cash flow generating and profitable business over the past decades. The fresh market segment continues to grow steadily in Hong Kong and is expected to provide stable recurring income and cash flow to the Group. The Group considers delivery services for fresh market products will be another opportunity to expand our business and will devote more resources in developing this area. Moreover, the Group expects to expand its fresh market portfolio by collaborating with landlords and identifying opportunities to acquire additional fresh markets in both public and private sectors in Hong Kong to strengthen its recurring income.

Moreover, following the acquisition of CAP through the WYT Group in the last financial year, the Group, through CAP, now operates 11 agricultural produce exchange markets across five provinces in the PRC. Such acquisition has significantly expanded the Group's presence in the fresh market segment and the property development segment in the PRC. Looking ahead, the Group will continue to build a nationwide agricultural produce exchange network by leveraging its leading position in the industry, replicable business model, advanced management system and IT infrastructure and quality customer service. Agricultural development is expected to remain one of the main development focuses of the PRC government in the next few years, and major growth in the agriculture sector is expected to be driven by the "Belt and Road Initiative". The Group will continue to capture new business opportunities by cooperating with partners to adopt an "asset light" approach. Given the Group's leading position on the market and dynamic business model, the Group is confident that it will deliver long-term benefits to the Group.

Since the outbreak of the COVID-19, all of our agricultural produce exchange markets have upgraded the facilities and fixtures to keep up with the raising strict health and hygiene measures of the local governments.

"Wai Yuen Tong", a reputable pharmaceutical household brand and was established over a century ago. Subsequent to the outbreak of COVID-19, we believe that TCM plays an increasingly significant role in the fight against this global epidemic. Prevention comes before cure and consumer health awareness will be increased. Moreover, decrease in mainland tourist visits and rigid industry policies may continue to curtail and negatively impact retail performance. Nevertheless, as the epidemic situation was largely under control with the successful development and launch of the free vaccination programme, the recovery of the Mainland China economy also rendered support to our performance, the overall economic situation showed signs of stabilization gradually. The Group will continue to closely monitor the performance of its distribution channels and retail network.

In order to maintain the WYT Group's competitive advantage, it will strategically restructure, integrate retail outlets and build a team of experienced and well-trained Chinese medicine practitioners to serve its customers. The Group's ambition is to build one of the largest teams of Chinese medicine practitioners in Hong Kong through WYTH. The Group intends to leverage its brand value to strengthen its partnerships and boost its franchising model to maximise its retail exposure and lower overall operational risk and costs.

With Hong Kong and Chinese government's active push for TCM, including preferential policies and cross-border cooperation between Hong Kong and the Guangdong-Hong Kong-Macau-Greater Bay Area, the market for Chinese pharmaceutical medication and supplements manufactured in Hong Kong is set to expand rapidly in the next decade. Further, the Group's Western pharmaceutical business is expected to achieve favourable growth driven by the sale of cough syrup to private clinics in Hong Kong and the PRC, in particular, we believe that the demand for our branded "Made in Hong Kong" children cough syrup products will increase following approval from National Medical Products Administrative for import of such product into the Mainland China from our factory in Yuen Long.

In summary, the overall strong financial position of the Group and the expected continued growth through its diversified business enable the Group to have a high degree of flexibility and agility for its treasury management. We will continue a proactive and prudent investment approach to drive business growth on all business segments.

CORPORATE SOCIAL RESPONSIBILITY

While the Group endeavours to promote business development and strive for greater rewards for our stakeholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. During the past years, the Group made charity donations to organisations, including various non-government and non-profit making organisations. The Group will continue to devote further resources and effort for being a socially responsible corporation.

ENVIRONMENTAL MATTERS

The Group had taken measures to promote environmental-friendliness of the workplace by encouraging paper-recycling culture and energy-saving culture within the Group. The Group also participated in the BEAM Plus assessment scheme, a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council, for the development of some of our properties, including "The Met. Acappella" by engaging a third-party consultant for the provision of services in respect of BEAM Plus Certification and other environmental assessments.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Group recognised enhancing and maintaining good relationships with suppliers and customers are essential for the Group's overall growth and development. The Group placed specific caution on selection of quality suppliers and customers and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. The Group has kept good communications and shared business updates with them when appropriate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased a total of 740 million shares of HK$0.01 each of the Company on the Stock Exchange. All the repurchased shares were subsequently cancelled by the Company on 17 December 2020.

Details of the share repurchases during the year are as follows:

Month of repurchases	**Number of share repurchased**	**Purchase price per share**		**Aggregate amount**
		Highest	**Lowest**	
	(in million)	*HK$*	*HK$*	*HK$ (in million)*
December 2020	740.0	0.067	0.061	48.0
	740.0			48.0

The repurchases of the Company's shares during the year were made pursuant to the mandate granted by the shareholders of the Company (the "**Shareholder(s)**") at the 2020 annual general meeting of the Company held on 24 August 2020, with a view to benefiting the Shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company. As at 31 March 2021 and up to the date of this announcement, the total number of shares of the Company in issue was 16,657,520,047 shares.

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year under review.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the Shareholders.

The Board has reviewed the corporate governance practices of the Company and is satisfied that the Company had applied the principles and complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Listing Rules throughout the financial year ended 31 March 2021, except for the following deviation:

Code provision A.5.1 of the CG Code provides that the nomination committee should comprise a majority of independent non-executive directors and be chaired by the chairman of the board or an independent non-executive director. During the year under review, the nomination committee of the Company (the "**Nomination Committee**") did not have a majority of independent non-executive Directors (the "**INEDs**", each an "**INED**") and was not chaired by the chairman of the Board or an INED immediately after the decease of Dr. Lee Peng Fei, Allen, the late INED, on 15 May 2020, who was the chairman of the Nomination Committee and a member of the audit committee (the "**Audit Committee**") and the remuneration committee (the "**Remuneration Committee**") of the Company. As a result, the Audit Committee had only two members (which is less than the number of members prescribed under Rule 3.21 of the Listing Rules) and the Remuneration Committee and the Nomination Committee did not comprise majority of INEDs, which deviated from the requirement under Rule 3.25 of the Listing Rules and code provision A.5.1 of the CG Code, respectively. Mr. Chan Yung was appointed by the Board as an INED and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 3 August 2020, and Mr. Tang Ching Ho was elected as the chairman of the Nomination Committee with effect from 3 August 2020. Since then, the Company has re-complied code provision A.5.1 of the CG Code and Rules 3.21 and 3.25 of the Listing Rules.

Further details of the Company's corporate governance practices will be set out in the corporate governance report to be contained in the Company's 2021 Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set forth in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the financial year under review (save as Mr. Chan Yung has confirmed his compliance with the required standard set out in the Model Code from 3 August 2020 (i.e. the date of his appointment) to the financial year ended 31 March 2021) and up to the date hereof and no incident of non-compliance by the Directors was noted by the Company during the financial year.

AUDIT COMMITTEE

The Company has established the Audit Committee with specific written terms of reference (as amended from time to time) in accordance with the requirements of the Listing Rules. During the year, the Audit Committee met twice with management and the external auditor. The Audit Committee reviewed and considered, among other things, the accounting principles and practices adopted by the Group, the financial report matters including the interim and final results, the statutory compliance, internal controls and risk management and the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function as well as their training programmes and budget.

Immediately after the decease of Dr. Lee Peng Fei, Allen, the late INED, on 15 May 2020, the Audit Committee comprises two INEDs, namely Mr. Siu Kam Chau and Mr. Wong Chun, Justein, and Mr. Siu Kam Chau was elected as the chairman of the Audit Committee. On 3 August 2020, Mr. Chan Yung was appointed as a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

The Audit Committee, currently comprising three INEDs, namely Mr. Siu Kam Chau (chairman), Mr. Wong Chun, Justein and Mr. Chan Yung, has reviewed with the Company's management and approved the accounting policies and principles adopted and the Group's consolidated financial statements for the year ended 31 March 2021.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in this announcement have been agreed by the Company's independent auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with *Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements* or *Hong Kong Standards on Assurance Engagements* issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

*(a) for determining eligibility to attend and vote at the 2021 annual general meeting (the "**2021 AGM**"):*

Latest time to lodge transfer documents for registration:	4:30 p.m., Wednesday, 18 August 2021
Closure of register of members:	Thursday, 19 August 2021 to Wednesday, 25 August 2021 (both days inclusive)
Record Date:	Wednesday, 25 August 2021

(b) for determining entitlement to the proposed final dividend:

Latest time to lodge transfer documents for registration:	4:30 p.m., Tuesday, 31 August 2021
Closure of register of members:	Wednesday, 1 September 2021 to Friday, 3 September 2021 (both days inclusive)
Record Date:	Friday, 3 September 2021

In order to be eligible to attend and vote at the 2021 AGM and to qualify for the proposed final dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than the respective latest dates and time set out above.

ANNUAL GENERAL MEETING

The 2021 AGM will be held at Garden Room A-D, 2/F., New World Millennium Hong Kong Hotel of 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, on Wednesday, 25 August 2021 at 12:15 noon and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.wangon.com). The 2021 Annual Report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the above websites in due course.

By Order of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman

Hong Kong, 29 June 2021

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Ms. Stephanie, and three independent non-executive Directors, namely Mr. Wong Chun, Justein, Mr. Siu Kam Chau, and Mr. Chan Yung.

* *For identification purpose only*