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 2013

The board of directors (the "**Board**") of Wang On Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company, its subsidiaries and its jointly-controlled entity (collectively the "**Group**") for the year ended 31 March 2013, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2013

	Notes	2013 *HK$'000*	2012 *HK$'000* (Restated)
CONTINUING OPERATIONS			
REVENUE	5	**761,462**	410,785
Cost of sales		**(385,027)**	(246,772)
Gross profit		**376,435**	164,013
Other income and gains	5	**85,580**	74,253
Selling and distribution expenses		**(40,716)**	(12,101)
Administrative expenses		**(100,622)**	(87,350)
Other expenses		**(145,713)**	(63,072)
Finance costs	7	**(11,228)**	(10,909)
Fair value losses of financial assets at fair value through profit or loss, net		**(383)**	(51,612)
Fair value gains on investment properties, net		**108,360**	115,612
Share of profits and losses of an associate		**179,379**	295,704
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	**451,092**	424,538
Income tax expense	8	**(41,558)**	(31,051)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**409,534**	393,487
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations		**–**	1,809
PROFIT FOR THE YEAR		**409,534**	395,296

* *For identification purpose only*

	Note	**2013**	2012
		HK$'000	*HK$'000*
			(Restated)
OTHER COMPREHENSIVE INCOME			
Changes in fair value of available-for-sale investments		**205,890**	–
Other reserves:			
Release upon deemed partial disposals of an associate		**(1,085)**	–
Share of other comprehensive income of an associate		**984**	1,212
		(101)	1,212
Exchange differences on translation of foreign operations		**3,574**	3,433
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**209,363**	4,645
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**618,897**	399,941
Profit attributable to:			
Owners of the parent		**409,536**	395,228
Non-controlling interests		**(2)**	68
		409,534	395,296
Total comprehensive income attributable to:			
Owners of the parent		**618,899**	399,873
Non-controlling interests		**(2)**	68
		618,897	399,941
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
For the year			
Basic and diluted		**HK6.28 cents**	HK6.06 cents
From continuing operations			
Basic and diluted		**HK6.28 cents**	HK6.03 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2013

	Notes	**31 March 2013 HK$'000**	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**5,570**	8,477	14,354
Investment properties		**757,017**	797,442	724,889
Properties under development		**1,249,162**	1,264,114	824,711
Goodwill		**1,376**	1,376	1,376
Investment in an associate		**480,327**	361,968	–
Held-to-maturity investments		**–**	–	19,861
Other intangible asset		**–**	–	6,060
Available-for-sale investments		**334,529**	–	36,321
Loans and interests receivable		**881,054**	255,805	316,370
Deposits paid		**117,916**	15,072	76,984
Deferred tax assets		**817**	570	178
Total non-current assets		**3,827,768**	2,704,824	2,021,104
CURRENT ASSETS				
Properties under development		**585,118**	–	–
Properties held for sale		**167,346**	364,514	400,609
Trade receivables	*11*	**4,652**	5,649	8,278
Loans and interests receivable		**35,139**	410,395	23,006
Prepayments, deposits and other receivables		**288,072**	50,685	22,081
Held-to-maturity investments		**–**	–	8,482
Financial assets at fair value through profit or loss		**55,989**	75,446	108,896
Tax recoverable		**1,024**	2,454	4,078
Time deposits with original maturity over three months		**–**	20,000	–
Pledged deposits		**500**	–	–
Cash and cash equivalents		**752,151**	582,095	1,042,600
Total current assets		**1,889,991**	1,511,238	1,618,030
CURRENT LIABILITIES				
Trade payables	*12*	**38,473**	22,687	12,951
Other payables and accruals		**49,286**	31,177	29,920
Deposits received and receipts in advance		**370,227**	109,731	75,269
Interest-bearing bank loans		**284,122**	229,483	239,924
Provisions for onerous contracts		**880**	770	240
Tax payable		**44,322**	28,989	17,048
Total current liabilities		**787,310**	422,837	375,352

	31 March 2013 HK$'000	31 March 2012 HK$'000 (Restated)	1 April 2011 HK$'000 (Restated)
NET CURRENT ASSETS	**1,102,681**	1,088,401	1,242,678
TOTAL ASSETS LESS CURRENT LIABILITIES	**4,930,449**	3,793,225	3,263,782
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	**1,345,697**	790,171	631,774
Provisions for onerous contracts	**2,369**	2,687	840
Deferred tax liabilities	**10,123**	8,972	4,305
Other payables	**4,264**	–	–
Total non-current liabilities	**1,362,453**	801,830	636,919
Net assets	**3,567,996**	2,991,395	2,626,863
EQUITY			
Equity attributable to owners of the parent			
Issued capital	**65,249**	65,249	65,249
Reserves	**3,502,282**	2,925,679	2,561,020
	3,567,531	2,990,928	2,626,269
Non-controlling interests	**465**	467	594
Total equity	**3,567,996**	2,991,395	2,626,863

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 ("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 and equity investments, 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 and jointly-controlled entity for the year ended 31 March 2013. The financial statements of the subsidiaries and jointly-controlled entity are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The assets, liabilities, income and expenses of the jointly-controlled entity are proportionally consolidated from the date on which joint control was established and obtained by the Group, and continue to be proportionally consolidated until the date that such joint control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if it results in a deficit balance.

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.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes — Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below regarding the impact of amendments to HKAS 12, the adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

The HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes — Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis. Prior to the adoption of the amendments, deferred tax with respect to the Group's investment properties was provided on the basis that the carrying amount will be recovered through use, and accordingly the profits tax rate had been applied to the calculation of deferred tax arising on the revaluation of the Group's investment properties. Upon the adoption of HKAS 12 Amendments, deferred tax in respect of the Group's investment properties in Hong Kong is provided on the presumption that the carrying amount will be recovered through sale.

In Mainland China, the tax consequences of a sale of the investment property or of the entity owning the investment property may be different. The Group's business model is that the entity owning the investment property situated in Mainland China will recover the value through use and on this basis the presumption of sales has been rebutted. Consequently, the Group has continued to recognise deferred taxes on the basis that the value of its investment properties in Mainland China are recovered through use.

The effects of the above change are summarised below:

	2013	2012
	HK$'000	*HK$'000*
Consolidated statement of comprehensive income for the year ended 31 March		
Decrease in income tax expense	**11,446**	11,549
Increase in share of profits and losses of an associate	**2,963**	5,012
Increase in profit for the year	**14,409**	16,561
Increase in basic and diluted earnings per share *(HK cents)*	**0.22**	0.25
Consolidated statement of financial position at 31 March		
Increase in investment in an associate and total non-current assets	**7,975**	5,012
Decrease in deferred tax liabilities and total non-current liabilities	**48,891**	37,445
Increase in net assets and reserves	**56,866**	42,457

	2011
	HK$'000
Consolidated statement of financial position at 1 April	
Decrease in deferred tax liabilities and total non-current liabilities	25,896
Increase in net assets and reserves	25,896

3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*[2]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*[2]
HKFRS 9	*Financial Instruments*[4]
HKFRS 10	*Consolidated Financial Statements*[2]
HKFRS 11	*Joint Arrangements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *— Transition Guidance*[2]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) *— Investment Entities*[3]
HKFRS 13	*Fair Value Measurement*[2]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*[1]
HKAS 19 (2011)	*Employee Benefits*[2]
HKAS 27 (2011)	*Separate Financial Statements*[2]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*[3]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[2]
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012[2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

(a) The HKFRS 7 Amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral arrangements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with HKAS 32. The Group expects to adopt the amendments from 1 April 2013.

(b) HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on hedge accounting and impairment of financial assets continues to apply. The Group expects to adopt HKFRS 9 from 1 April 2015. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

(c) HKFRS 10 establishes a single control model that applies to all entities including special purpose entities or structured entities. It includes a new definition of control which is used to determine which entities are consolidated. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled, compared with the requirements in HKAS 27 and HK(SIC)-Int 12 *Consolidation — Special Purpose Entities*. HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues raised in HK(SIC)-Int 12. Based on the preliminary analyses performed, HKFRS 10 is not expected to have any impact on the currently held investments of the Group.

(d) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The Group currently uses proportionate consolidation to account its joint venture. By removing the option of proportionate consolidation, the adoption of HKFRS 11 is expected to have significant financial effect on the Group's consolidated financial statements.

(e) HKFRS 12 includes the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures*, and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

(f) In July 2012, the HKICPA issued amendments to HKFRS 10, HKFRS 11 and HKFRS 12 which clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before HKFRS 12 is first applied.

The amendments to HKFRS 10 issued in December 2012 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

Consequential amendments were made to HKAS 27 and HKAS 28 as a result of the issuance of HKFRS 10, HKFRS 11 and HKFRS 12. The Group expects to adopt HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (2011), HKAS 28 (2011), and the subsequent amendments to these standards issued in July and December 2012 from 1 April 2013.

(g) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. The Group expects to adopt HKFRS 13 prospectively from 1 April 2013.

(h) The HKAS 1 Amendments change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gain on hedge of a net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments will affect presentation only and have no impact on the financial position or performance. The Group expects to adopt the amendments from 1 April 2013.

(i) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2014.

(j) The *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of HKFRSs. The Group expects to adopt the amendments from 1 April 2013. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant financial impact on the Group. Those amendments that are expected to have a significant impact on the Group's policies are as follows:

    (i) HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

    In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassification, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

    (ii) HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distribution to equity holders.

4. OPERATING SEGMENT INFORMATION

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

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

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

(c) the Chinese wet markets segment engages in the management and sub-licensing of Chinese wet markets;

(d) the shopping centres and car parks segment engages in the management and sub-licensing of shopping centres and car parks (discontinued during the year ended 31 March 2012);

(e) the agricultural by-product wholesale markets segment engages in the operations and management of agricultural by-product wholesale markets (discontinued during the year ended 31 March 2012); and

(f) the trading of agricultural by-products segment engages in the wholesale and retail of agricultural by-products (discontinued during the year ended 31 March 2012).

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

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

Information regarding these reportable segments, together with their related revised comparative information is presented below.

Year ended 31 March 2013

	Property development *HK$'000*	Property investment *HK$'000*	Chinese wet markets *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	**–**	**524,040**	**237,422**	**761,462**
Other revenue	**6**	**115,811**	**6,518**	**122,335**
Total	**6**	**639,851**	**243,940**	**883,797**
Segment results	**(71,769)**	**379,644**	**28,098**	**335,973**
Reconciliation				
Interest income				**66,830**
Finance costs				**(11,228)**
Corporate and unallocated income				**4,775**
Corporate and unallocated expenses				**(124,637)**
Share of profits and losses of an associate				**179,379**
Profit before tax				**451,092**
Income tax expense				**(41,558)**
Profit for the year				**409,534**

Year ended 31 March 2012

	Continuing operations				Discontinued operations				
	Property development *HK$'000*	Property investment *HK$'000*	Chinese wet markets *HK$'000*	Total continuing operations *HK$'000* (Restated)	Shopping centres and car parks *HK$'000*	Agricultural by-products wholesale markets *HK$'000*	Trading of agricultural by-products *HK$'000*	Total discontinued operations *HK$'000*	Total Group *HK$'000* (Restated)
Segment revenue:									
Sales to external customers	128,175	51,954	230,656	410,785	11,741	17,506	18,872	48,119	458,904
Intersegment sales	–	–	354	354	78	357	–	435	789
Other revenue	4,923	124,383	5,158	134,464	1,597	157	422	2,176	136,640
Total	133,098	176,337	236,168	545,603	13,416	18,020	19,294	50,730	596,333
Elimination of intersegment sales									(789)
Total									595,544
Segment results	9,455	160,884	23,810	194,149	835	1,184	256	2,275	196,424
Interest income				48,343				–	48,343
Finance costs				(10,909)				(371)	(11,280)
Corporate and unallocated income				7,058				–	7,058
Corporate and unallocated expenses				(109,807)				–	(109,807)
Share of profits and losses of an associate				295,704				–	295,704
Profit before tax				424,538				1,904	426,442
Income tax expense				(31,051)				(95)	(31,146)
Profit for the year				393,487				1,809	395,296

Year ended 31 March 2013

	Property development *HK$'000*	Property investment *HK$'000*	Chinese wet markets *HK$'000*	Corporate and others *HK$'000*	Total *HK$'000*
Other segment information:					
Depreciation	**53**	**110**	**3,743**	**1,469**	**5,375**
Write-down of properties under development to net realisable value, net	**36,049**	**–**	**–**	**–**	**36,049**
Write-back of impairment of trade receivables, net	**–**	**–**	**(7)**	**–**	**(7)**
Capital expenditure	**606,215**	**1,089**	**1,122**	**1,379**	**609,805**
Fair value losses/(gains) on investment properties, net	**–**	**(109,871)**	**1,511**	**–**	**(108,360)**
Fair value losses on financial assets at fair value through profit or loss, net	**–**	**–**	**–**	**383**	**383**
Investment in an associate	**–**	**–**	**–**	**480,327**	**480,327**
Share of profits and losses of an associate	**–**	**–**	**–**	**(179,379)**	**(179,379)**

Year ended 31 March 2012

	Continuing operations				Discontinued operations						
	Property development *HK$'000*	Property investment *HK$'000*	Chinese wet markets *HK$'000*	Total continuing operations *HK$'000*	Shopping centres and car parks *HK$'000*	Agricultural by-products wholesale markets *HK$'000*	Trading of agricultural by-products *HK$'000*	Total discontinued operations *HK$'000*	Total of reportable segments *HK$'000*	Corporate and others *HK$'000* (Restated)	Total Group *HK$'000* (Restated)
Other segment information:											
Depreciation	86	70	4,115	4,271	2	127	33	162	4,433	1,504	5,937
Amortisation of other intangible asset	–	–	–	–	–	6,060	–	6,060	6,060	–	6,060
Write-down of properties under development to net realisable value, net	29,369	–	–	29,369	–	–	–	–	29,369	–	29,369
Write-back of impairment of trade receivables, net	–	–	(28)	(28)	–	–	–	–	(28)	–	(28)
Impairment of an available-for-sale investment	–	–	–	–	–	–	–	–	–	13,587	13,587
Capital expenditure	468,983	29,647	1,598	500,228	–	–	–	–	500,228	1,805	502,033
Fair value losses/(gains) on investment properties, net	–	(116,096)	484	(115,612)	–	–	–	–	(115,612)	–	(115,612)
Fair value losses on financial assets at fair value through profit or loss, net	–	–	–	–	–	–	–	–	–	51,612	51,612
Investment in an associate	–	–	–	–	–	–	–	–	–	361,968	361,968
Share of profits and losses of an associate	–	–	–	–	–	–	–	–	–	(295,704)	(295,704)

Geographical information

(a) *Sales to external customers from continuing operations*

	2013	2012
	HK$'000	*HK$'000*
Hong Kong	**743,272**	393,154
Mainland China	**18,190**	17,631
	761,462	410,785

The revenue information of continuing operations above is based on the locations of customers.

(b) *Non-current assets*

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Hong Kong	**2,415,241**	2,353,961
Mainland China	**78,211**	79,416
	2,493,452	2,433,377

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

For the year ended 31 March 2013, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

For the year ended 31 March 2012, revenue from continuing operations of HK$106,200,000 was derived from sales by the property development segment to a single customer.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents sub-licensing and management fee income received and receivable; the invoiced value of services rendered; gross rental income received and receivable from investment properties and proceeds from the sale of properties during the year.

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
Revenue		
Sub-licensing fee income	**220,265**	216,793
Property management fee income	**6,129**	5,842
Gross rental income	**65,885**	61,070
Sale of properties	**469,183**	127,080
	761,462	410,785
Other income		
Bank interest income	**2,928**	3,121
Interest income from financial investments	**712**	1,737
Interest income from loans receivable	**63,190**	43,485
Dividend income from listed securities	**787**	2,061
Management fee income	**4,247**	3,150
Others	**8,348**	9,616
	80,212	63,170
Gains		
Gain on disposal of investment properties, net	**5,354**	7,207
Gain on disposal of held-to-maturity investments	**–**	737
Gain on disposal and write-off of items of property, plant and equipment	**14**	2,663
Exchange gains, net	**–**	476
	5,368	11,083
Other income and gains	**85,580**	74,253

6. PROFIT BEFORE TAX

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Cost of services provided	**186,166**	181,547
Cost of properties sold	**198,861**	65,225
Depreciation	**5,375**	5,775
Amortisation of other intangible asset	**–**	6,060
Minimum lease payments under operating leases in respect of land and buildings	**126,982**	128,990
Auditors' remuneration	**2,250**	2,200
Employee benefit expense (including directors' remuneration):		
Wages and salaries	**77,869**	52,490
Equity-settled share option expense	**116**	478
Pension scheme contributions	**1,364**	1,185
Less: Amount capitalised	**(5,532)**	(2,535)
	73,817	51,618
Gross rental income, net of business tax	**(65,885)**	(61,070)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**4,178**	3,804
	(61,707)	(57,266)
Impairment of an available-for-sale investment*	**–**	13,587
Loss on disposal of financial assets at fair value through profit or loss, net*	**4,530**	18,733
Loss on deemed partial disposals of an associate*	**104,917**	–
Write-down of properties under development to net realisable value, net*	**36,049**	29,369
Amount provided/(utilised) for onerous contracts, net	**(208)**	2,377
Write-back of impairment of trade receivables, net*	**(7)**	(28)
Impairment of other receivables*	**–**	1,411
Exchange losses, net*	**224**	–

* These expenses are included in "Other expenses" on the face of the consolidated statement of comprehensive income.

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follow:

	Group	
	2013	2012
	HK$'000	*HK$'000*
Interest on bank loans:		
Wholly repayable within five years	**13,470**	7,912
Repayable beyond five years *(Note)*	**9,481**	9,621
	22,951	17,533
Less: Interest capitalised	**(11,723)**	(6,624)
	11,228	10,909

The above analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayments dates set out in the loan agreements.

Note: Included interests of HK$5,464,000 (2012: HK$5,342,000) on bank borrowings which contain a repayment on demand clause.

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rate of tax prevailing in Mainland China.

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Group:		
Current — Hong Kong		
Charge for the year	**31,459**	19,201
Overprovision in prior years	**(1,407)**	(459)
	30,052	18,742
Current — Mainland China		
Charge for the year	**11,080**	8,034
Deferred	**426**	4,275
Total tax charge for the year from continuing operations	**41,558**	31,051

9. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Interim — HK0.15 cents (2012: HK0.15 cents) per ordinary share	**9,787**	9,787
Proposed final — HK0.5 cents (2012: HK0.5 cents) per ordinary share	**32,625**	32,625
	42,412	42,412

The final dividend proposed subsequent to the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 6,524,935,021 in issue during the year.

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

The Group had no potentially dilutive ordinary shares in issue during those years.

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

	2013	2012
	HK$'000	*HK$'000*
		(Restated)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**409,536**	393,413
From discontinued operations	**–**	1,815
	409,536	395,228

	Number of shares	
	2013	2012
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**6,524,935,021**	6,524,935,021

11. TRADE RECEIVABLES

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
Within 90 days	**4,438**	5,390
91 days to 180 days	**120**	96
Over 180 days	**248**	324
	4,806	5,810
Less: Impairment	**(154)**	(161)
	4,652	5,649

The Group generally grants a 15 to 30 days credit period to customers for its sub-leasing business. The Group generally does not grant any credit to customers of other businesses.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department 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.

The movements in provision for impairment of trade receivables are as follows:

	Group	
	2013	2012
	HK$'000	*HK$'000*
At 1 April	**161**	189
Impairment losses reversed	**(7)**	(28)
At 31 March	**154**	161

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$154,000 (2012: HK$161,000) with a carrying amount before provision of HK$247,000 (2012: HK$231,000).

The individually impaired trade receivables relate to customers that were in financial difficulties and only a portion of the receivables is expected to be recovered.

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
Neither past due nor impaired	**3,714**	5,323
Less than 90 days past due	**614**	82
91 to 180 days past due	**231**	174
	4,559	5,579

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there were no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12. TRADE PAYABLES

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
Within 90 days	**38,473**	22,687

The trade payables are non-interest-bearing and have an average term of 30 days. The carrying amounts of the trade payables approximate to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the financial year ended 31 March 2013, the Group's turnover and profit attributable to owners of the parent amounted to approximately HK$761.5 million (2012: approximately HK$410.8 million) and approximately HK$409.5 million (2012: approximately HK$395.2 million), respectively.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK0.5 cents (2012: HK0.5 cents) per ordinary share for the year ended 31 March 2013 to shareholders on the register of members of the Company as of Friday, 30 August 2013. The final dividend will be paid on or around Wednesday, 11 September 2013, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Thursday, 22 August 2013. Together with the interim dividend of HK0.15 cents (30 September 2011: HK0.15 cents), the total dividends for the year ended 31 March 2013 will be HK0.65 cents (2012: HK0.65 cents) per ordinary share.

CLOSURE OF REGISTER

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

(a) for determining eligibility to attend and vote at the 2013 annual general meeting:

Latest time to lodge transfer documents for registration:	4:30 p.m., Monday, 19 August 2013
Closure of register of members:	Tuesday, 20 August 2013 to Thursday, 22 August 2013
Record Date:	Thursday, 22 August 2013

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

Latest time to lodge transfer documents for registration:	4:30 p.m., Wednesday, 28 August 2013
Closure of register of members:	Thursday, 29 August 2013 to Friday, 30 August 2013
Record Date:	Friday, 30 August 2013

In order to be eligible to attend and vote at the 2013 annual general meeting 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 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than the respective latest date and time set out above.

BUSINESS REVIEW

The Group's turnover for the year ended 31 March 2013 amounted to approximately HK$761.5 million (2012: approximately HK$410.8 million), representing an increase of approximately HK$350.7 million compared with last year. Profit attributable to shareholders of the Company for the year was approximately HK$409.5 million (2012: approximately HK$395.2 million). The Group continues to achieve favourable result this year which was mainly contributed by the partial disposal of the shops in Grandeur Terrace during the year.

Property Development

No revenue was recognised in this business segment during the year and revenue recognised for the same period last year was approximately HK$128.2 million.

"The Met. Focus" at Pak Kung Street, being the first project under "The Met." series, all the residential units have already been pre-sold. Construction of the superstructure is about to complete and it is scheduled to handover to purchasers by the end of 2013. Revenue and profit from this project will be reflected in the financial statements for the year ended 31 March 2014.

Pre-sale of the residential units in "The Met. Sublime" at Kwai Heung Street was also launched during the year in September 2012. Market response was good and over 85% of the residential units have been sold. Construction of the superstructure has already commenced. Revenue and profit from this project will be recognised in the financial statements for the year ended 31 March 2015.

Construction of "The Met. Delight" at Camp Street has also been underway and progressing well. In view of property market conditions, the Group has revised its strategy in this project and currently has no concrete schedule to launch pre-sale of the residential units in this project.

Pre-sale of commercial units at 724-726 Nathan Road in January 2013 has received overwhelming responses. Except for the retained shops at ground floor, all upper floor units offered for sale had been sold with an aggregate consideration of HK$1,122.1 million. The project is anticipated to be completed by first quarter 2014. Construction work at the site has also been progressing well.

The site at Sze Shan Street has been vacant and hoarding work has been finished. The Group will continue to negotiate with the Hong Kong Government to finalise the amount of land premium required for redevelopment.

During the year, the Group has also acquired the property at 575-575A Nathan Road at a total consideration of approximately HK$475.8 million. The site is situated at prime area in Mongkok, Kowloon and will strengthen the Group's land portfolio for future development. The Group is currently studying various proposals for redevelopment of this site.

As at 31 May 2013, the Group has a development land portfolio as follows:

Location	Approximate Site Area *(sq. ft.)*	Intended Usage	Anticipated Year of Completion
2–8 Pak Kung Street, Hung Hom	4,000	Residential/Shops	2013
1–13 Kwai Heung Street, Sai Ying Pun	4,800	Residential/Shops	2014
724–726 Nathan Road, Mongkok	3,000	Commercial	2014
140–146 Camp Street, Shum Shui Po	4,600	Residential/Shops	2015
575–575A Nathan Road, Mongkok	2,100	Commercial	2016
13 and 15 Sze Shan Street, Yau Tong	41,000	Residential/Shopping Centre	2017

The Group will monitor closely the progress and costing of existing in-progress site to ensure their on-time completion in an efficient and quality manner. Besides, the Group will continue its effort in soliciting suitable residential and commercial development sites for development opportunities, and will also participate actively in the Hong Kong Government public tenders and the Urban Renewal Authority tenders with an aim to replenish its development land bank.

Property Investment

During the year, the Group received gross rental income of approximately HK$65.9 million (2012: approximately HK$61.1 million).

As at 31 March 2013, the portfolio of investment properties comprised of both commercial and residential units located in Hong Kong with a total carrying value of approximately HK$679.9 million (2012: approximately HK$719.8 million). During the year, the Group had disposed of 31 commercial units in Grandeur Terrace at an aggregate consideration of HK$458.0 million.

In addition, the Group had the following major disposals of its investment properties during the year:

(i) On 14 June 2012, the Group entered into a provisional sale and purchase agreement to dispose of an investment property located at Yuen Long, New Territories at a consideration of HK$82.8 million, details of which were set out in the Company's announcement dated 14 June 2012. Such disposal had been completed on 25 October 2012; and

(ii) On 20 July 2012, the Group entered into a provisional sale and purchase agreement to dispose of an investment property located at Shatin, New Territories at a consideration of HK$50.3 million, details of which were set out in the Company's announcement dated 23 July 2012. Such disposal had been completed on 30 November 2012.

Following the partial disposal of shops in Grandeur Terrace, the Group has been vigorously looking for investment opportunities in retail premises with an aim to further strengthening the overall rental income stream. As part of the regular review of its investment property portfolio, the Group will continue to optimise its tenant mix and achieve positive rental adjustments. On 20 November 2012, the Group successfully won the tender of Riviera Plaza, a shopping mall located in Tsuen Wan at a consideration of HK$508 million, details of which were set out in the Company's announcement dated 20 November 2012. The transaction will be completed by 2 July 2013. The Group is now setting out renovation and enhancement plan for the mall after handover from the vendor. The mall will be held as long term investment property and expected to strengthen the rental income stream of the Group.

Management and Sub-licensing of Chinese Wet Markets

For the year ended 31 March 2013, revenue recorded for this segment amounted to approximately HK$237.4 million (2012: approximately HK$230.7 million), representing an increase of approximately HK$6.7 million over last year. The improvement was mainly attributable to the increased licensing income arising from the renewal of license agreements with stall operators of the wet markets.

During the year, the Group continued to manage a portfolio of approximately 960 stalls in 15 "Allmart" brand of Chinese wet markets in Hong Kong with a total gross floor area of over 350,000 square feet. At 28 February 2013, the licence for the Chinese wet market at Hau Tak Estate had expired and returned to the landlord. In PRC, the Group managed a portfolio of approximately 1,100 stalls in 17 Chinese wet markets with a total gross floor area of over 283,000 square feet under "Huimin" brand in various districts of Shenzhen, Guangdong Province.

Since the first launch of "Allmart Club" membership in our managed Chinese wet market in Kai Tin, Lam Tin in October 2011, the Group has further extended this membership program to Choi Ming Estate in Tseung Kwan O, Tin Chak Estate in Tin Shui Wai, Fu Tung Estate in Tung Chung and Chung On Estate in Ma On Shan. The introduction of such membership program has not only improved the traffic flow of the shoppers but also enhanced the overall business atmosphere of the Group's managed Chinese wet markets. As of today, over 11,000 members have been recruited for these five Chinese wet markets.

The introduction of "One Dollar Rental Scheme" has attracted tremendous enquires from the public. After studying ideas submitted by the public and interviewing the entrepreneurs, the Group has provided stall spaces for selected entrepreneurs to start up their businesses of fortune teller, retail of unique hand-made leather products, sale of antique products, etc. in our various managed Chinese wet markets. We believe that this provides an excellent opportunity for them to establish their businesses at a very minimal start-up capital. Besides, this new element can further upgrade the image of our managed Chinese wet markets.

The operation of Chinese wet markets has contributed stable stream of income for the Group. With our expertise and reputation developed in the wet market operations, the Group will actively pursue business opportunities in this segment both in Hong Kong and PRC.

Investment in Pharmaceutical and Health Products Related Business

The Group's original 25% interest in Wai Yuen Tong Medicine Holdings Limited ("**WYTH**"), a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") was diluted after WYTH's top up placing and subscription completed on 11 December 2012 and new issue placing completed on 7 January 2013. Following a series of on-market acquisition of 220 million shares of WYTH by the Group at an aggregate purchase price of approximately HK$43.9 million conducted between 21 January 2013 and 1 February 2013, and the subsequent placing of new shares by WYTH on 8 March 2013, the Group's equity interest in WYTH as at 31 March 2013 has become 24.87%.

For the year ended 31 March 2013, WYTH achieved a turnover of approximately HK$808.5 million (2012: approximately HK$752.1 million) and profit attributable to equity holders of approximately HK$148.4 million (2012: loss of approximately HK$220.8 million). The improvement in its results was mainly contributed by the gain on changes in fair value of investment properties, net realised and unrealised gain on held-for-trading investments and no impairment losses was recognised for the investment in an associate. The Group's share of profit of WYTH for the year ended 31 March 2013 amounted to approximately HK$179.4 million (2012: approximately HK$295.7 million) which comprised share of results of WYTH and a gain on bargain purchase generated from acquisition of additional interests in WYTH by the Group.

In light of the ever growing awareness of health and the strong demand for traditional Chinese medicines from both local and PRC customers, the Group foresees that the business of WYTH will grow steadily in the coming years and expects that the investment will provide long term value to the Group.

Investment in and Loan Facilities Granted to PNG Resources Holdings Limited ("PNG")

PNG, a company listed on the main board of the Stock Exchange, is principally engaged in property development in the PRC, forestry and logging operations in Papua New Guinea and retailing of fresh pork meat and related produce in Hong Kong. During the year, the Group acquired 14.95% equity interest in PNG from an indirect wholly-owned subsidiary of WYTH at an aggregate consideration of HK$110.4 million, details of which were disclosed in the joint announcement published by the Company and WYTH on 22 November 2012. As at 31 March 2013, the Group held an aggregate of approximately 15.47% equity interest in PNG. The Group is optimistic about the prospects of PNG, especially with its property development projects in the PRC and it is expected that the investment in PNG will generate good return to the shareholders of the Group.

As at the date of this announcement, PNG is also indebted to the Group an aggregate outstanding principal amount of approximately HK$185.3 million at an interest rate of 8.0% per annum which will provide a higher return of interest income to the Group.

Loan Facility Granted to China Agri-Products Exchange Limited ("CAP")

During the year, the Group entered into a loan agreement dated 16 July 2012 (as amended by a supplemental agreement dated 31 July 2012) with CAP, pursuant to which, the Group agreed to grant to CAP a secured loan facility (the "**CAP Loan**") of a maximum of HK$670 million at an interest rate of 10.0% per annum which is repayable on or before 30 September 2014, details of which were disclosed in the Company's announcements dated 16 July 2012 and 31 July 2012 and the CAP Loan was approved by the shareholders of the Company at the special general meeting held on 20 August 2012. As at the end of the reporting period, the CAP Loan has been fully drawn down and CAP is indebted to the Group in an aggregate outstanding principal amount of HK$670 million. The Group considers that the CAP Loan can generate a higher and stable interest income to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2013, the Group's total assets less current liabilities were approximately HK$4,930.4 million (2012: approximately 3,793.2 million) and the current ratio changed from approximately 3.6 times as at 31 March 2012 to approximately 2.4 times as at 31 March 2013.

As at 31 March 2013, the Group had cash resources and short-term investments of approximately HK$808.1 million (2012: approximately HK$677.5 million). Aggregate borrowings as at 31 March 2013 amounted to approximately HK$1,629.8 million (2012: approximately HK$1,019.7 million). The gearing ratio was approximately 24.6% (2012: approximately 14.6%), calculated by reference to the Group's total borrowings net of cash and cash equivalents and the equity attributable to owners of the parent. As at 31 March 2013, the Group's investment properties, properties under development and properties held for sale, with carrying value of approximately HK$637.8 million, HK$1,834.3 million and HK$166.2 million (2012: approximately HK$687.3 million, HK$1,234.1 million and HK$363.4 million) were pledged to secure the Group's general banking facilities utilised for approximately HK$381.1 million, HK$1,155.1 million and HK$178.4 million (2012: approximately HK$378.0 million, HK$608.6 million and HK$202.0 million, respectively. The Group's capital commitment as at 31 March 2013 amounted to approximately HK$698.3 million (2012: approximately HK$128.4 million). The Group had no significant contingent liabilities as at the end of the reporting period.

The management of the Group is of the opinion that the Group's existing financial resources are sufficient for the Group's needs in the foreseeable future.

Foreign Exchange

The Board is of the opinion that the Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore does not engage in any hedging activities.

Employees and Remuneration Policies

At the end of the reporting period, the Group had 202 (2012: 234) employees, of whom approximately 87.6% (2012: approximately 87.9%) were located in Hong Kong and the rest were located in the PRC. 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 performance as well as the individual's performance. Other benefits such as medical and retirement benefits and structured training programs are also provided.

PROSPECTS

The global economy has remained uncertain and challenging. Exceptionally low interest rates, strong demand from investors, expected inflation have been the major driving forces behind the soaring property market in Hong Kong during 2012. In response to the heated market, in October 2012, the Hong Kong Government introduced further cooling measures to curb buying activities in property market, including increasing the Special Stamp Duty rate and extending its restriction period, as well as introducing the Buyer's Stamp Duty. Although overall transaction volume dropped in the next two months, yet prices remained resilient and the market soon regained momentum. Later in February 2013, further measures like doubling the rates of ad valorem stamp duty and chargeability on agreement for sale and purchase for both residential and non-residential properties were also introduced. Further, the Hong Kong Monetary Authority had also issued directives to financial institutions imposing stricter requirements for mortgage financing. The vigorous measures in force have inevitably slowed down transaction activities in the property market of Hong Kong during the past few months.

With Japan's roll out of her aggressive monetary easing program recently, money supply has remained adequate across the world economy. Although the United States has just announced that the Federal Reserve may begin to pull back its stimulus program through the end of this year if the economy is strong enough, there is also no obvious indication that other countries may withdraw their credit easing policies in the near future. With no dramatic change in the fundamentals of the external economic environment, it is anticipated that land supply in the short to medium term by the Hong Kong Government would increase steadily, whilst local political disputes and policies in PRC are also important influencing factors affecting the property market of Hong Kong. The Group will stay attuned to the market, actively explore favourable opportunities and take prompt actions when necessary. The Group will adopt a proactive yet prudent approach in developing our businesses.

Finally, as a major operator in Chinese wet markets in Hong Kong, the Group will continue to leverage its expertise and experience and make every effort to increase its market share and improve the operation environment by constantly optimising its stall operator mix and introducing new elements to its managed Chinese wet markets. The Group will also actively look for development opportunities in this business in other regions like PRC.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during 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. In the opinion of the Board, the Company had applied the principals and complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") throughout the financial year ended 31 March 2013.

Further details of the Company's corporate governance practices are set out in the corporate governance report to be contained in the Company's 2013 Annual Report.

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

In light of enhancing the efficiency and cost effectiveness and in compliance with the requirements of the Listing Rules, the Board proposes to seek approval of the shareholders of the Company by way of special resolutions to be passed at the forthcoming annual general meeting to amend the existing bye-laws of the Company (the "**Bye-laws**") and the adoption of the amended and restated Bye-laws by consolidating the various previous amendments made to the Bye-laws.

Details of the amendments to the Bye-laws are set out in the notice convening the 2013 annual general meeting to be contained in the Company's circular which will be despatched to the shareholders of the Company together with the 2013 annual report of the Company in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its code of conduct regarding the securities transactions by the directors of the Company on the 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, they confirmed that they had complied with the required standard set out in the Model Code throughout the financial year under review.

AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") with specific terms of reference (as amended from time to time) in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting processes and internal controls. The Audit Committee, comprising three independent non-executive directors, namely Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, has reviewed with the management and the auditors the consolidated financial statements for the year ended 31 March 2013. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

ANNUAL GENERAL MEETING

The 2013 annual general meeting of the shareholders of the Company will be held at Garden Rooms A & B, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Thursday, 22 August 2013 at 11:00 a.m. and the notice convening such meeting will be published and despatched to the shareholders of the Company 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.hkex.com.hk*) and the Company (*www.wangon.com*). The 2013 annual report containing all the information required by the Listing Rules will be despatched to the Company's 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, 21 June 2013

As at the date of this announcement, the Board comprises three executive directors of the Company, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and four independent non-executive directors of the Company, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

* *For identification purpose only*