WANG ON GROUP LIMITED
宏 安 集 團 有 限 公 司
(Incorporated in Bermuda with limited liability)
Stock Code: 1222

Bring Quality to Life · Paving a Bright Future

2014 ANNUAL REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, *JP*, Chairman
Ms. Yau Yuk Yin, Deputy Chairman
Mr. Chan Chun Hong, Thomas, Managing Director

Independent Non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

AUDIT COMMITTEE

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*, Chairman
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Kam Chau

REMUNERATION COMMITTEE

Mr. Wong Chun, Justein, *BBS, MBE, JP*, Chairman
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho, *JP*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

NOMINATION COMMITTEE

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*, Chairman
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau
Mr. Tang Ching Ho, *JP*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

EXECUTIVE COMMITTEE

Mr. Tang Ching Ho, *JP*, Chairman
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

INVESTMENT COMMITTEE

Mr. Tang Ching Ho, *JP*, Chairman
Mr. Chan Chun Hong, Thomas
Mr. Siu Kam Chau

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita

AUDITORS

Ernst & Young

LEGAL ADVISERS

DLA Piper Hong Kong
Gallant Y. T. Ho & Co.

PRINCIPAL BANKERS

The Bank of East Asia, Limited
China Construction Bank (Asia) Corporation Limited
China Everbright Bank
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

BOARD LOT

20,000 shares

INVESTOR RELATIONS

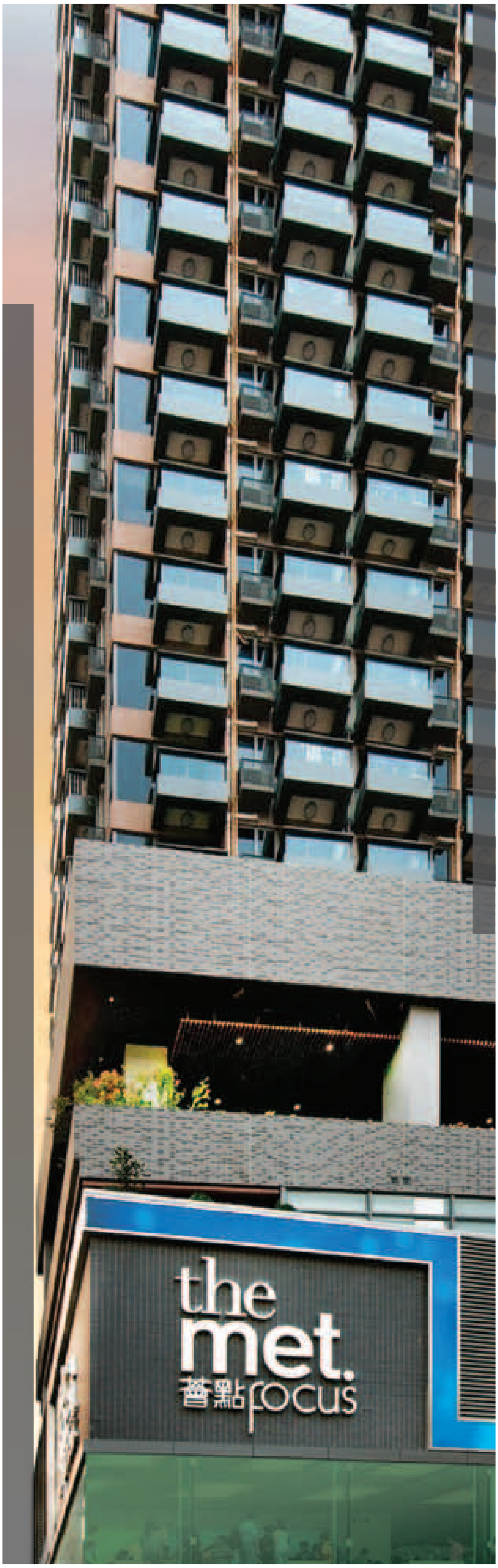
Email: pr@wangon.com

HOMEPAGE

www.wangon.com

STOCK CODE

1222



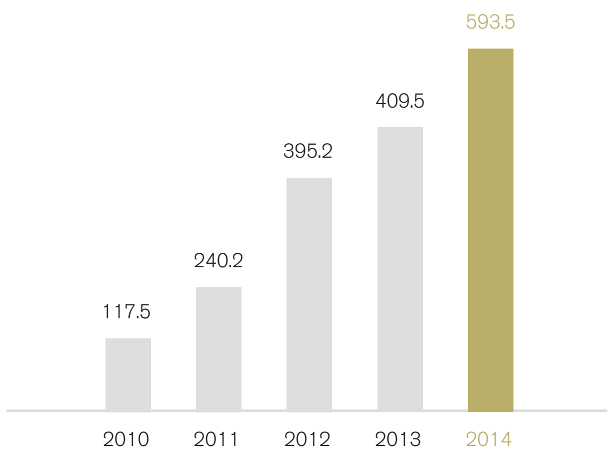
FINANCIAL HIGHLIGHTS

	YEAR ENDED 31 MARCH 2014	2013	Change
Turnover	HK$1,597.3 million	HK$744.1 million	▲ 114.7%
Profit attributable to owners of the parent	HK$593.5 million	HK$409.5 million	▲ 44.9%
Basic earnings per share	HK$0.091	HK$0.063	▲ 44.4%
Total dividends per share	HK$0.0075	HK$0.0065	▲ 15.4%

	AT 31 MARCH 2014	2013	Change
Total assets	HK$5.8 billion	HK$5.7 billion	▲ 1.8%
Net assets	HK$3.9 billion	HK$3.6 billion	▲ 8.3%
Net asset value per share	HK$0.60	HK$0.55	▲ 9.1%
Gearing ratio	14.2%	25.1%	▼ (10.9%)

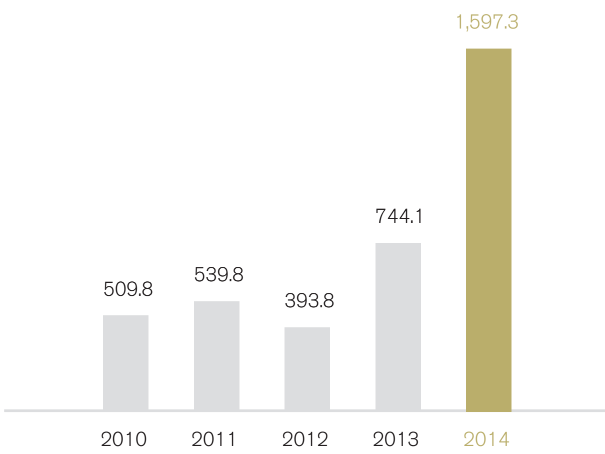
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

HK$ million



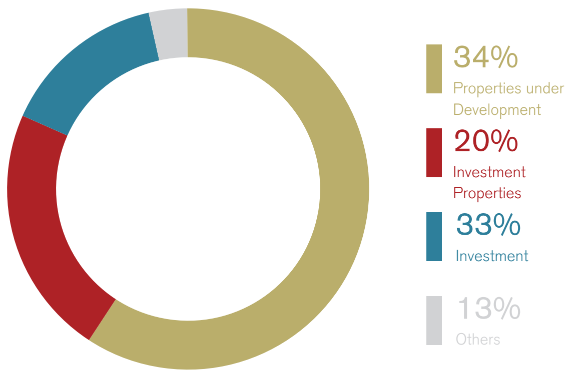
TURNOVER

HK$ million



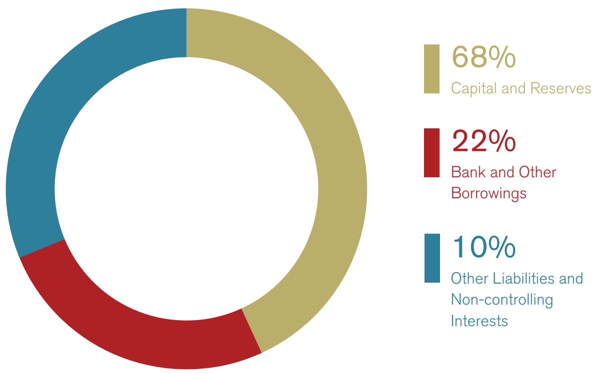
ASSETS EMPLOYED

As at 31 March 2014



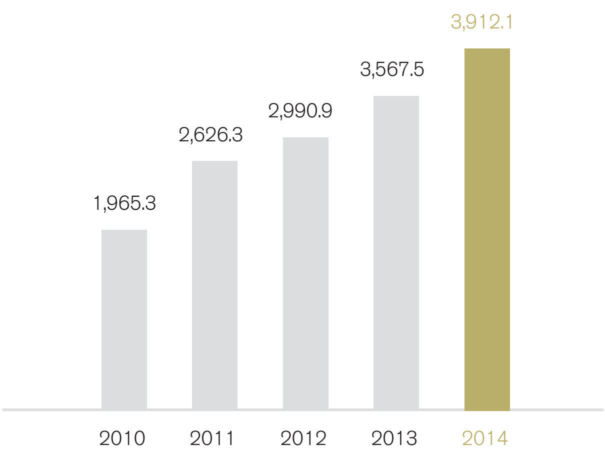
CAPITAL AND LIABILITIES

As at 31 March 2014



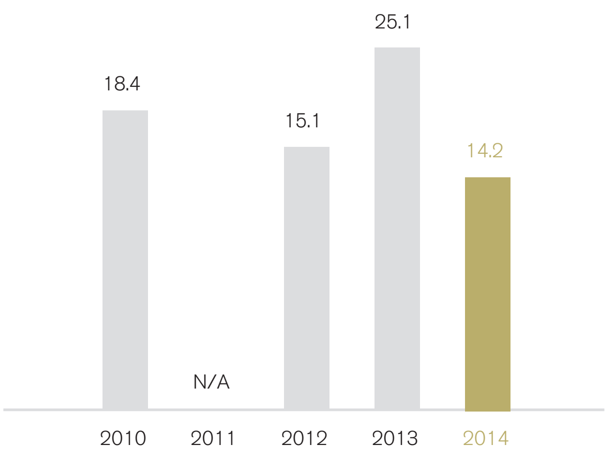
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

HK$ million



GEARING RATIO

Percentage



CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "***Board***" or the "***Directors***") of Wang On Group Limited (the "***Company***"), I am pleased to announce the annual results of the Company and its subsidiaries (collectively the "***Group***") for the year ended 31 March 2014 (the "***year under review***").

FINANCIAL REVIEW

The Group recorded outstanding growth for the year under review, despite the continuous fluctuation of the Hong Kong property market resulting from the challenging external economic environment in 2013. The revenue of the Group increased by approximately 114.7% to approximately HK$1,597.3 million (2013: approximately HK$744.1 million), and the profit attributable to owners of the parent amounted to approximately HK$593.5 million (2013: approximately HK$409.5 million), representing a year-on-year increase of approximately 44.9%. The Group recorded gross profit of approximately HK$853.4 million during the year under review (2013: approximately HK$364.8 million), and basic earnings per share of approximately HK9.10 cents (2013: approximately HK6.28 cents). The growth of the results was mainly attributable to three factors including the completion of handover and recognition of all of the residential units and some of the shops in "The Met. Focus" at Pak Kung Street, Hung Hom, one of the Group's self-developed project under "The Met." series, and the completion of delivery of some of the shops at "726 Nathan Road", a Ginza-style commercial building which was one of the major projects of the Group for the year under review, and the favourable results of the sales of remaining commercial units in Grandeur Terrace in Tin Shui Wai.

The Board has recommended the payment of a final dividend of HK0.6 cents (2013: HK0.5 cents) per ordinary share for the year ended 31 March 2014. The final dividend will be paid on or around Thursday, 31 July 2014, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Wednesday, 16 July 2014. Together with the interim dividend of HK0.15 cents paid in December 2013, the total dividends for the year ended 31 March 2014 will be HK0.75 cents per ordinary share.

BUSINESS REVIEW

Hong Kong's economy witnessed mild growth in 2013 due to the various uncertainties of the external economic environment. The risk of property bubble in Hong Kong increased at the beginning of last year after the further easing of monetary policy. The Hong Kong Government subsequently introduced further property cooling measures last year to address the increasing risk of property bubble, resulting in a drastic decline of the secondary property market and a continuous drop in transaction volume, hitting a level worser than during the SARS outbreak and financial crisis.

The property market, however, bounced back at the beginning of 2014. With more projects launched at the primary property market and supported by buyers for small to medium sized units or first-time property buyers, the market recorded active transactions as developers made quick sales of their newly launched property projects at discounted prices and consequently stimulated the recovery of the secondary market. To meet this heavy and rigid demand for properties, the Government announced in this year's budget that the 2014-15 Land Sale Programme would include 34 residential sites capable of providing 15,500 units in total, among which 24 sites are new ones. For the land sale in the first quarter of 2014, developers of various scales participated in tendering and the competition was fierce.

During the year under review, the Group grasped the market demand and opportunities to continue its development of "The Met." series of metropolitan prestige residence, focusing on the development of small to medium sized units. The Group launched "The Met. Delight", the third project of "The Met." series, on Valentine's Day, 14 February 2014. With an excellent location at Camp Street, Sham Shui Po and the comprehensive transportation network support, the project was extremely popular with the market and achieved a satisfying sales performance. All the units and shops were sold out within about a month after the launch. The project is scheduled to be completed by the middle of next year.

"The Met. Focus" is the first project of the Group's "The Met." series, completed the handover in the first quarter of 2014 and, as one of the major projects that boosted the results of the Group during the year under review, contributed revenue of approximately HK$408.8 million. "The Met. Sublime", another project of "The Met." series, has already topped out and construction is expected to be completed in the second half of 2014.

In addition, the Group is still formulating a plan for the land site at Sze Shan Street, Yau Tong, purchased during the financial year 2010 by the Group.

The investment property market saw mixed results in the second half of 2013 with reduced leasing transactions but better investment market performance. Rental prices in Hong Kong remained relatively stable in the fourth quarter of 2013, and Hong Kong still commanded the highest rentals for shopping malls and street-side shops in the Asia-Pacific region. Promoted by middle-end retailers and foreign brands, the retail market and rentals are expected to remain stable in 2014.

Located at a prime site in Mong Kok, Kowloon, the Group's Ginza-style commercial building "726 Nathan Road" completed its construction in early 2014. Delivery of some of the commercial units have been completed, contributing a revenue of approximately HK$488.0 million to the Group. Riding on the successful development of the Ginza-style commercial building "726 Nathan Road", the Group acquired another site at 575-575A Nathan Road, Mong Kok in March last year. Demolition work is now ready to commence. The Group plans to develop the site into a commercial building comprising commercial, entertainment and catering facilities, turning it into another landmark in the district.

In addition, the sale of the Group's remaining commercial units in Grandeur Terrace in Tin Shui Wai contributed approximately HK$463.1 million for the revenue of the Group. Taking into consideration that the completion of the Hong Kong-Zhuhai-Macau Bridge will promote business opportunities in the area, the Group plans to turn the shopping mall Riviera Plaza in Tsuen Wan, acquired and completed in 2013, into a mall for various brands, providing better shopping and social facilities. The project will be held as a long-term investment property and will be one of the sources of rental income of the Group in the future.

As one of the largest leasing operators of Chinese wet markets in Hong Kong, during the year under review the Group managed a portfolio of 13 "Allmart" branded and 17 "Huimin" branded Chinese wet markets in various districts in Hong Kong and Shenzhen, Guangdong Province, respectively. To bring new shopping experience for Hong Kong people and draw traffic flow to the wet markets, the Group will make every effort to introduce new elements and improve the shopping environment of our managed Chinese wet markets.

FUTURE OUTLOOK

Looking into 2014, the tapering of quantitative easing by the US Federal Reserve as well as various uncertainties will put pressure on the global economy. However, Hong Kong's economic growth rate may record mild increase due to the recovery of the investment market and the sales in the primary property market. The Government recently put up multiple sites in urban districts for sale, attracting small and medium sized developers to participate in tendering and

heating up the investment market.

The Group is committed to the principle of continually enhancing operational efficiency as well as cutting cost and stabilising business. Guided by our long-term strategic target, the Group is equipped with strengths to overcome unpredictable challenges and grasp any emerging business opportunities in a timely manner. With our extensive market experience and on the basis of our current performance, the Group is confident in our business development in the long run. We will continue to focus on developing residential, commercial and investment property projects. We expect that the site at 575-575A Nathan Road, Mong Kok and the shopping mall at Riviera Plaza, Tsuen Wan will be the major development projects of the Group in the coming year. The Group will continue to actively participate in land tendering and carry out acquisitions this year, aiming to increase its land reserve and laying a solid foundation for the future development of its business, in order to ensuring its sustainable development.

Faced with an uncertain investment environment, the Group has strengthened its risk control and adopted a prudent approach in financial management. Cash flow and capital outlay are under close scrutiny by the management to ensure the Group's smooth operation, as well as flexibility to respond to market uncertainties.

APPRECIATION

Last but not the least, on behalf of the Board, I would like to express my heartfelt gratitude to our management team and staff for their dedication and continued contribution towards the Group during the past year. Also, I would like to take this opportunity to extend my sincere gratitude and appreciation to all of our partners, shareholders and customers for their enthusiastic support and confidence in the Group. We pledge to continue to secure maximum returns for all shareholders.

Tang Ching Ho
Chairman

Hong Kong, 14 May 2014

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the financial year ended 31 March 2014, the Group's turnover and profit attributable to owners of the parent amounted to approximately HK$1,597.3 million (2013: approximately HK$744.1 million) and approximately HK$593.5 million (2013: approximately HK$409.5 million) respectively.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK0.6 cents (2013: HK0.5 cents) per ordinary share for the year ended 31 March 2014 to shareholders on the register of members of the Company as of Thursday, 24 July 2014. The final dividend will be paid on or around Thursday, 31 July 2014, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Wednesday, 16 July 2014. Together with the interim dividend of HK0.15 cents (30 September 2012: HK0.15 cents), the total dividends for the year ended 31 March 2014 will be HK0.75 cents (2013: 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 2014 annual general meeting:*

Latest time to lodge transfer documents for registration:	4:30 p.m., Thursday, 10 July 2014
Closure of register of members:	Friday, 11 July 2014 to Wednesday, 16 July 2014
Record date:	Wednesday, 16 July 2014

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

Latest time to lodge transfer documents for registration:	4:30 p.m., Tuesday, 22 July 2014
Closure of register of members:	Wednesday, 23 July 2014 to Thursday, 24 July 2014
Record date:	Thursday, 24 July 2014

In order to be eligible to attend and vote at the 2014 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 Level 22, Hopewell Centre, 183 Queen's Road East, 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 2014 amounted to approximately HK$1,597.3 million (2013: approximately HK$744.1 million), representing a substantial increase of approximately HK$853.2 million compared with last year. Profit attributable to owners of the parent for the year was approximately HK$593.5 million (2013: approximately HK$409.5 million). The Group continues to achieve favourable results this year and was contributed mainly by the completion and delivery of "The Met. Focus" residential project and the "726 Nathan Road" Ginza-type commercial building during the year. The review of the individual business segments of the Group is set out below.

Property Development

Revenue recognised in this business segment during the year amounted to approximately HK$899.0 million (2013: Nil), and it was contributed by the disposal of the two development projects, "The Met. Focus" and the "726 Nathan Road".

"The Met. Focus" located at Pak Kung Street, Hung Hom is the Group's first residential project under "The Met." series, its construction works were completed during the year and all the 103 residential units and part of the podium shops have been delivered to the purchasers during first quarter of 2014. This project contributed revenue of approximately HK$408.8 million to the Group for the year ended 31 March 2014.

The "726 Nathan Road" Ginza-type commercial building was pre-sold in January 2013 at an aggregate consideration of approximately HK$1,122.1 million. Construction works of this project were also successfully completed during the year and delivery to purchasers started in March 2014 and is underway, and except for the ground floor units which remain unsold, 7 out of 18 sold units have been delivered to the purchasers by the end of March. This project contributed revenue of approximately HK$488.0 million to the Group for the year ended 31 March 2014.

In view of the property market sentiment, the Group had decided to revise its strategy and launched the presale of "The Met. Delight" at Camp Street, Sham Shui Po in February 2014. The presale received favourable responses and all the 84 units and 9 shops have been sold in around one month after the launch. Construction of the superstructure has already begun and been progressing well and the whole development is expected to complete in the second half of 2015. Revenue and profit from this project will be recognised in the year ended 31 March 2016.

Construction of the superstructure of "The Met. Sublime" at Kwai Heung Street, Sai Ying Pun has also been progressing steadily, and it has already topped out in April 2014 and completion of development is targeted to be in the second half of 2014. The Group has launched a sales campaign for the remaining units, and there are now 7 residential units and one shop are remaining to be sold. The revenue and profit from this project will be recognised in the year ended 31 March 2015.

The site at 575-575A Nathan Road, Mong Kok is obtaining approval for its building plan, while hoarding work of the site has been completed and demolition of the existing building will start soon. Situated at the prime area in Mong Kok, Kowloon, and given the success of "726 Nathan Road", this site will also be redeveloped as another Ginza-type commercial building. Completion of this development is expected to be in late 2016.

Finally, the site at 13 and 15 Sze Shan Street, Yau Tong has still been vacant with hoarding work completed. Negotiation with the Hong Kong Government on the amount of land premium required for redevelopment of the site is still in progress.

As at 30 April 2014, the Group has a development land portfolio as follows:

Location	Approximate Site Area (Square feet)	Intended Usage	Anticipated Year of Completion
1-13, Kwai Heung Street, Sai Ying Pun	4,800	Residential/Commercial	2014
140-146, Camp Street, Sham Shui Po	4,600	Residential/Commercial	2015
575-575A, Nathan Road, Mong Kok	2,100	Commercial	2016
13 and 15, Sze Shan Street, Yau Tong	41,000	Residential/Commercial	2017

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

Property Investment

During the year, the Group received gross rental income of approximately HK$43.7 million (2013: approximately HK$54.3 million). The decrease in gross rental income was attributable to the disposal of remaining shops in Grandeur Terrace during the year.

The remaining 16 shops in Grandeur Terrace was disposed of at an aggregate consideration of approximately HK$463.1 million, which after then the Group's interest in this investment property had been fully disposed of.

On 30 November 2013, the Group entered into a provisional agreement to dispose of an investment property located at Mong Kok, Kowloon at consideration of HK$60.0 million, details of which were set out in the Company's announcement dated 2 December 2013. As the transaction was completed on 8 April 2014, gain or loss on disposal of such property had not been recorded in the financial statements for the year ended 31 March 2014.

As at 31 March 2014, the portfolio of investment properties comprised of both commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK$1,140.1 million (2013: approximately HK$679.9 million).

In order to secure a stable and long term rental income stream, and following the disposal of shops in Grandeur Terrace, the Group has been vigorously exploring for potential property investment opportunities. During the year, the Group completed at a consideration of HK$508.0 million the acquisition of Riviera Plaza, a shopping mall located in Tsuen Wan. The shopping mall was acquired through a successful tender of the Group on 20 November 2012, details of which was set out in the Company's announcement dated 20 November 2012. The shopping mall has completed vacant possession and the Group is now applying for approval of its renovation and enhancement plan. Expected completion of the works will be around the end of 2015. This shopping mall will be held as a long term investment property and should strengthen the rental income stream of the Group.

The Group will continue its close and regular review of its investment property portfolio, optimise its tenant mix and strive to achieve positive rental adjustments.

Management and Sub-licensing of Chinese Wet Markets

For the year ended 31 March 2014, revenue recorded for this segment amounted to approximately HK$193.5 million (2013: approximately HK$220.0 million), representing a decrease of approximately HK$26.5 million over the last year. The decrease was mainly attributable to the expiration of licence with the landlord for the Chinese wet markets at Hau Tak Estate, Tseung Kwan O and Yiu On Estate, Ma On Shan on 28 February 2013 and on 31 May 2013, respectively.

During the year, the Group managed a portfolio of approximately 800 stalls in 13 "Allmart" brand of Chinese wet markets in Hong Kong with a total gross floor area of over 300,000 square feet. In Mainland China, the Group managed a portfolio of approximately 1,000 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.

As one of the Group's major effort in the promotion of the Group's managed Chinese wet markets in Hong Kong, the "Allmart Club" membership program has already recruited over 12,000 members to date. The program not only improved the traffic flow of shoppers, but also enhanced the overall business atmosphere of the markets. Besides, during the year, the Group had launched various enhancement works in the markets, including but not limited to, massive renovation of portal and stall signages, upgrade of patrol management system and improvement works for toilets. Ventilation systems in certain locations have also been improved. The Group is of the view that the refurbishment campaign will further improve the image and general environment of the markets, which will provide a more pleasant and convenient shopping experience for shoppers.

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

Investment in Pharmaceutical and Health Products Related Business

As at 31 March 2014, the Group held 24.87% 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**").

For the year ended 31 March 2014, WYTH achieved a turnover of approximately HK$865.3 million (2013: approximately HK$785.6 million) and profit attributable to equity holders of approximately HK$163.4 million (2013: approximately HK$148.4 million). The improvement in its results was mainly attributable to, among other things, the increase in gross profit resulting from the increase in WYTH's turnover and the gain from change in fair value of investments held-for-trading, although the same has been partly set-off by the decrease in fair value gains on investment properties. The Group's share of profit of WYTH for the year ended 31 March 2014 amounted to approximately HK$43.0 million (2013: approximately HK$179.4 million).

In light of the ever growing awareness of health and the strong demand for quality traditional Chinese medicines from both local and Mainland China customers, the Group is of the view that the business of WYTH will continue to grow steadily and expects that the investment in WYTH 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 Mainland China and the retailing of fresh pork meat and related produce in Hong Kong. During the year, the Group acquired approximately 382.2 million shares of PNG on market between 29 July 2013 and 4 October 2013 at an aggregate purchase price of approximately HK$76.5 million, and following the subsequent placing of new shares by PNG completed on 27 November 2013, the Group's original 15.47% interest in PNG had increased to 17.03%.

During the year, there was a substantial decline in the market value of the shares of PNG. As at 31 March 2014, the fair value of the PNG shares held by the Group was approximately HK$106.9 million (2013: approximately HK$321.2 million). The Directors consider that the decline in fair value was significant and prolonged, an impairment loss of approximately HK$84.8 million (2013: Nil), was recognised in profit or loss for the year.

As at 31 March 2014, PNG was also indebted to the Group in an aggregate outstanding principal amount of approximately HK$107.6 million at an interest rate of 8.0% per annum which had provided a good 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 further loan agreement dated 19 September 2013 with CAP, pursuant to which the Group granted to CAP a secured revolving loan facility (the "**CAP Loan**") of a maximum of HK$210.0 million at an interest rate of 12.0% per annum which is repayable on or before 18 September 2016, details of which was disclosed in the Company's announcement dated 19 September 2013. As at 31 March 2014, the CAP Loan had been fully drawn and CAP was indebted to the Group in an aggregate outstanding principal amount of HK$880.0 million, of which HK$670.0 million had been drawn pursuant to the previous loan agreement dated 16 July 2012 (as amended by the supplemental agreement dated 31 July 2012). The Group considers that the CAP Loan generate a higher and stable interest income to the Group.

Investment in CAP

As disclosed in the announcement of the Company dated 19 December 2013, the Group irrevocably undertook to CAP to subscribe for its provisional entitlement of 412,500 rights shares under the rights issue proposed by CAP in the proportion of 15 adjusted CAP rights shares for every one adjusted CAP share held on the record date at HK$0.465 per rights share of CAP (the "**CAP Rights Issue**") pursuant to an irrevocable undertaking executed on 4 December 2013 and participated in underwriting 228 million rights shares under the CAP Rights Issue, in consideration of receiving commission of 2.5% of the aggregate subscription price of the underwritten rights shares, pursuant to the underwriting agreement executed on 4 December 2013.

As a result of the over-subscription of the CAP Rights Issue, completion of which took place on 25 March 2014, the Group was not required to take up any underwritten shares. Thus, as at 31 March 2014, the Group remained to hold 0.04% equity interest in CAP.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2014, the Group's total assets less current liabilities were approximately HK$4,738.8 million (2013: approximately 4,930.5 million) and the current ratio increased from approximately 2.4 times as at 31 March 2013 to approximately 2.8 times as at 31 March 2014.

As at 31 March 2014, the Group had cash resources and short-term investments of approximately HK$815.9 million (2013: approximately HK$790.5 million). Aggregate borrowings as at 31 March 2014 amounted to approximately HK$1,266.9 million (2013: approximately HK$1,629.8 million). The gearing ratio was approximately 14.2% (2013: approximately 25.1%), 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 2014, the Group's land and buildings, investment properties, properties under development and properties held for sale, with carrying value of approximately HK$64.0 million, HK$1,096.2 million, HK$1,267.3 million and HK$314.0 million (2013: approximately HK$Nil, HK$637.8 million, HK$1,834.3 million and HK$166.2 million) were pledged to secure the Group's general banking facilities. The Group's capital commitment as at 31 March 2014 amounted to approximately HK$221.1 million (2013: approximately HK$698.3 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 dollar. The revenue of the Group, being mostly denominated in Hong Kong dollar, 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 203 (2013: 202) employees, of whom approximately 96.1% (2013: 87.6%) 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 performance as well as the individual's performance. Other benefits such as medical and retirement benefits and structured training programs are also provided.

PROSPECTS

With various property market cooling measures in place to curb speculating activities, sentiment has remained cautious and there has been slight price adjustments. To reactivate sale activity, property developers has cut prices, offered various rebates and payment terms to property purchasers when launching their new residential projects since the end of 2013, and the pace for launching property sales has also been accelerated. Response of the market has been generally positive and the number of first-hand property transaction has increased. The second-hand property trading has also showed some resurrection as owners were more willing to discount prices. It is expected that in the short term developers will continue this strategy when launching new projects.

Market information and the recent success of the Group's in the launch of prestige style, affordable residential project, "The Met. Delight" have both reflected that the current increase in transactions were mainly driven by home-use buyers. It is believed that the demand for quality housing with better living conditions in convenient locations will remain robust and will continue to generate support for the property market of Hong Kong. Further, the keen responses to recent government tenders has also reflected developers' interest in acquiring land, especially in urban areas. The Group is therefore cautiously optimistic about the property market in Hong Kong and will proactively look for development opportunities. As the Group's major property projects will progress towards completion within the next few years, the Group will actively participate in tenders of land as well as direct acquisitions in the market in order to replenish land inventory for future development.

The operation of Chinese wet markets has contributed stable stream of income for the Group. The Group will dedicate continued effort in securing our position as one of the major operators in Hong Kong. With our professional expertise and extensive experience in Chinese wet market management and operations, the Group will also evaluate acquisition opportunities in both Hong Kong and Mainland China as a means to expand business coverage as well as to strengthen this income base.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Ching Ho, *JP*, aged 52, is a co-founder of the Group, which was established in 1987, and the Chairman of the Company since November 1993. He is also an authorised representative, a member of the remuneration committee, the nomination committee, the investment committee and the executive committee of the Company. Mr. Tang is responsible for the strategic planning, policy making and business development of the Group. He has extensive experience in corporate management. He is also the chairman of WYTH. Mr. Tang is the committee member of the 12th National Committee of the Chinese People's Political Consultative Conference ("**CPPCC**") and is also appointed as a standing committee member and convener of the tenth CPPCC Guangxi Zhuang Autonomous Region Committee and the president of Federation of Hong Kong Guangxi Community Organisations Limited and a standing committee member of the third CPPCC Guangxi Yulin City Committee. He is the husband of Ms. Yau Yuk Yin, the Deputy Chairman of the Company.

Ms. Yau Yuk Yin, aged 52, is a co-founder of the Group and the Deputy Chairman of the Company since November 1993. She is also a member of the remuneration committee, the nomination committee and the executive committee of the Company. Ms. Yau is responsible for the overall human resources and administration of the Group. She has over 21 years of experience in human resources and administration management. She is the wife of Mr. Tang Ching Ho, the Chairman of the Company.

Mr. Chan Chun Hong, Thomas, aged 50, joined the Group in March 1997 as an executive Director and was re-designated as the Managing Director of the Company in September 2005. He is also an authorised representative and a member of the remuneration committee, the nomination committee, the investment committee and the executive committee of the Company. Mr. Chan is currently responsible for managing the overall operations of the Group. He is also the managing director of WYTH, the chairman and managing director of PNG, the chairman and chief executive officer of CAP and an independent non-executive director of Shanghai Prime Machinery Company Limited, all of which are companies listed on the Main Board of the Stock Exchange. He graduated from The Hong Kong Polytechnic University (then known as the Hong Kong Polytechnic) with a Bachelor degree in Accountancy and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.

Independent Non-Executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*, aged 74, joined the Group in November 1993 as an Independent Non-executive Director. He is a member of the remuneration committee and the chairman of the nomination committee of the Company. Dr. Lee holds an honorary doctoral degree in engineering from The Hong Kong Polytechnic University and an honorary doctoral degree in laws from The Chinese University of Hong Kong. He is currently an independent non-executive director of AMS Public Transport Holdings Limited, ITE (Holdings) Limited and Playmates Holdings Limited, all of which are companies listed on the Stock Exchange. He resigned as an independent non-executive director of Sam Woo Holdings Limited (now known as Noble Century Investment Holdings Limited), VXL Capital Limited and Giordano International Limited on 29 April 2011, 28 September 2012 and 14 June 2013, respectively.

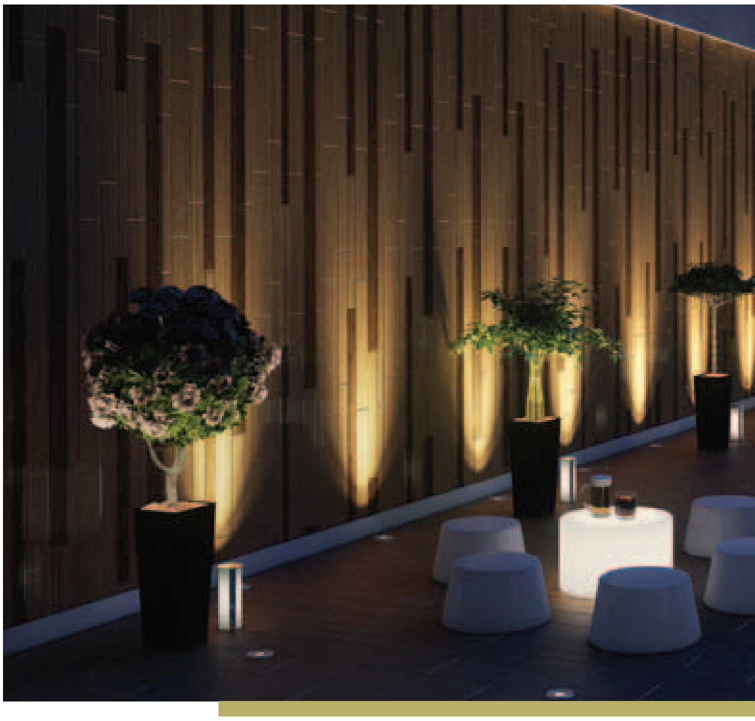
Mr. Wong Chun, Justein, *BBS, MBE, JP*, aged 60, joined the Group in November 1993 as an Independent Non-executive Director. He is a member of the audit committee and the nomination committee of the Company and the chairman of the remuneration committee of the Company. Mr. Wong holds a bachelor's degree in Commerce and Computing Science from Simon Fraser University, Canada. He is a Fellow of Institute of Canadian Bankers. He was a member of the Fight Crime Committee, the Independent Police Complaints Council, the Legal Aid Services Council, chairman of Quality Education Fund Assessment and Monitoring Committee. He is ex-official member of New Territories Heung Yee Kuk and is currently a member of Joint Committee of Student Finance, a member of Council on Professional Conduct in Education and a member of other government advisory bodies.

Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*, aged 67, joined the Group in November 1993 as an Independent Non-executive Director. He is the chairman of the audit committee of the Company and a member of the nomination committee and the remuneration committee of the Company. Mr. Siu is also an executive member of a number of charitable organisations and sports associations and an independent non-executive director of Unlimited Creativity Holdings Limited, a listed company in Hong Kong.

Mr. Siu Kam Chau, aged 49, joined the Group in September 2004 as an Independent Non-executive Director. He is a member of the audit committee, the nomination committee, the remuneration committee and the investment committee of the Company. Mr. Siu holds a Bachelor degree in Accountancy from The City University of Hong Kong. Mr. Siu is a Certified Public Accountant (Practising) and a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Siu has over 24 years of working experience in auditing, accounting, company secretarial and corporate finance. He is currently an executive director of Jun Yang Solar Power Investments Limited and an independent non-executive director of China New Economy Fund Limited, both companies are listed on the Main Board of the Stock Exchange. Mr. Siu was also appointed as an independent non-executive director of Oriental Unicom Agricultural Group Limited, a company listed on the GEM board of the Stock Exchange, on 24 May 2013 and Deson Development International Holdings Limited, which shares are listed on the Main Board of the Stock Exchange on 14 March 2014.

SENIOR MANAGEMENT

Mr. Yeung Yiu Man is the head of projects and an executive director of the group. Mr. Yeung is responsible for managing various property and infra-structure developments of the Group and its subsidiaries, and has overall responsibility for all aspects of the construction works including cost control. Mr. Yeung holds a Master degree in Management from The Hong Kong Polytechnic University. He is a member of the Chartered Institute of Building and the Royal Institute of Chartered Surveyors. He possesses a wide spectrum of experience in property industry and has been active in property developments for more than 28 years. Prior to joining the Group in March 2011, Mr. Yeung had worked for a major Hong Kong listed property developer for 11 years with comprehensive experience in project management, tender procurement and cost control.



Mr. Lau Kam Kwok, Dickson jointed the Group in June 2013 as Chief Financial Officer of the Group. Mr. Lau is responsible for overseeing the finance and accounting, and investor relations functions of the Group. Prior to joining the Group, he was financial controller and an executive director of a company listed on the Stock Exchange for a number of years. Mr. Lau is a fellow member of Hong Kong Institute of Certified Public Accountants. He holds a Bachelor degree in Accountancy from The City University of Hong Kong and has over 20 years of experience in auditing, finance and accounting.

Ms. Josephine Ong, joined the Group in October 2013 as the Group General Counsel of the Company. Ms. Ong is a member of the Law Society both in Hong Kong and the United Kingdom. Ms. Ong has a Law degree from the Business Law School of the former City of London Polytechnic and is a qualified solicitor admitted to practice in Hong Kong for over 20 years. Ms. Ong also holds a Master of Science degree in Finance and a Master of Science degree in Marketing, both from the National University of Ireland. She has previously worked in a multi-national corporation for over 12 years, overseeing the legal aspects of property projects worldwide.

Mr. Chan Sai Yan joined the Group in November 2012 as the Financial Controller of the Group. Mr. Chan holds a Bachelor degree in Accountancy from The Hong Kong Polytechnic University, a Master degree in Business Administration and a Master of Arts degree in Philosophy from the Chinese University of Hong Kong. He is a fellow member of both the Association of Chartered Certified Accountants and The Taxation Institute of Hong Kong, and also a Certified Tax Advisor (Hong Kong). He has over 17 years of experience in professional accounting and financial management. Prior to joining the Group, he has worked in several Hong Kong listed companies and served senior executive roles in finance and company secretarial functions.

Ms. Ching Tak Won, Teresa joined the Group in September 2008 and is the Assistant General Manager (Sales and Marketing) of the Group's property development division. She holds a Bachelor degree in Business Administration from Hong Kong University of Science and Technology. She has more than 10 years of experience in sales and marketing of property industry.

Ms. Mak Yuen Ming, Anita, was appointed as the Company Secretary of the Company in February 2009. Ms. Mak is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and holds a Master degree in Business Administration from University of Lincolnshire and Humberside. Ms. Mak has over 18 years of experience in company secretarial field. Prior to joining the Group, she served in a few Hong Kong listed groups.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

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. The Board believes that good corporate governance practices are fundamental and essential to the success of the Company and the enhancement of shareholders and other stakeholders' value.

The Company continued to take steps to apply the principles and comply with the code provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The Board has reviewed periodically the compliance of the CG Code and is in the view that throughout the year ended 31 March 2014, the Company has complied with the code provisions of the CG Code

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time, (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they had complied with the required standards set out in the Model Code throughout the year under review.

The Company also adopted a code of conduct regarding securities transactions on no less exacting terms than the Model Code by the relevant employees of the Company or any of its subsidiaries who are considered likely to be in possession of unpublished inside information in relation to the Company or its securities pursuant to code provision A.6.4 of the CG Code. To the best knowledge and belief of the Directors, all relevant employees had complied with the required standards of such code.

BUSINESS MODEL AND STRATEGY

The Group is principally engaged in the businesses of property development, property investment and management of Chinese wet markets, and has managed to maintain a steady business development. The Group's strategy for generating and preserving shareholder's value in the long run is to invest prudently in projects and opportunities which maximise return to the shareholders. With respect to property development, the Group actively explores opportunities and increases its land portfolio which forms the basis for generating gain in the property development. To cope with varying and uncertain market conditions, the Group mainly focuses on projects with shorter development cycle in order to provide quicker turnover cycle, flexibility and reduction of business risk. On the other hand, the Group continues to maintain a balanced portfolio of property investments, regularly review its tenant mix, with an aim to maximise rental yield and secure a stable stream of income to support the recurring operations of the Group. Management of Chinese wet markets provides another stable source of income stream to the Group, the Group continues to devote resources to enhance the facilities and image of existing markets to increase rental yield. Overall, the Group adopts a proactive and prudent approach in developing its businesses.

In short-term, the Group continuously reviews and updates its strategies to provide better clarity on direction and business models. The Group takes active and prompt measures to meet market changes through adjustment of business strategy and control over costs. Furthermore, the Group strives to maintain a healthy financial structure and devotes effort to securing banking facilities which is regarded as an important element for supporting continuous business development of the Group.

THE BOARD

Composition

The Board currently has seven Directors comprising three executive Directors and four independent non-executive Directors (the "**INEDs**"). The Directors during the year and up to the date of this annual report were:

Executive Directors

Mr. Tang Ching Ho, *JP (Chairman)*
Ms. Yau Yuk Yin *(Deputy Chairman)*
Mr. Chan Chun Hong, Thomas *(Managing Director)*

Independent non-executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

Ms. Yau Yuk Yin is the spouse of Mr. Tang Ching Ho. The biographical details of all Directors are set out on pages 18 to 20 of this annual report.

The Board possesses a mix and balance of skills and experience which are appropriate for the requirements of the business of the Company. The opinions raised by the INEDs in Board meetings facilitate the maintenance of good corporate governance practices. The Board has four INEDs, representing more than one-third of the Board, and at least one of the INEDs has the appropriate professional qualification and/or accounting and audit experience expertise as required by Rules 3.10(1) and (2) and 3.10A of the Listing Rules. A balanced composition of executive and non-executive Directors also generates a strong independent element on the Board, which allows for an independent and objective decision making process for the best interests of the Company and its shareholders. All Directors are aware of the required levels of fiduciary duties, care, skill and diligence under Rule 3.08 of the Listing Rules.

In compliance with code provision A.3.2 of the CG Code, an updated list of the Directors identifying their role and function are available on the websites of the Company *(www.wangon.com)* and the HKExnews *(www.hkexnews.hk)*. The Company will review the composition of the Board from time to time to ensure that the Board possesses the appropriate and necessary expertise, skills and experience to meet the needs of the Group's business and to enhance the shareholders' value.

Roles and Responsibilities of the Board and the Senior Management

The Board is accountable to stakeholders for the activities and performance of the Group and its primary functions cover, among other things, the formulation of overall strategy, the review corporate and financial policies and the oversight of the management of the Group's business and affairs. Apart from these, the Board reserved for its consideration and decision on major acquisitions and disposals, review of interim and annual financial results, appointments/removals of directors and auditors, evaluation on the performance and compensation of senior management, any material capital transactions and other significant operational and financial affairs. With a review to maintaining an appropriate balance of authority and responsibility, such functions are either carried out directly by the Board or indirectly through various committees established by the Board, with respective functions set out in their terms of reference.

INEDs account for diverse industry expertise but are not involved in the day-to-day management of the Group. The general management and day-to-day management are delegated to the management, including but not limited to the preparation of regular financial information, execution of designated assignments, implementation of sustainability practices.

The Directors having material interest in the matter(s) shall abstain from voting at such Board meeting(s) and the INEDs with no conflict of interest shall attend at such meeting to deal with the matter(s).

All Directors ensure that they can give sufficient attention to discharge their responsibilities to the affairs of the Company and the Directors have disclosed to the Company the identity and nature of offices held in any public organisation and other significant commitments from time to time.

During the year, regular Board meetings of the Company were held four times to review, consider and approve, among others, annual and interim results and to review the business operations, corporate governance practices and the effectiveness of internal control systems of the Group. Apart from these regular meetings, Board meetings are also held, as and when necessary, to consider major transactions of the Group. At least 14 days notice for each regular meeting is given to all Directors. All such minutes are kept by the company secretary of the Company and are open for inspection at any reasonable time on reasonable notice by any Director. Apart from the regular board meetings, the chairman also met with the INEDs without the presence of executive Directors during the year.

Chairman and Chief Executive

The roles of the Chairman and the managing director held by Mr. Tang Ching Ho and Mr. Chan Chun Hong, Thomas, respectively, are separate to reinforce their respective independence and accountability. Their respective responsibilities are clearly segregated and defined in writing by the Board, the chairman of the Company is primarily responsible for the overall strategic planning, management and leadership of the Board and ensuring all Directors receive accurate and timely information, while the functions of a managing director is responsible for the day-to-day business management and implementation of the business strategies adopted by the Board.

Appointment and Re-election of the Directors

All INEDs are appointed with specific terms set out under respective letters of appointment or service agreements and all of them are subject to retirement by rotation and, being eligible, offer themselves for re-election at annual general meetings in accordance with the bye-laws of the Company (the "**Bye-laws**"). All INEDs are appointed for a term of not more than three years. Pursuant to code provisions A.4.2 and the Bye-law 87, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) are required to retire from office by rotation, provided that every

Director, including those appointed for a specific term, is subject to retirement by rotation at least once every three years, and shall be eligible for re-election at each annual general meeting. In addition, any Director who is appointed by the Board to fill casual vacancies or as an addition to the existing Board are subject to re-election at the first general meeting of the Company after his/her appointment.

Independence of INEDs

The INEDs are required to confirm their independence upon their appointment and on an annual basis. The Company has received from each INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules for the year ended 31 March 2014. The Company continues to consider all the INEDs to be independent for the year under review and up to the date of this report.

Corporate Governance

The Board has undertaken the responsibility for performing the corporate governance duties pursuant to code provision D.3.1 of the CG Code and is committed to ensuring that an effective governance structure is in place to continuously review, monitor and improve the corporate governance practices within the Group with regard to the prevailing legal and regulatory requirements.

In June 2013, the Board has adopted a Board diversity policy (the "**Diversity Policy**") stipulating the composition of the Board, reviewed the policies and measures on the Group's corporate governance, reviewing a code of conduct applicable to the Directors and employees, monitoring the Company's legal and regulatory compliance, training and continuing professional development of Directors and reviewing the Company's compliance with the CG Code and the disclosure in this annual report.

This corporate governance report has been reviewed by the Board in discharge of its corporate governance function.

Board Diversity

The Company notes increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives, sustainable and balanced development. The Diversity Policy sets out the approach to diversify the Board and the Nomination Committee reviews and assesses the Board composition on behalf of the Board and will recommend the appointment of new Director, when necessary, pursuant to the Diversity Policy.

In designing the Board's composition, the Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee will also consider factors based on the Company's business model, specific needs and meritocracy from time to time in determining the optimum composition of the Board.

During the year under review, the Board comprises seven Directors, including three executive Directors and four INEDs, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of professional experience, skills and knowledge.

Having reviewed the Board Diversity Policy and the Board's composition, the Nomination Committee is satisfied that the requirements set out in the Diversity Policy had been met.

Continuous Professional Development

All Directors are encouraged to participate in continuous professional development so as to develop and refresh Directors' knowledge and skills and to ensure that their contribution to the Board remains informed and relevant. The Company regularly circulates training materials or briefings to all Directors in respect of the updates on, among other things, the Listing Rules, the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**") or other useful guidelines, the Companies Ordinance and financial or accounting standards which may be of the interest to Directors and benefit for them to discharge their duties.

In addition, the company secretary provides and circulates to the Directors with monthly and regular updates relating to the Group's business, financial position and business environment, in which the Group operates. During the year, all Directors have complied with the code provisions in relation to continuous professional development by reading materials relevant to the Company's business, director's duties and responsibilities. Apart from that Mr. Chan Chun Hong, Thomas, Dr. Lee Peng Fei, Allen and Mr. Siu Kam Chau also attended and/or gave presentation in seminars/forums.

The Company continuously updates Directors constantly on the latest developments regarding the Group's business and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

All Directors have provided to the Company with their training records on a regular basis, and such records have been maintained by the Company for accurate and comprehensive record keeping.

Liability Insurance for the Directors

The Company has arranged for appropriate directors and officers liability insurance to indemnify its Directors against liabilities arising out of legal action on corporate activities. Such insurance coverage is reviewed and renewed with consultant advice on an annual basis.

BOARD COMMITTEES

The Board has established various committees, including the executive committee (the "**Executive Committee**"), audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**"), nomination committee (the "**Nomination Committee**") and investment committee (the "**Investment Committee**"), each of which has the specific written terms of reference that will be reviewed and updated, where necessary. Copies of minutes of all meetings and resolutions of the committees are kept by the company secretary of the Company and open for inspection at any reasonable time on reasonable notice by any Director. Each committee is required to report to the Board on its decision and recommendations, where appropriate.

Executive Committee

The Executive Committee was established since 2005 with specific written terms of reference setting out authorities delegated by the Board and is responsible for general management and supervising the day-to-day performance and operations in accordance with the business strategy and keeping under review strategy and business development initiatives of the Group and monitoring their implementation. The Executive Committee comprises three members, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas and Mr. Tang Ching Ho takes the chair of the Executive Committee.

Audit Committee

The Audit Committee has been established since December 1999 with specific written terms of reference stipulating its authorities and duties in compliance with Rule 3.21 of the Listing Rules, which are available on the websites of the Company and the HKExnews. Currently, the Audit Committee comprises three INEDs, namely, Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, which is chaired by Mr. Siu Yim Kwan, Sidney.

The functions of the Audit Committee is, among others, to assist the Board to review the financial reporting, including interim and final results, to supervise over the Group's internal controls, risk management and to monitor the internal and external audit functions and to make relevant recommendations to the Board to ensure effective and efficient operation and reliable reporting. The functions of the Audit Committee will be reviewed regularly by the Board and amended from time to time, as and when appropriate, in order to be in compliance with the code provisions of the CG Code (as amended from time to time) and to ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff to implement the Group's accounting and financial reporting function.

The Audit Committee is provided with sufficient resources to discharge its duties and may access to independent professional advice according to the Company's policy, if considered necessary.

During the year and up to the date of this annual report, the Audit Committee members met twice with the Group's senior management and the external auditors to discuss and review, among other things the following matters:

(a) the interim results for the six-month ended 30 September 2013 and the annual results for the years ended 31 March 2013 and 2014 to ensure the full, complete and accurate disclosure in the aforesaid financial statements pursuant to the accounting standards and other legal requirements for presenting the same to the Board for approval;

(b) the term and remuneration for the appointment of Ernst & Young as external auditors to perform the general review on the interim results for the six-month ended 30 September 2013 and the audit of final results for the years ended 31 March 2013 and 2014;

(c) the terms and remuneration for the appointment of external auditors to perform other audit and non-audit services and review the overall significant control system;

(d) the independence of the external auditors especially for those non-audit services;

(e) the continuing connected transactions of the Group;

(f) the overall effectiveness of internal controls; and

(g) the adequacy of resources, qualifications and experience of staff, the accounting and financial reporting matters and their training programmes and budget.

The Audit Committee is satisfied with, inter alia, the audit fees, effectiveness of the audit process, independence and objectivity of Ernst & Young and has recommended to the Board the re-appointment of Ernst & Young as the Company's external auditors for the ensuing year at the forthcoming annual general meeting of the Company.

Remuneration Committee

The Board has established the Remuneration Committee since September 2005 with specific written terms of reference, as revised from time to time, stipulating its authorities and duties, which are available on the websites of the Company and the HKExnews. It currently consists of seven members, including Mr. Wong Chun, Justein, being elected as the chairman of the Remuneration Committee, Dr. Lee Peng Fei, Allen, Mr. Siu Yim Kwan, Sidney, Mr. Siu Kam Chau, Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, a majority of whom are INEDs.

The Remuneration Committee is provided with sufficient resources to discharge its duties and may access to independent professional advice in accordance with the Company's policy and its terms of reference, if considered necessary.

The roles and functions of the Remuneration Committee are as follows:

(a) to make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing a remuneration policy on the basis of basic salary, allowances, discretionary bonus, commission and share options;

(b) to review and approve the senior management's remuneration proposals with reference to the Board's corporate goals and objectives;

(c) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management, including, but not limited to, benefits in kind, pension rights and compensation payments for loss or termination of their office or appointment;

(d) to make recommendations to the Board on the directors' fee of the INEDs with reference to the range of remuneration of other non-executive directors in the similar industry and allow any out-of-pocket expenses incurred in connection with the performance of their duties;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group; and

(f) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they consistent with contractual terms and are otherwise reasonable and appropriate.

During the year under review, the Remuneration Committee held one meeting, in which it reviewed the existing remuneration policies by reference with the market research, communicated with the chairman and managing Director and recommended amendments to the existing remuneration policies and performance-based bonus and approved the remuneration package and performance-based bonus paid to the Directors and senior management of the Company. No Director involved in any discussion or determination about his own remuneration.

The Remuneration Committee has discharged or will continue to discharge its major roles to, among other things, approve the terms of the service agreements of the Directors and the senior management, make recommendations with respect to the remuneration and policies of the Directors and senior management of the Company and to review the remuneration package and recommend salaries, bonuses, including the incentive awards for Directors and senior management.

Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements. In addition, pursuant to the code provision B.1.5, the annual remuneration of other members of the senior management by bands for the year ended 31 March 2014 is set out below:

Remuneration to the senior management by bands	**Number of individuals**
HK$500,000 to HK$1,000,000	2
HK$1,000,001 to HK$2,000,000	3
HK$2,000,001 to HK$3,000,000	1

Nomination Committee

The Nomination Committee has been established since September 2005 with specific written terms of reference, as revised in June 2013, stipulating its authorities and duties, which are available on the websites of the Company and the HKExnews. It currently consists of seven members, including Dr. Lee Peng Fei, Allen, being elected as the chairman of the Nomination Committee, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney, Mr. Siu Kam Chau, Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, a majority of whom are INEDs.

The roles and functions of the Nomination Committee are as follows:

(a) to review and evaluate the structure, size and composition (including diversity, skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

(c) to assess the independence of INEDs;

(d) to monitor the continuous professional development of the Directors;

(e) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive;

(f) where the Board proposes a resolution to elect an individual as an INED at the general meeting, the Committee should set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why they believe the individual should be elected and the reasons why they consider the individual to be independent; and

(g) the chairman or another member of the Committee shall attend the Company's annual general meetings and be prepared to respond to questions raised by shareholders on the Committee's activities and responsibilities.

The Nomination Committee is provided with sufficient resources to discharge its duties and may access to independent professional advice according to the Diversity Policy and its terms of reference, if considers necessary.

During the year under review, the Nomination Committee held one meeting, in which it determined the criteria and procedures for retirement by rotation and recommended to the Board for re-appointment of Mr. Tang Ching Ho, Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney at the forthcoming annual general meeting. The Nomination Committee also reviewed the Diversity Policy and evaluated the Board performance and succession planning.

Investment Committee

The Investment Committee has been established since June 2012 with specific written terms of reference for purposes of effectively determining the investment strategy and plan, monitoring the execution of investment strategy and adjusting the investment strategy. The Investment Committee comprises three members, namely Mr. Tang Ching Ho, Mr. Chan Chun Hong, Thomas and Mr. Siu Kam Chau, which is chaired by Mr. Tang Ching Ho. The Investment Committee held two meetings during the year under review.

ATTENDANCE OF DIRECTORS AT VARIOUS MEETINGS

Details of the attendance of individual Directors at Board meetings, committee meetings and shareholder meetings held during the year ended 31 March 2014 are as follows:

Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Investment Committee	Annual general meeting
Mr. Tang Ching Ho	4/4	N/A	1/1	1/1	2/2	1/1
Ms. Yau Yuk Yin	4/4	N/A	1/1	1/1	N/A	1/1
Mr. Chan Chun Hong, Thomas	4/4	N/A	1/1	1/1	2/2	1/1
Dr. Lee Peng Fei, Allen	4/4	N/A	1/1	1/1	N/A	1/1
Mr. Wong Chun, Justein	4/4	2/2	1/1	1/1	N/A	1/1
Mr. Siu Yim Kwan, Sidney	4/4	2/2	1/1	1/1	N/A	1/1
Mr. Siu Kam Chau	4/4	2/2	1/1	1/1	2/2	1/1

EXTERNAL AUDITORS' REMUNERATION

The remuneration paid/payable to the Company's external auditors, Ernst & Young, for the year ended 31 March 2014, are set out as follows:

Services rendered for the Group	Fees paid/ payable to Ernst & Young HK$'000
Audit services	
– annual financial statements	2,300.0
Non-audit services:	
– high-level review of interim financial statements	220.0
– taxation and professional services	1,206.0
Total:	3,726.0

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparation and publication of the timely financial statements and ensure that they are prepared in accordance with the statutory requirements and applicable accounting standards. In preparing the accounts for the year ended 31 March 2014, the Directors have adopted suitable accounting policies which are pertinent to the Group's operations and relevant to the financial statements and have presented an understandable assessment of the Group's position and prospects.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, the accounts is prepared on a going concern basis and they are not aware of any material uncertainties relating to the events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The Directors continue to explore any opportunities with potential investors to enhance its financial position and business development of the Group by way of refinancing, extension of borrowings and/or fund raising.

INTERNAL CONTROLS

The Board has undertaken the overall responsibility for maintaining sound and effective internal control systems to safeguard the Company's assets and shareholders' interests, as well as, with the Audit Committee, for reviewing the effectiveness of these systems. The Group's internal control section is delegated to ensuring and maintaining sound internal control functions by monitoring such internal control systems and procedures constantly so as to ensure that they can provide reasonable assurance against misstatement or loss and to manage risks of failure in the Group's operational systems. In addition, the Company will engage independent consultants to conduct review of the internal control system and risk management of the Group as and when necessary. The Board is responsible for approving and overall reviewing internal control policy while the responsibility of day-to-day management of operational risks lies with the management.

The internal control system is designed to provide reasonable, but not absolute, assurance against material loss; and to manage rather than completely eliminate the risk of system failure. In addition, it should provide a basis for the maintenance of proper and fair accounting records and assist in the compliance with relevant rules and regulations. During the financial year ended 31 March 2014, the Audit Committee and the Board respectively reviewed all material internal control, including financial, operational and compliance control and risk management functions. It also reviewed with Audit Committee and the reports from internal control section for the effectiveness of the Group's internal control system, adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and satisfied that they were effective and in compliance with the Group's policies.

INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

The Company aims at promoting and maintaining effective communications with shareholders and investors (both individuals and institutions) to ensure that the Group's information is disseminated to its shareholders and potential investors in a timely manner and enable them to have a clear assessment of the enterprise performance. A shareholders communication policy has been adopted by the Company and the same is available on the website of the Company. Other major means of communications includes:

Disclosures in Corporate Website

Extensive information on the Group's activities and financial position will be disclosed in the annual reports, interim reports, announcements, circulars and other corporate communications which will be sent to shareholders and/or published on the websites of the HKExnews *(www.hkexnews.hk)* and the Company *(www.wangon.com)*. Other inside information is released by way of formal public announcements as required by the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

General Meeting with Shareholders

The Company also acknowledges that annual general meetings and various general meetings are valuable forums for the Board to communicate directly between shareholders and the members of the Board and the members of various committees are encouraged to attend and answer questions at such general meetings.

In order to let shareholders to make an informed decision at the general meetings, sufficient notices with not less than 10 clear business days for every general meeting and 20 clear business days for every annual general meeting were given to the shareholders of the Company pursuant to E.1.3 of the CG Code, the Bye-laws and any other applicable laws. The chairman will explain the detailed procedures for conducting a poll vote during the proceedings of meetings and answered all questions raised by shareholders. All resolutions put to vote at general meetings are taken by poll and the poll results are posted on the websites of the Company and the HKExnews immediately following the holding of the general meetings.

Investor Relations

The Group also has a proactive investor relations programme that keeps investors and shareholders abreast the Group's latest development and discloses relevant information to the public in a timely manner. During the year, we held various meetings with investors and participated in investor/media conferences.

Shareholders' Rights Convening a Special General Meeting

Pursuant to Section 74 of the Bermuda Companies Act 1981 (the "**Companies Act**") and Bye-law 58 of the Bye-laws, the Board whenever it thinks fit call special general meetings and shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the company secretary of the Company to require a special general meeting (the "**SGM**") to be called by the Board. The written requisition (i) must state the purposes of the SGM, and (ii) must be signed by the requisitionists and deposited at the principal place of business of the Company in Hong Kong for attention of the Board or the company secretary of the Company, and may consist of several documents in like form, each signed by one or more requisitionists. Such meeting shall be held within two months after the deposit of such requisition.

Such requisitions will be verified by the Company's share registrars and transfer office in Hong Kong and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will inform the Board to convene a SGM by serving sufficient notice to all shareholders of the Company. On the contrary, if the requisition has been verified as not in order, the requisitionists will be advised of this outcome and accordingly, the SGM will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists or any of them representing more than one half of the total voting rights of all of them may convene a SGM in accordance with the provisions of Section 74(3) of the Companies Act, but any SGM so convened shall not be held after expiration of three months from the said date of deposit of the requisition. A SGM convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in any SGM to be convened by the Board.

Putting Forward Proposals at General Meetings

Pursuant to Sections 79 and 80 of the Companies Act, either any number of shareholders representing not less than one-twentieth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The requisition signed by all the requisitionists must be deposited at the principal place of business of the Company in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong or the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, with a sum reasonably sufficient to meet the Company's relevant expenses and not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in case of any other requisition.

Proposing a Person for Election as a Director

The procedures for proposing candidate(s) for election as director(s) at a general meeting are set out in the "Corporate Governance" under section headed "Corporate Profile" on the website of the Company at *www.wangon.com.*

Enquiries to the Board

Shareholders may send their enquiries and concerns to the Board in writing by email to *pr@wangon.com* or by addressing their enquiries to the Company in the following manners:

In respect of the corporate affairs:
The Board/Company Secretary/PR Manager
Wang On Group Limited
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

In respect of the other shareholding/entitlement affairs:
Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

WHISTLEBLOWING POLICY

The Company has adopted a whistleblowing policy to facilitate the achieving of high possible standards of openness, probity and accountability. Procedures are formulated to enable individual employees to disclose internally and at a high level, information which the individual believes that it shows malpractice or impropriety within the Group. During the year under review, no incident of fraud or misconduct was reported from employees that have material effect on the Group's financial statements and overall operations.

COMPANY SECRETARY

Ms. Mak Yuen Ming, Anita, who was appointed as a full-time employee company secretary of the Group, reports directly to the Board and is responsible for, inter alia, providing updated and timely information to all Directors from time to time.

During the year ended 31 March 2014, Ms. Mak has complied with Rule 3.29 of the Listing Rules and taken no less than 15 hours of relevant professional training.

FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the financial statements which give a true and fair view and are in compliance with Hong Kong Financial Reporting Standards, statutory requirements and other regulatory requirements. As at 31 March 2014, the Board was not aware of any material misstatement or uncertainties that might put doubt on the Group's financial position or continue as a going concern. The Board endeavours to ensure a balanced, clear and understandable assessment of the Group's performance, position and prospects in financial reporting.

A statement by the auditors about their reporting responsibilities is set out on pages 41 to 42 of this annual report. There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

CORPORATE SOCIAL RESPONSIBILITY

The Group is conscious of its role as a socially responsible group of companies. It has made donations for community wellbeing from time to time, supports the communities and encourages its employees to participate in any charitable events and caring services.

CONSTITUTIONAL DOCUMENT

Pursuant to a special resolution passed by the shareholders at the annual general meeting held on 22 August 2013 to approve the amendments to the Bye-laws to enhance the efficiency and cost effectiveness and in compliance with the requirements of the Listing Rules, the amended and restated Bye-laws were adopted. Save as disclosed above, during the year ended 31 March 2014, there was no other change in the constitutional document.

The Memorandum of Association and the amended and restated Bye-laws are available on the website of the HKExnews and the website of the Company.

CONCLUSION

Going ahead, the Board will continue to review regularly its corporate governance practices to maintain high level of transparency, to enhance the Company's competitiveness and operating efficiency and to ensure its sustainable development and to generate greater returns for the stakeholders of the Company.

REPORT OF THE DIRECTORS

The Directors present their report and the audited consolidated financial statements of the Company and of the Group for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Principal activities of the principal subsidiaries comprise property development, property investment, management and sub-licensing of Chinese wet markets in Hong Kong, details of which are set out in note 17 to the financial statements, respectively. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2014 and the state of affairs of the Company and of the Group at that date are set out in the consolidated financial statements on pages 43 to 142.

The Group's revenue and profit attributable to owners of the parent for the year ended 31 March 2014 amounted to approximately HK$1,597.3 million (2013: approximately HK$744.1 million) and approximately HK$593.5 million (2013: approximately HK$409.5 million), respectively.

The Board has recommended the payment of a final dividend of HK0.6 cents (2013: HK0.5 cents) per ordinary share for the year ended 31 March 2014 to shareholders on the register of members of the Company as of Thursday, 24 July 2014. The final dividend will be paid on or around Thursday, 31 July 2014, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on Wednesday, 16 July 2014. Together with the interim dividend of HK0.15 cents (30 September 2012: HK0.15 cents), the total dividends for the year ended 31 March 2014 will be HK0.75 cents (2013: HK0.65 cents) per ordinary share.

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the Company's audited financial statements, is set out on pages 145 and 146 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

Details of movements in the property, plant and equipment, the investment properties and properties under development of the Group during the year are set out in notes 14, 15 and 16 to the financial statements, respectively.

SHARE CAPITAL AND SHARE OPTION SCHEME

Details of movements in the Company's share capital and share option scheme during the year, together with the reasons therefor, are set out in notes 32 and 33 to the financial statements, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the B,ye-laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2014.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 34 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2014, the Company's reserves available for distribution to equity holders of the parent, calculated in accordance with the Companies Act, amounted to approximately HK$944.1 million (2013: approximately HK$793.9 million), of which approximately HK$39.2 million has been proposed as a final dividend for the year ended 31 March 2014. In addition, the Company's share premium account, in the amount of approximately HK$1,462.4 million (2013: approximately HK$1,462.4 million), may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2014, sales to the Group's five largest customers accounted for less than 27.0% (2013: less than 22.0%) of the total revenue for the year and the sales to the largest customer included therein accounted to approximately 9.9%. Purchases from the Group's five largest suppliers accounted for approximately 83.0% (2013: approximately 95.0%) of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 35.0% of the total purchases for the year.

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

PLEDGE OF ASSETS

Aggregate borrowings as at 31 March 2014 amounted to approximately HK$1,266.9 million (2013: approximately HK$1,629.8 million). As at 31 March 2014, the Group's land and buildings, investment properties, properties under development and properties held for sale, with carrying value of approximately HK$64.0 million, HK$1,096.2 million, HK$1,267.3 million and HK$314.0 million (2013: approximately HK$Nil, HK$637.8 million, HK$1,834.3 million and HK$166.2 million) were pledged to secure the Group's general banking facilities.

DIRECTORS

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

Executive Directors

Mr. Tang Ching Ho, *JP*
Ms. Yau Yuk Yin
Mr. Chan Chun Hong, Thomas

Independent Non-Executive Directors

Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J.*
Mr. Siu Kam Chau

In accordance with Bye-law 87 of the Bye-laws, Mr. Tang Ching Ho, Dr. Lee Peng Fei, Allen and Mr. Siu Yim Kwan, Sidney will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from all INEDs, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau, and as at the date of this annual report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 18 to 21 of this annual report.

DIRECTORS' SERVICE CONTRACTS

No Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in notes 8 and 39 to the financial statements, no Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

None of the Directors nor their respective associates had an interest in a business, apart from the businesses of the Group, which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2014, the interests and short positions of the Directors and chief executive of the Company and/or any of their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by

the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules, were as follows:

(i) Long positions in the shares of the Company:

Name of Director	Number of shares held, capacity and nature of interest: Personal interest	Family interest	Corporate interest	Other interest (Tang's Family Trust)	Total	Approximate percentage of the Company's total issued share capital (*Note g*) %
Mr. Tang Ching Ho	9,342,113	9,342,100 (*Note a*)	34,172,220 (*Note b*)	1,663,309,609 (*Note c*)	1,716,166,042	26.30
Ms. Yau Yuk Yin	9,342,100	43,514,333 (*Note d*)	–	1,663,309,609 (*Note e*)	1,716,166,042	26.30

(ii) Long positions in underlying shares of share options of the Company:

Name of Director	Date of grant	Exercise price per share HK$	Number of share options outstanding	Exercisable period (*Note f*)	Number of underlying shares	Approximate percentage of the Company's total issued share capital (*Note g*) %
Mr. Chan Chun Hong, Thomas	8.1.2009	0.3893	180,295	8.1.2010 to 7.1.2019	180,295	0.003

Notes:

(a) Mr. Tang was taken to be interested in these shares in which his spouse, Ms. Yau, was interested.

(b) Mr. Tang was taken to be interested in these shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.

(c) Mr. Tang was taken to be interested in these shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.

(d) Ms. Yau was taken to be interested in these shares in which her spouse, Mr. Tang, was interested.

(e) Ms. Yau was taken to be interested in these shares by virtue of being a beneficiary of Tang's Family Trust.

(f) These shares represented such shares which may fall to be issued upon the exercise of the share options by Mr. Chan Chun Hong, Thomas during the period from 8 January 2010 to 7 January 2019, which number and exercise prices thereof are subject to adjustment in accordance with the share option scheme adopted by the Company on 3 May 2002, and such share options were vested as follows:

The exercisable period of the above share options beneficially held by Mr. Chan Chun Hong, Thomas was vested as follows:–

On 1st anniversary of the date of grant:	30% vest
On 2nd anniversary of the date of grant:	Further 30% vest
On 3rd anniversary of the date of grant:	Remaining 40% vest

(g) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2014 of 6,524,935,021 shares.

Save as disclosed above, as at 31 March 2014, none of the Directors and chief executive of the Company and/or any of their respective associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the headings "Directors' interests and short positions in shares, underlying shares or debentures of the Company and its associated corporations" above, "Share Option Scheme" below and in the share option scheme disclosures in note 33 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

On 3 May 2002, the Company adopted a share option scheme (the "**2002 Scheme**") for the primary purpose of providing incentives to eligible participants who contribute to the success of the Group. The 2002 Scheme expired at the close of business on 2 May 2012, no further share option will be granted under it since then but the share options granted prior to such expiry will continue to be valid and exercisable during the prescribed exercisable period in accordance with the terms of the 2002 Scheme. During the year under review, no share options were exercised or cancelled and 1,301,981 share options lapsed under the 2002 Scheme.

The Company adopted a new share option scheme at the annual general meeting of the Company held on 21 August 2012 (the "**2012 Scheme**") for the primary purpose of providing incentives or rewards for the eligible persons for their contribution or potential contribution to the development and the growth of the Group with the same terms as the 2002 Scheme as detailed below. During the year under review, no share options were granted, exercised, lapsed or cancelled under the 2012 Scheme.

Pursuant to the 2012 Scheme, share options may be granted to any Director or proposed Director (whether executive or non-executive, including INEDs), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants (the "**Participants**").

The 2012 Scheme became effective on 21 August 2012 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date. Under the 2012 Scheme, the Board may grant share options to the Participants to subscribe for shares of the Company for a consideration of HK$1.0 for each lot of share options granted which must be accepted within 30 days from the date offer. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Pursuant to the 2012 Scheme, the maximum number of share options that may be granted under the 2012 Scheme and any other share option schemes of the Company is an amount, upon their exercise, not in aggregate exceeding 30% of the issued share capital of the Company from time to time, excluding any shares issued on the exercise of share options. The total number of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme and any other schemes shall not in aggregate exceed 10% of the number of shares in issue, as at the date of approval of the 2012 Scheme limit.

The maximum number of shares issuable under share options to each Participant (except for a substantial shareholder or an INED or any of their respective associates) under the 2012 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of such limit must be separately approved by shareholders with such Participant and his associates abstaining from voting.

Share options granted to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the INEDs (excluding any INED who is the grantee of the option). Where any grant of share options to a substantial shareholder or an INED (or any of their respective associates) will result in the total number of shares issued and to be issued upon exercise of share options already granted and to be granted to such person under the 2012 Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant representing in aggregate over 0.1% of the shares in issue, and having an aggregate value, based on the closing price of the Company's shares at each date of grant, in excess of HK$5.0 million, such further grant of share options is required to be approved by shareholders in a general meeting in accordance with the Listing Rules. Any change in the terms of a share option granted to a substantial shareholder or an INED (or any of their respective associates) is also required to be approved by shareholders.

The exercise price must be at least the higher of (i) the official closing price of the shares of the Company as stated in the daily quotations sheets of the Stock Exchange on the offer date which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company.

Details of the movements of the share options under the 2002 Scheme during the year ended 31 March 2014 were as follows:

		Number of share options						
Name or Category of the Participant	Date of grant	Outstanding as at 1 April 2013	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	Outstanding as at 31 March 2014	Exercisable period	Exercise price per share
								HK$
Director								
Mr. Chan Chun Hong, Thomas	8/1/2009	180,295	–	–	–	180,295	8/1/2010-7/1/2019*	0.3893
		180,295	–	–	–	180,295		
Other employees	1/3/2007	14,562,108	–	–	–	14,562,108	1/3/2007-28/2/2017	2.0549
	8/1/2009	686,493	–	–	(69,343)	617,150	8/1/2010-7/1/2019*	0.3893
	12/5/2010	8,483,455	–	–	(1,232,638)	7,250,817	12/5/2011-11/5/2020*	0.2234
		23,732,056	–	–	(1,301,981)	22,430,075		
TOTAL		23,912,351	–	–	(1,301,981)	22,610,370		

Note:

* The share options granted under the 2002 Scheme were vested as follows:

On 1st anniversary of the date of grant:	30% vest
On 2nd anniversary of the date of grant:	Further 30% vest
On 3rd anniversary of the date of grant:	Remaining 40% vest

At the end of the reporting period, the Company had 22,610,370 share options outstanding under the 2002 Scheme, which represented approximately 0.35% of the Company's shares in issue as at that date. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 22,610,370 additional ordinary shares of the Company and additional share capital of approximately HK$226,103.70 and share premium of HK$31,627,849.89 (before issue expenses). As at the date of approval of these financial statements, there was no share options outstanding under the 2012 Scheme.

As at the date of this annual report, the total number of shares available for issue under the 2012 Scheme is 652,493,502 shares, representing 10.0% of the share capital of the Company in issue at the date of this annual report.

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares and underlying shares in, or debentures of, the Company or any other body corporate.

Other details of the 2002 Scheme and the 2012 Scheme are set out in note 33 to the financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2014, to the best knowledge of the Directors, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that the following shareholders, had notified the Company and the Stock Exchange of relevant interests and short positions in the shares and underlying shares of the Company:

Long positions in the shares of the Company:

Name of shareholder	Capacity	Number of shares	Approximate percentage of the Company's total issued share capital *(Note 4)*
Accord Power Limited *(Note 1)*	Beneficial owner	1,663,309,609	25.49
Fiducia Suisse SA *(Note 1)* (Trustee of Tang's Family Trust)	Interest of controlled corporation	1,663,309,609	25.49
David Henry Christopher Hill *(Note 2)*	Interest of controlled corporation	1,663,309,609	25.49
Rebecca Ann Hill *(Note 3)*	Family interest	1,663,309,609	25.49

Notes:

(1) Accord Power Limited is wholly owned by Fiducia Suisse SA in its capacity as the trustee of Tang's Family Trust. Accordingly, Fiducia Suisse SA was taken to be interested in those shares held by Accord Power Limited.

(2) Mr. David Henry Christopher Hill owned 100% interest in the issued share capital of Fiducia Suisse SA and was therefore taken to be interested in the shares in which Fiducia Suisse SA was interested.

(3) Ms. Rebecca Ann Hill is the spouse of Mr. David Henry Christopher Hill and was therefore taken to be interested in the shares in which Mr. David Henry Christopher Hill was interested.

(4) The percentage represented the number of shares over the total issued share capital of the Company as at 31 March 2014 of 6,524,935,021 shares.

Save as disclosed above, as at 31 March 2014, there were no other persons who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

CONNECTED TRANSACTIONS

On 20 November 2013, the Company, through its wholly-owned subsidiary, namely Richly Gold Limited (as the landlord), entered into a tenancy agreement with Ms. Yau Yuk Yin, the Deputy Chairman of the Company, (as the tenant) in respect of the lease of a premise located at Winners Lodge, Nos. 9-15 Ma Yeung Path, Kau To Shan, Shatin, New Territories, Hong Kong for a term of three years commencing from 15 November 2013 and expiring on 14 November 2016 at a monthly rental of HK$100,000, which constituted a continuing connected transaction (the "**Continuing Connected Transaction**") for the Company during the year ended 31 March 2014 and subject to annual review pursuant to Rule 14A.38 of the listing Rules.

The Directors (including all of the INEDs) and the auditors have reviewed and confirmed that the Continuing Connected Transaction was entered into (i) in the ordinary and usual course of the Group's business; (ii) in accordance with the terms of the relevant agreement governing such transaction(s) on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole; (iii) either on normal commercial terms or on terms no less favorable to the Group than those available to or from independent third parties; and (iv) have not exceeded the specified cap.

The Company engaged its auditors, Ernst & Young, to review and report on the Continuing Connected Transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 "*Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*" and with reference to Practice Note 740 "*Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules*" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued their unqualified letter containing their findings and conclusions in respect of the Continuing Connected Transaction disclosed above by the Group in accordance with Rule 14A.38 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange as stipulated in the Listing Rules.

Further details of other related party transactions undertaken by the Group in the ordinary course of business, which fell under Rule 14A.33 of the Listing Rules, during the year are set out in note 39 to the financial statements.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules and save as disclosed above, there were no other transactions which need to be disclosed as continuing connected transaction in accordance with the requirements of the Listing Rules.

DISCLOSURES PURSUANT TO RULE 13.20 OF THE LISTING RULES

The Group had, through its various wholly-owned subsidiaries, granted loan facilities to CAP in an aggregate sum of HK$880.0 million (the "**Loan Facilities**"). As at the end of the reporting period, CAP was indebted to the Group an aggregate outstanding principal amount of HK$880.0 million pursuant to the following loan agreements and supplemental agreement:

(a) a loan agreement dated 16 July 2012 entered into between True Noble Limited ("**True Noble**"), an indirectly wholly-owned subsidiary of the Company, and CAP (as supplemented by a supplemental agreement dated 31 July 2012) and with the approval by the shareholders of the Company at a special general meeting held on 20 August 2012, True Noble agreed to provide a secured loan facility of HK$670.0 million to CAP at an interest rate of 10.0% per annum for a term up to 30 September 2014, details of which were disclosed in the Company's announcements dated 16 July 2012 and 31 July 2012 and the Company's circular dated 3 August 2012. As amended by an assignment dated 15 April 2014 executed between True Noble and Double Leads Investments Limited ("**Double Leads**"), an indirectly wholly-owned subsidiary of the Company, all rights, title, benefit and obligations of this loan facility were assigned by True Noble and Double Leads; and

(b) a loan agreement dated 19 September 2013 entered into between Double Leads and CAP, pursuant to which Double Leads agreed to provide a secured loan facility of HK$210.0 million to CAP at an interest rate of 12.0% per annum for a term up to 18 September 2016, details of which were disclosed in the Company's announcement dated 19 September 2013.

The Loan Facilities were secured by share charges over equity interests of certain subsidiaries of CAP (the "**Relevant Subsidiaries**"), the floating charges over assets of the Relevant Subsidiaries and a loan assignment by way of a charge executed by CAP and its subsidiaries over the loans owed or to be owed by the Relevant Subsidiaries to CAP.

DONATIONS

During the year, the Group made charitable and other donations totaling approximately HK$14.0 million (2013: approximately HK$3.2 million).

EMOLUMENT POLICY

The Group's emolument policy for its employees is set up and approved by the Remuneration Committee and the Board on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee and the Board, as authorised by the shareholders at the annual general meeting, having regarded to the Group's operating results, individual performance and comparable market statistics.

Immediately upon expiry of the 2002 Scheme, the Company has adopted the 2012 Scheme at the annual general meeting held on 21 August 2012 as an incentive to Directors and eligible employees, details of the share option scheme are set out in note 33 to the financial statements.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices in the interests of the Company and its shareholders as a whole. In the opinion of the Directors, the Company has complied with the code provisions under the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the financial year under review. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 22 to 31 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient prescribed amount of public float as required under the Listing Rules throughout the financial year under review and up to the date of this annual report.

AUDIT COMMITTEE

The Company has established the Audit Committee with specific written terms of reference in compliance with Rule 3.21 of the Listing Rules. During the year, the Audit Committee met twice with the management and the external auditors to review and consider, among other things, the accounting principles and practices adopted by the Group, the financial reporting matters (including the review of consolidated interim results for the six-month ended 30 September 2013 and the audited consolidated final results for the years ended 31 March 2013 and 2014), the statutory compliance, internal controls, continuing connected transaction(s) 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.

The Audit Committee, comprising three INEDs, namely Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

AUDITORS

The consolidated financial statements for the year ended 31 March 2014 have been audited by Ernst & Young, who retire and, being eligible, offer themselves for re-appointment. A resolution for their re-appointment as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

Tang Ching Ho
Chairman

Hong Kong, 14 May 2014

INDEPENDENT AUDITORS' REPORT

EY 安永

To the shareholders of Wang On Group Limited
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Wang On Group Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 43 to 142, which comprise the consolidated and company statements of financial position as at 31 March 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITORS' REPORT (continued)

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

14 May 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000 (Restated)
REVENUE	5	**1,597,340**	744,069
Cost of sales		**(743,990)**	(379,265)
Gross profit		**853,350**	364,804
Other income and gains	5	**116,604**	85,119
Selling and distribution expenses		**(56,139)**	(40,716)
Administrative expenses		**(136,025)**	(95,498)
Other expenses		**(159,572)**	(145,713)
Finance costs	7	**(18,354)**	(11,228)
Fair value gains/(losses) of financial assets at fair value through profit or loss, net		**41,365**	(383)
Fair value gains/(losses) on investment properties, net	15	**(11,580)**	109,871
Share of profits and losses of:			
A joint venture		**8,057**	4,925
An associate		**43,038**	179,379
PROFIT BEFORE TAX	6	**680,744**	450,560
Income tax expense	10	**(87,535)**	(41,026)
PROFIT FOR THE YEAR		**593,209**	409,534
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		**(291,308)**	205,890
Reclassification adjustment for an impairment loss included in profit or loss		**84,833**	–
		(206,475)	205,890
Exchange differences on translation of foreign operations		**(85)**	2,465
Other reserves:			
Release upon deemed partial disposals of an associate		**–**	(1,085)
Share of other comprehensive income of an associate		**415**	984
Share of other comprehensive income/(loss) of a joint venture		**(458)**	1,109
		(43)	1,008

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000 (Restated)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(206,603)**	209,363
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**386,606**	618,897
Profit attributable to:			
Owners of the parent	11	**593,521**	409,536
Non-controlling interests		**(312)**	(2)
		593,209	409,534
Total comprehensive income attributable to:			
Owners of the parent	11	**386,918**	618,899
Non-controlling interests		**(312)**	(2)
		386,606	618,897
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	13		
For the year			
Basic and diluted		**HK9.10 cents**	HK6.28 cents

Details of dividends are disclosed in note 12 to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2014

	Notes	31 March 2014 HK$'000	31 March 2013 HK$'000 (Restated)	1 April 2012 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	14	**70,668**	4,818	7,581
Investment properties	15	**1,140,070**	679,900	719,790
Properties under development	16	**700,000**	1,249,162	1,264,114
Investment in a joint venture	18	**91,341**	93,438	90,457
Investment in an associate	19	**521,592**	480,327	361,968
Available-for-sale investments	20	**119,704**	334,529	–
Loans and interest receivables	23	**210,797**	881,054	255,805
Deposits paid	24	**3,996**	117,916	15,072
Deferred tax assets	31	**548**	817	570
Total non-current assets		**2,858,716**	3,841,961	2,715,357
CURRENT ASSETS				
Properties under development	16	**567,283**	585,118	–
Properties held for sale	21	**341,109**	167,346	364,514
Trade receivables	22	**1,958**	4,652	5,649
Loans and interest receivables	23	**846,015**	35,139	410,395
Prepayments, deposits and other receivables	24	**347,138**	286,876	49,669
Financial assets at fair value through profit or loss	25	**105,274**	55,989	75,446
Tax recoverable		**699**	1,024	2,454
Time deposits with original maturity over three months	26	**10,000**	–	20,000
Cash and cash equivalents	26	**710,591**	734,535	566,688
Total current assets		**2,930,067**	1,870,679	1,494,815
CURRENT LIABILITIES				
Trade payables	27	**56,792**	38,473	22,687
Other payables and accruals	28	**60,159**	47,983	29,929
Deposits received and receipts in advance		**361,446**	367,471	106,894
Interest-bearing bank loans	29	**447,315**	284,122	229,483
Provisions for onerous contracts	30	**2,398**	880	770
Tax payable		**121,864**	43,197	27,493
Total current liabilities		**1,049,974**	782,126	417,256
NET CURRENT ASSETS		**1,880,093**	1,088,553	1,077,559
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,738,809**	4,930,514	3,792,916

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2014

	Notes	31 March 2014 HK$'000	31 March 2013 HK$'000 (Restated)	1 April 2012 HK$'000 (Restated)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,738,809**	4,930,514	3,792,916
NON-CURRENT LIABILITIES				
Interest-bearing bank loans	29	**819,540**	1,345,697	790,171
Provisions for onerous contracts	30	**1,651**	2,369	2,687
Deferred tax liabilities	31	**4,427**	10,188	8,663
Other payables	28	**984**	4,264	–
Total non-current liabilities		**826,602**	1,362,518	801,521
Net assets		**3,912,207**	3,567,996	2,991,395
EQUITY				
Equity attributable to owners of the parent				
Issued capital	32	**65,249**	65,249	65,249
Reserves	34(a)	**3,846,805**	3,502,282	2,925,679
		3,912,054	3,567,531	2,990,928
Non-controlling interests		**153**	465	467
Total equity		**3,912,207**	3,567,996	2,991,395

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2014

	Notes	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Available-for-sale investment revaluation reserve HK$'000	Share option reserve HK$'000	Exchange fluctuation reserve HK$'000	Other reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
		Attributable to owners of the parent										
At 1 April 2012												
As previously reported		65,249	1,462,363	306,353	–	8,535	12,236	3,861	1,132,331	2,990,928	467	2,991,395
Prior year adjustments		–	–	–	–	–	(13,979)	11,333	2,646	–	–	–
As restated		65,249	1,462,363	306,353	–	8,535	(1,743)	15,194	1,134,977	2,990,928	467	2,991,395
Profit for the year		–	–	–	–	–	–	–	409,536	409,536	(2)	409,534
Other comprehensive income for the year:												
Change in fair value of available-for-sale investments	20	–	–	–	205,890	–	–	–	–	205,890	–	205,890
Exchange differences on translation of foreign operations		–	–	–	–	–	2,465	–	–	2,465	–	2,465
Share of other comprehensive income of a joint venture		–	–	–	–	–	–	1,109	–	1,109	–	1,109
Release upon deemed partial disposals of an associate		–	–	–	–	–	–	(1,085)	–	(1,085)	–	(1,085)
Share of other comprehensive income of an associate		–	–	–	–	–	–	984	–	984	–	984
Total comprehensive income for the year		–	–	–	205,890	–	2,465	1,008	409,536	618,899	(2)	618,897
Transfer of share option reserve upon the forfeiture or expiry of share options		–	–	–	–	(2,554)	–	–	2,554	–	–	–
Equity-settled share option arrangements	33	–	–	–	–	116	–	–	–	116	–	116
Final 2012 dividend		–	–	–	–	–	–	–	(32,625)	(32,625)	–	(32,625)
Interim 2013 dividend	12	–	–	–	–	–	–	–	(9,787)	(9,787)	–	(9,787)
At 31 March 2013		65,249	1,462,363*	306,353*	205,890*	6,097*	722*	16,202*	1,504,655*	3,567,531	465	3,567,996

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2014

		Attributable to owners of the parent										
	Notes	Issued capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Available-for-sale investment revaluation reserve HK$'000	Share option reserve HK$'000	Exchange fluctuation reserve HK$'000	Other reserves HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2013												
As previously reported		65,249	1,462,363	306,353	205,890	6,097	15,810	4,069	1,501,700	3,567,531	465	3,567,996
Prior year adjustments		-	-	-	-	-	(15,088)	12,133	2,955	-	-	-
As restated		65,249	1,462,363	306,353	205,890	6,097	722	16,202	1,504,655	3,567,531	465	3,567,996
Profit for the year		-	-	-	-	-	-	-	593,521	593,521	(312)	593,209
Other comprehensive loss for the year:												
Available-for-sale investments:												
Change in fair value of available-for-sale investments	20	-	-	-	(291,308)	-	-	-	-	(291,308)	-	(291,308)
Reclassification adjustment for an impairment loss included in profit or loss		-	-	-	84,833	-	-	-	-	84,833	-	84,833
Exchange differences on translation of foreign operations		-	-	-	-	-	(85)	-	-	(85)	-	(85)
Share of other comprehensive loss of a joint venture		-	-	-	-	-	-	(458)	-	(458)	-	(458)
Share of other comprehensive income of an associate		-	-	-	-	-	-	415	-	415	-	415
Total comprehensive income for the year		-	-	-	(206,475)	-	(85)	(43)	593,521	386,918	(312)	386,606
Transfer of share option reserve upon the forfeiture of share options		-	-	-	-	(181)	-	-	181	-	-	-
Equity-settled share option arrangements	33	-	-	-	-	17	-	-	-	17	-	17
Final 2013 dividend	12	-	-	-	-	-	-	-	(32,625)	(32,625)	-	(32,625)
Interim 2014 dividend	12	-	-	-	-	-	-	-	(9,787)	(9,787)	-	(9,787)
At 31 March 2014		65,249	1,462,363*	306,353*	(585)*	5,933*	637*	16,159*	2,055,945*	3,912,054	153	3,912,207

* These reserve accounts comprise the consolidated reserves of HK$3,846,805,000 (2013: HK$3,502,282,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**680,744**	450,560
Adjustments for:			
Finance costs	7	**18,354**	11,228
Share of profits and losses of a joint venture and an associate		**(51,095)**	(184,304)
Loss on deemed partial disposals of an associate	6	**–**	104,917
Bank interest income and interest income from financial investments and loans receivables		**(93,759)**	(66,723)
Dividend income from listed securities	5	**(2,407)**	(787)
Loss on disposal of financial assets at fair value through profit or loss, net	6	**–**	4,530
Gain on disposal of investment properties, net	5	**(699)**	(5,354)
Gain on disposal and write-off of items of property, plant and equipment	5	**(14)**	(14)
Fair value losses/(gains) on investment properties, net	15	**11,580**	(109,871)
Fair value losses/(gains) on financial assets at fair value through profit or loss, net		**(41,365)**	383
Depreciation	14	**4,677**	5,248
Amount provided/(utilised) for onerous contracts, net	6	**800**	(208)
Impairment of an available-for-sale investment	6	**84,833**	–
Write-down of properties under development to net realisable value, net	6	**73,068**	36,049
Impairment/(write-back of impairment) of trade receivables, net	6	**17**	(7)
Accrued rent-free rental income	15	**360**	(438)
Equity-settled share option expense	33	**17**	116
		685,111	245,325
Decrease in properties held for sale		**568,999**	197,168
Increase in properties under development		**(234,609)**	(117,638)
Increase in trade receivables, prepayments, deposits and other receivables		**(45,265)**	(236,676)
Increase in trade payables		**18,319**	15,786
Increase in other payables and accruals		**8,406**	21,203
Increase/(decrease) in deposits received and receipts in advance		**(6,025)**	260,577
Cash generated from operations		**994,936**	385,745
Profits tax paid		**(14,035)**	(23,092)
Net cash flows from operating activities		**980,901**	362,653

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary that is not a business	35	**–**	(475,613)
Interest received		**85,072**	46,687
Dividend income from listed securities		**2,407**	787
Dividend income from a joint venture		**9,696**	3,053
Dividend income from an associate		**2,188**	–
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		**(10,000)**	20,000
Increase in loans receivables		**(131,931)**	(229,957)
Investment in an associate		**–**	(43,998)
Deposit paid for acquisition of investment properties		**–**	(101,600)
Additions to investment properties		**(436,910)**	(981)
Purchases of items of property, plant and equipment		**(8,527)**	(2,599)
Purchases of available-for-sale investments		**(76,484)**	(124,079)
Purchases of financial assets at fair value through profit or loss		**(7,920)**	(6,910)
Proceeds from disposal of investment properties		**5,099**	156,534
Proceeds from disposal of items of property, plant and equipment		**14**	128
Proceeds from disposal of financial assets at fair value through profit or loss		**–**	16,894
Net cash flows used in investing activities		**(567,296)**	(741,654)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(31,915)**	(25,102)
Dividends paid		**(42,412)**	(42,412)
Repayment of bank loans		**(790,502)**	(200,560)
New bank loans		**428,000**	814,000
Net cash flows from/(used in) financing activities		**(436,829)**	545,926
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(23,224)**	166,925
Cash and cash equivalents at beginning of year		**734,535**	566,688
Effect of foreign exchange rate changes, net		**(720)**	922
CASH AND CASH EQUIVALENTS AT END OF YEAR		**710,591**	734,535
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	**367,653**	341,465
Non-pledged time deposits with original maturity of less than three months when acquired	26	**342,938**	393,070
		710,591	734,535

STATEMENT OF FINANCIAL POSITION

31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	17	**2,019,288**	1,876,873
CURRENT ASSETS			
Prepayments, deposits and other receivables	24	**2,014**	1,280
Financial assets at fair value through profit or loss	25	**14,639**	10,322
Time deposits with original maturity over three months	26	**10,000**	–
Cash and cash equivalents	26	**484,011**	490,517
Total current assets		**510,664**	502,119
CURRENT LIABILITIES			
Other payables and accruals	28	**24,813**	17,910
Interest-bearing bank loans	29	**12,053**	16,053
Total current liabilities		**36,866**	33,963
NET CURRENT ASSETS		**473,798**	468,156
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,493,086**	2,345,029
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	29	**15,400**	17,454
Net assets		**2,477,686**	2,327,575
EQUITY			
Issued capital	32	**65,249**	65,249
Reserves	34(b)	**2,412,437**	2,262,326
Total equity		**2,477,686**	2,327,575

Tang Ching Ho
Director

Chan Chun Hong, Thomas
Director

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Wang On Group Limited (the "Company") is a limited liability company incorporated in Bermuda, and its head office and principal place of business are both located at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- property development
- property investment
- management and sub-licensing of Chinese wet markets

2.1 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 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 for the year ended 31 March 2014. 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 in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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.

2.2 CHANGES IN ACCOUNTING POLICIES 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 – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosure for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, amendments to HKFRS 10, HKFRS 11, HKFRS 12, HKAS 1 and HKAS 36, and certain amendments included in *Annual Improvements 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

NOTES TO FINANCIAL STATEMENTS

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 April 2013.

(b) 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 classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

The directors of the Company reviewed and assessed the classification of the Group's investment in a joint arrangement in accordance with the requirements of HKFRS 11 and concluded that the Group's investment in Shenzhen Jimao Market Co., Limited ("Shenzhen Jimao"), which was previously classified as a jointly-controlled entity under HKAS 31 and was accounted for using the proportionate consolidation method, should be classified as a joint venture under HKFRS 11 and be accounted for using the equity method. The change in accounting for investment in a joint venture has been applied retrospectively. The opening balances as at 1 April 2012 and comparative information for the year ended 31 March 2013 have been restated in the consolidated financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

The quantitative impact on the financial statements is summarised below:

Impact on the consolidated statement of profit or loss and other comprehensive income:

	Year ended 31 March 2013 HK$'000
Decrease in revenue	(17,393)
Decrease in cost of sales	5,762
Decrease in gross profit	(11,631)
Decrease in other income and gains	(461)
Decrease in administrative expenses	5,124
Increase in fair value gains on investment properties, net	1,511
Increase in share of profit and loss of a joint venture	4,925
Decrease in profit before tax	(532)
Decrease in income tax expense	532
Net impact on profit for the year and earnings per share	–
Net impact on other comprehensive income	–

NOTES TO FINANCIAL STATEMENTS

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

Impact on the consolidated statement of financial position:

	As at 31 March 2013 HK$'000	As at 1 April 2012 HK$'000
Decrease in property, plant and equipment	**(752)**	(896)
Decrease in investment properties	**(77,117)**	(77,652)
Decrease in goodwill	**(1,376)**	(1,376)
Increase in investment in a joint venture	**93,438**	90,457*
Increase in total non-current assets	**14,193**	10,533
Decrease in prepayments, deposits and other receivables	**(1,196)**	(1,016)
Decrease in cash and cash equivalents	**(18,116)**	(15,407)
Decrease in total current assets	**(19,312)**	(16,423)
Decrease in other payables and accruals	**1,303**	1,248
Decrease in deposits received and receipts in advance	**2,756**	2,837
Decrease in tax payable	**1,125**	1,496
Decrease in total current liabilities	**5,184**	5,581
Decrease in net current assets	**(14,128)**	(10,842)
Decrease/(increase) in deferred tax liabilities and total non-current liabilities	**(65)**	309
Impact on net assets and equity	**–**	–

* The Group recognised the initial investment in Shenzhen Jimao as at 1 April 2012 at the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated, including goodwill arising from acquisition.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) (continued)

Impact on the consolidated statement of cash flows:

	Year ended 31 March 2013 HK$'000
Decrease in net cash flows from operating activities	(5,360)
Decrease in net cash flows used in investing activities	2,915
Decrease in net cash flows used in financing activities	–
Net decrease in cash and cash equivalents	(2,445)

(c) HKFRS 12 sets out 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. Details of the disclosures for subsidiaries, a joint venture and an associate are included in notes 17, 18 and 19 to the financial statements.

(d) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments 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.

(e) 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 rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended. Additional disclosures required by HKFRS 13 for the fair value measurements of investment properties and financial instruments are included in notes 15 and 41 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(f) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The Group has also chosen to use the new title "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

(g) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.

(h) *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of standards. 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 have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- 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 reclassifications, 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.

- 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 distributions to equity holders.

2.3 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 9	*Financial Instruments*[4]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39*[4]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*[1]
HK(IFRIC)-Int 21	*Levies*[1]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs issued in January 2014[2]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2016
4 No mandatory effective date yet determined but is available for adoption

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

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.

NOTES TO FINANCIAL STATEMENTS

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

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 as 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 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.

In December 2013, the HKICPA added to HKFRS 9 the requirements related to hedge accounting and made some related changes to HKAS 39 and HKFRS 7 which include the corresponding disclosures about risk management activity for applying hedge accounting. The amendments to HKFRS 9 relax the requirements for assessing hedge effectiveness which result in more risk management strategies being eligible for hedge accounting. The amendments also allow greater flexibility on the hedged items and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments. In addition, the amendments to HKFRS 9 allow an entity to apply only the improved accounting for own credit risk-related fair value gains and losses arising on FVO liabilities as introduced in 2010 without applying the other HKFRS 9 requirements at the same time.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

Amendments to HKFRS 10 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.

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.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including structured entities), 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 results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Investment in an associate and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in an associate and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

NOTES TO FINANCIAL STATEMENTS

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in an associate and a joint venture (continued)

The Group's share of the post-acquisition results and other comprehensive income of an associate and a joint venture is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate or joint venture are eliminated to the extent of the Group's investment in an associate or a joint venture, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associate or joint venture is included as part of the Group's investment in an associate or a joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO FINANCIAL STATEMENTS

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, properties held for sale, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

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

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO FINANCIAL STATEMENTS

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3%
Leasehold land under finance leases	Over the lease terms
Leasehold improvements	15% to 33% or over the lease term
Plant and machinery	15% to 50%
Furniture, fixtures and office equipment	15% to 50%
Motor vehicles	20%
Computer equipment	15% to 33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment and depreciation” up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property, plant and equipment and depreciation” above.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

NOTES TO FINANCIAL STATEMENTS

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Properties under development

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

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

Sales deposits/instalments received and receivable from purchasers in respect of pre-sale of properties under development prior to completion of the development are included in current liabilities.

Properties held for sale

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

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as other expenses in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for “Revenue recognition” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other expenses. Dividends earned whilst holding the available-for-sale financial investments are reported as dividend income and are recognised in profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

NOTES TO FINANCIAL STATEMENTS

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primary derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists of one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

NOTES TO FINANCIAL STATEMENTS

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments (continued)

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of other income. Impairment losses on debt instruments are reversed through profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, accruals and interest-bearing bank loans.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise and settle the liabilities simultaneously.

Cash and cash equivalents

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

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

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Provision for onerous contracts represents provision for lease contracts for certain Hong Kong properties and projects where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received under them. Provisions for onerous contracts are recognised based on the difference between the rental payments receivable by the Group and those unavoidable rental payments payable by the Group under the contracts, together with any compensation or penalties arising from the failure to fulfill the contracts, discounted to their present value as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

NOTES TO FINANCIAL STATEMENTS

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associate and joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associate and joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

(a) rental and sub-licensing fee income, on a time proportion basis over the lease terms;

(b) from the provision of services, when the services are rendered;

(c) from the sale of properties, when the sale agreement becomes unconditional;

(d) interest income, on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;

(e) from the sale of listed securities, on the trade dates; and

(f) dividend income, where the shareholders' right to receive payment has been established.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 33 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

NOTES TO FINANCIAL STATEMENTS

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

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

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Final dividends are recognised as a liability when they have been approved by the shareholders.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries and a joint venture are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rate for the year.

NOTES TO FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Operating lease commitments – Group as lessor

The Group has entered into property leases on its investment property portfolio. The Group has determined, based on an evaluation of terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Whether the presumption that investment properties stated at fair value are recovered through sale is rebutted in determining deferred tax

The Group's joint venture has investment properties located in Mainland China which are measured at fair value. Investment property is property held to earn rentals or for capital appreciation or both. In considering whether the presumption in HKAS 12 Income Taxes that an investment property measured at fair value will be recovered through sale is rebutted in determining deferred tax, the Group has developed certain criteria in making that judgement, such as whether an investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time or through sale. The presumption is rebutted only in the circumstance that there are sufficient evidence such as historical transactions, future development plans and management's intention to demonstrate the investment property is held with the objective to consume substantially all of the economic benefits over time, rather than through sale. Continuous assessments on the presumption will be made by management at each reporting date.

Estimation uncertainty

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

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details on deferred tax assets are included in note 31 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment of all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of properties under development and properties held for sale

Properties under development and properties held for sale are stated at the lower of cost and net realisable value. The cost of each unit in each phase of development is determined using the weighted average method. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost of completion (if any), which are estimated based on the best available information.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in a provision for properties under development and properties held for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which the estimate is changed will be adjusted accordingly.

For the year ended 31 March 2014, a write-down of properties under development to net realisable value amounting to HK$73,068,000 (2013: HK$36,049,000) was recognised in other expenses in profit or loss.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location or subject to different leases or other contracts, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

NOTES TO FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Estimation of fair value of investment properties (continued)

The principal assumptions for the Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs. The carrying amount of investment properties at 31 March 2014 was HK$1,140,070,000 (2013: HK$679,900,000 (as restated)).

Useful lives and impairment of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and its competitor's actions. Management will increase the depreciation charge where useful lives are less than previously estimates, or it will write off or write down technically obsolete assets that have been abandoned.

The carrying value of an item of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this section. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs to sell and value in use, the calculations of which involve the use of estimates.

Impairment of available-for-sale investments

The Group classifies certain assets as available-for-sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in profit or loss. At 31 March 2014, an impairment loss of HK$84,833,000 has been recognised for available-for-sale assets (2013: Nil). The carrying amount of available-for-sale assets was HK$119,704,000 (2013: HK$334,529,000).

Allowance on trade and other receivables

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of the collectability and the aged analysis of the outstanding receivables and on management's estimation.

A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial conditions of the customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

PRC corporate income tax ("CIT")

The Group is subject to income taxes in the People's Republic of China (the "PRC"). As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

4. OPERATING SEGMENT INFORMATION

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

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

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

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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit before tax 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 a joint venture and an associate are excluded from such measurement.

NOTES TO FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March

	Property development		Property investment		Chinese wet markets		Total	
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
	2014	2013	**2014**	2013	**2014**	2013 (Restated)	**2014**	2013 (Restated)
Segment revenue:								
Sales to external customers	**899,046**	–	**504,814**	524,040	**193,480**	220,029	**1,597,340**	744,069
Other revenue	**1,065**	6	**7,461**	115,811	**5,801**	7,568	**14,327**	123,385
Total	**900,111**	6	**512,275**	639,851	**199,281**	227,597	**1,611,667**	867,454
Segment results	**310,581**	(71,769)	**295,693**	379,644	**24,733**	19,555	**631,007**	327,430
Reconciliation:								
Interest income							**93,759**	66,723
Finance costs							**(18,354)**	(11,228)
Corporate and unallocated income							**49,883**	4,882
Corporate and unallocated expenses							**(126,646)**	(121,551)
Share of profits and losses of:								
A joint venture					**8,057**	4,925	**8,057**	4,925
An associate							**43,038**	179,379
Profit before tax							**680,744**	450,560
Income tax expense							**(87,535)**	(41,026)
Profit for the year							**593,209**	409,534

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 March

	Property development		Property investment		Chinese wet markets		Corporate and others		Total	
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	2014	2013	2014	2013	2014	2013 (Restated)	2014	2013	2014	2013 (Restated)
Other segment information:										
Depreciation	53	53	700	110	1,635	3,616	2,289	1,469	4,677	5,248
Impairment of an available-for-sale investment	–	–	–	–	–	–	84,833	–	84,833	–
Write-down of properties under development to net realisable value, net	73,068	36,049	–	–	–	–	–	–	73,068	36,049
Impairment/(write-back) of trade receivables, net	–	–	–	–	17	(7)	–	–	17	(7)
Capital expenditure*	248,833	606,215	541,153	1,089	1,497	1,111	4,387	1,379	795,870	609,794
Fair value losses/(gains) on investment properties, net	–	–	11,580	(109,871)	–	–	–	–	11,580	(109,871)
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	–	–	–	–	–	–	(41,365)	383	(41,365)	383
Investment in a joint venture	–	–	–	–	91,341	93,438	–	–	91,341	93,438
Investment in an associate	–	–	–	–	–	–	521,592	480,327	521,592	480,327
Share of profits and losses of:										
A joint venture	–	–	–	–	(8,057)	(4,925)	–	–	(8,057)	(4,925)
An associate	–	–	–	–	–	–	(43,038)	(179,379)	(43,038)	(179,379)

* Capital expenditure consists of additions to property, plant and equipment, properties under development and investment properties.

NOTES TO FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Sales to external customers

	2014	2013
	HK$'000	HK$'000
		(Restated)
Hong Kong	**1,596,558**	743,272
Mainland China	**782**	797
	1,597,340	744,069

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

(b) Non-current assets

	2014	2013
	HK$'000	HK$'000
		(Restated)
Hong Kong	**2,432,199**	2,413,865
Mainland China	**91,472**	93,780
	2,523,671	2,507,645

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

Information about a major customer

For the years ended 31 March 2014 and 2013, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

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 is as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
		(Restated)
Revenue		
Sub-licensing fee income	**191,114**	214,441
Property management fee income	**3,257**	6,129
Gross rental income	**43,713**	54,316
Sale of properties	**1,359,256**	469,183
	1,597,340	744,069
Other income		
Bank interest income	**4,493**	2,821
Interest income from financial investments	**635**	712
Interest income from loans receivable	**88,631**	63,190
Dividend income from listed securities	**2,407**	787
Management fee income	**3,520**	4,247
Commission fee income	**2,651**	–
Others	**13,554**	7,994
	115,891	79,751
Gains		
Gain on disposal of investment properties, net	**699**	5,354
Gain on disposal and write-off of items of property, plant and equipment	**14**	14
	713	5,368
Other income and gains	**116,604**	85,119

NOTES TO FINANCIAL STATEMENTS

6. PROFIT BEFORE TAX

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

	Notes	Group 2014 HK$'000	Group 2013 HK$'000 (Restated)
Cost of services provided		**169,090**	180,404
Cost of properties sold		**574,900**	198,861
Depreciation	14	**4,677**	5,248
Minimum lease payments under operating leases in respect of land and buildings		**115,427**	125,511
Auditors' remuneration		**2,300**	2,250
Employee benefit expense (including directors' remuneration (note 8)):			
Wages and salaries		**104,264**	78,598
Equity-settled share option expense		**17**	116
Pension scheme contributions		**1,548**	1,364
Less: Amount capitalised		**(8,702)**	(5,532)
		97,127	74,546
Gross rental income	5	**(43,713)**	(54,316)
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**11,755**	4,178
		(31,958)	(50,138)
Impairment of an available-for-sale investment*	20	**84,833**	–
Loss on disposal of financial assets at fair value through profit or loss, net*		**–**	4,530
Loss on deemed partial disposals of an associate*	19	**–**	104,917
Write-down of properties under development to net realisable value, net*	16	**73,068**	36,049
Amount provided/(utilised) for onerous contracts, net	30	**800**	(208)
Impairment/(write-back of impairment) of trade receivables, net*	22	**17**	(7)
Foreign exchange losses, net*		**1,654**	224

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

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Interest on bank loans:		
Wholly repayable within five years	**20,963**	13,470
Repayable beyond five years (Note)	**11,615**	9,481
	32,578	22,951
Less: Interest capitalised	**(14,224)**	(11,723)
	18,354	11,228

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$4,488,000 (2013: HK$5,464,000) on bank borrowings which contain a repayment on demand clause.

NOTES TO FINANCIAL STATEMENTS

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") is as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Fees	**771**	771
Other emoluments:		
Salaries, allowances and benefits in kind	**16,126**	10,276
Performance-related bonuses*	**27,707**	23,983
Equity-settled share option expense	**–**	–
Pension scheme contributions	**101**	100
	43,934	34,359
	44,705	35,130

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the Group's operating results, individual performance of the directors and comparable market practices during the year.

In prior years, share options were granted to these directors, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 33 to the financial statements. The fair value of these options, which has been recognised in profit or loss over the vesting period, was determined as at the dates of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

8. DIRECTORS' REMUNERATION (continued)

Executive directors and independent non-executive directors:

	Fees	Salaries, allowances and benefits in kind	Performance – related bonuses	Equity-settled share option expense	Pension scheme contributions	Total remuneration
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2014						
Executive directors:						
Mr. Tang Ching Ho, *JP*	**–**	**10,168**	**19,542**	**–**	**15**	**29,725**
Ms. Yau Yuk Yin	**–**	**4,515**	**551**	**–**	**15**	**5,081**
Mr. Chan Chun Hong, Thomas	**–**	**1,443**	**7,614**	**–**	**71**	**9,128**
	–	**16,126**	**27,707**	**–**	**101**	**43,934**
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	**297**	**–**	**–**	**–**	**–**	**297**
Mr. Wong Chun, Justein, *BBS, MBE, JP*	**217**	**–**	**–**	**–**	**–**	**217**
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	**117**	**–**	**–**	**–**	**–**	**117**
Mr. Siu Kam Chau	**140**	**–**	**–**	**–**	**–**	**140**
	771	**–**	**–**	**–**	**–**	**771**
	771	**16,126**	**27,707**	**–**	**101**	**44,705**
2013						
Executive directors:						
Mr. Tang Ching Ho, *JP*	–	4,536	13,172	–	15	17,723
Ms. Yau Yuk Yin	–	4,327	271	–	15	4,613
Mr. Chan Chun Hong, Thomas	–	1,413	10,540	–	70	12,023
	–	10,276	23,983	–	100	34,359
Independent non-executive directors:						
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*	297	–	–	–	–	297
Mr. Wong Chun, Justein, *BBS, MBE, JP*	217	–	–	–	–	217
Mr. Siu Yim Kwan, Sidney, *S.B. St.J.*	117	–	–	–	–	117
Mr. Siu Kam Chau	140	–	–	–	–	140
	771	–	–	–	–	771
	771	10,276	23,983	–	100	35,130

There were no other emoluments payable to the independent non-executive directors during the year (2013: Nil).

NOTES TO FINANCIAL STATEMENTS

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2013: three) directors, details of whose remuneration are disclosed in note 8 above. Details of the remuneration for the year of the remaining two (2013: two) non-director, highest paid employees are as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Salaries, allowances and benefits in kind	**2,491**	2,238
Performance-related bonuses	**1,845**	842
Equity-settled share option expense	**–**	–
Pension scheme contributions	**30**	29
	4,366	3,109

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

	Number of employees	
	2014	2013
HK$1,000,001 to HK$1,500,000	**–**	1
HK$1,500,001 to HK$2,000,000	**1**	1
HK$2,000,001 to HK$2,500,000	**–**	–
HK$2,500,001 to HK$3,000,000	**1**	–

In prior years, share options were granted to these non-directors, highest paid employees, in respect of their services to the Group, further details of which are set out in note 33 to the financial statements. The fair value of these options, which has been recognised in profit or loss over the vesting period, was determined as at the dates of grant and the amount included in the financial statements for the current year is included in the above non-director highest paid employees' remuneration disclosures.

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 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.

	2014 HK$'000	2013 HK$'000 (Restated)
Group:		
Current – Hong Kong		
Charge for the year	**86,857**	31,459
Under/(over) provision in prior years	**2,831**	(1,407)
	89,688	30,052
Current – Mainland China		
Charge for the year	**3,339**	10,174
Deferred (note 31)	**(5,492)**	800
Total tax charge for the year	**87,535**	41,026

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Group	
	2014 HK$'000	2013 HK$'000 (Restated)
Profit before tax	**680,744**	450,560
Tax at the statutory tax rates of different jurisdictions	**112,323**	74,884
Effect of withholding tax at 10% on the distributable profits of the Group's PRC joint venture	**801**	305
Adjustments in respect of current tax of previous periods	**2,831**	(1,407)
Profits and losses attributable to a joint venture and an associate	**(9,115)**	(30,829)
Income not subject to tax	**(56,632)**	(30,496)
Expenses not deductible for tax	**38,917**	27,659
Tax losses utilised from previous periods	**(5,045)**	(3,709)
Tax losses not recognised	**7,427**	5,895
Other tax	**2,538**	–
Others	**(6,510)**	(1,276)
Tax charge at the Group's effective rate	**87,535**	41,026

NOTES TO FINANCIAL STATEMENTS

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 March 2014 includes a loss of HK$19,857,000 (2013: HK$9,595,000) which has been dealt with in the financial statements of the Company (note 34(b)).

12. DIVIDENDS

	2014 **HK$'000**	2013 HK$'000
Interim – HK0.15 cents (2013: HK0.15 cents) per ordinary share	**9,787**	9,787
Proposed final – HK0.6 cents (2013: HK0.5 cents) per ordinary share	**39,150**	32,625
	48,937	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.

13. 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 (2013: 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. 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.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2014 and 2013 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

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

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

	2014	2013
	HK$'000	HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**593,521**	409,536

	Number of shares	
	2014	2013
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

NOTES TO FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Computer equipment HK$'000	Total HK$'000
31 March 2014							
At 31 March 2013 and at 1 April 2013:							
Cost	–	46,476	824	8,526	3,112	7,273	66,211
Accumulated depreciation	–	(45,014)	(616)	(8,355)	(1,503)	(5,905)	(61,393)
Net carrying amount	–	1,462	208	171	1,609	1,368	4,818
At 1 April 2013, net of accumulated depreciation	–	1,462	208	171	1,609	1,368	4,818
Additions	2,643	289	1,126	982	609	2,878	8,527
Transfer from investment properties (note 15)	62,000	–	–	–	–	–	62,000
Depreciation provided during the year	(683)	(1,123)	(632)	(200)	(657)	(1,382)	(4,677)
At 31 March 2014, net of accumulated depreciation	63,960	628	702	953	1,561	2,864	70,668
At 31 March 2014:							
Cost	64,643	46,187	1,535	7,648	3,378	10,100	133,491
Accumulated depreciation	(683)	(45,559)	(833)	(6,695)	(1,817)	(7,236)	(62,823)
Net carrying amount	63,960	628	702	953	1,561	2,864	70,668

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Group

	Leasehold improvements HK$'000 (Restated)	Plant and machinery HK$'000 (Restated)	Furniture, fixtures and office equipment HK$'000 (Restated)	Motor vehicles HK$'000 (Restated)	Computer equipment HK$'000	Total HK$'000 (Restated)
31 March 2013						
At 31 March 2012 and at 1 April 2012:						
Cost	59,971	1,300	8,347	3,057	6,400	79,075
Accumulated depreciation	(55,724)	(1,114)	(8,280)	(1,236)	(5,140)	(71,494)
Net carrying amount	4,247	186	67	1,821	1,260	7,581
At 1 April 2012, net of accumulated depreciation	4,247	186	67	1,821	1,260	7,581
Additions	733	425	242	325	873	2,598
Disposals and write-off	(109)	–	(4)	–	–	(113)
Depreciation provided during the year	(3,409)	(403)	(134)	(537)	(765)	(5,248)
At 31 March 2013, net of accumulated depreciation	1,462	208	171	1,609	1,368	4,818
At 31 March 2013:						
Cost	46,476	824	8,526	3,112	7,273	66,211
Accumulated depreciation	(45,014)	(616)	(8,355)	(1,503)	(5,905)	(61,393)
Net carrying amount	1,462	208	171	1,609	1,368	4,818

The Group's leasehold land included in land and buildings is situated in Hong Kong and is held under a medium term lease.

At 31 March 2014, the Group's land and buildings with a net carrying amount of approximately HK$63,960,000 (2013: Nil) were pledged to secure general banking facilities granted to the Group (note 29).

NOTES TO FINANCIAL STATEMENTS

15. INVESTMENT PROPERTIES

	Group	
	2014	2013
	HK$'000	HK$'000
		(Restated)
Carrying amount at 1 April	**679,900**	719,790
Additions	**538,510**	981
Disposals	**(4,400)**	(151,180)
Transfer to property, plant and equipment (note 14)	**(62,000)**	–
Accrued rent-free rental income	**(360)**	438
Net gain/(loss) from fair value adjustments	**(11,580)**	109,871
Carrying amount at 31 March	**1,140,070**	679,900

The Group's investment properties are situated in Hong Kong and are held under the following lease terms:

	Group	
	2014	2013
	HK$'000	HK$'000
		(Restated)
Long term leases	**335,830**	332,060
Medium term leases	**804,240**	347,840
	1,140,070	679,900

The Group's investment properties consists of nine commercial, one industrial and sixty-two residential properties in Hong Kong. The directors of the Company have determined that the investment properties consists of three classes of asset, i.e., commercial, industrial and residential, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 March 2014 by Vigers Appraisal and Consulting Limited and Asset Appraisal Limited, independent professionally qualified valuers, at HK$1,140,070,000. Each year, the Group's financial controller and assistant financial controller decide to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's financial controller and assistant financial controller have discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The investment properties are leased to third parties under operating leases, further summary details of which are included in note 37 to the financial statements.

15. INVESTMENT PROPERTIES (continued)

At 31 March 2014, the Group's investment properties with an aggregate carrying value of HK$1,096,170,000 (2013: HK$637,790,000) and certain rental income generated therefrom were pledged to secure the Group's general banking facilities.

Further particulars of the Group's investment properties are included on page 143.

Fair value hierarchy

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

Recurring fair value measurement for:	**Fair value measurement as at 31 March 2014 using significant unobservable inputs (Level 3) HK$'000**
Commercial properties	883,100
Industrial properties	15,500
Residential properties	241,470
	1,140,070

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Commercial properties HK$'000	**Industrial properties HK$'000**	**Residential properties HK$'000**	**Total HK$'000**
At 1 April 2013	370,600	15,500	293,800	679,900
Additions	538,161	–	349	538,510
Disposals	–	–	(4,400)	(4,400)
Transfer to property, plant and equipment	–	–	(62,000)	(62,000)
Accrued rent-free rental income	(360)	–	–	(360)
Net gain/(loss)from fair value adjustments	(25,301)	–	13,721	(11,580)
At 31 March 2014	883,100	15,500	241,470	1,140,070

NOTES TO FINANCIAL STATEMENTS

15. INVESTMENT PROPERTIES (continued)

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

	Valuation technique	Significant unobservable inputs	Range (weighted average)
Commercial properties	Direct comparison method	Price per square feet	HK$2,000 to HK$124,740
Industrial properties	Direct comparison method	Price per square feet	HK$4,704 to HK$5,603
Residential properties	Investment method and direct comparison method	Estimated rental value per square feet and per month	HK$14 to HK$69
		Capitalisation rate	2.5% to 8%
		Price per square feet	HK$3,761 to HK$11,510

As at 31 March 2014, the valuations of investment properties were based on either the investment method which capitalises the rent receivable from the existing tenancies and the potential reversionary market rent of the properties or direct comparison method by reference to comparable market transactions.

Significant increases/(decreases) in estimated rental value per square feet in isolation would result in a significantly higher/(lower) fair value of the investment properties. Significant increases/(decreases) in the capitalisation rate in isolation would result in a significantly lower/(higher) fair value of the investment properties. Significant increases/(decreases) in price per square feet in isolation would result in significantly higher/(lower) fair value of the investment properties.

Generally, a change in the assumption made for the estimated rental value per square feet and price per square feet are accompanied by a directionally opposite change in the capitalisation rate.

16. PROPERTIES UNDER DEVELOPMENT

	Notes	Group 2014 HK$'000	2013 HK$'000
Carrying amount at 1 April		**1,834,280**	1,264,114
Additions (including development cost and capitalised interest)		**248,833**	129,362
Acquisition of a subsidiary	35	**–**	476,853
Transfer to properties held for sale	21	**(742,762)**	–
Write-down to net realisable value, net		**(73,068)**	(36,049)
Carrying amount at 31 March		**1,267,283**	1,834,280

Properties under development expected to be completed:

	Group 2014 HK$'000	2013 HK$'000
Beyond normal operating cycle of three years included under non-current assets	**700,000**	1,249,162
Within normal operating cycle of three years included under current assets	**567,283**	585,118
	1,267,283	1,834,280

Properties under development expected to be completed within normal operating cycle and recovered:

	Group 2014 HK$'000	2013 HK$'000
Within one year	**348,926**	585,118
After one year	**218,357**	–
	567,283	585,118

At 31 March 2014, the Group's properties under development with an aggregate carrying value of HK$1,267,283,000 (2013: HK$1,834,280,000) were pledged to secure the Group's general banking facilities (note 29).

NOTES TO FINANCIAL STATEMENTS

16. PROPERTIES UNDER DEVELOPMENT (continued)

The Group's properties under development are situated in Hong Kong and are held under the following leases:

	Group	
	2014	2013
	HK$'000	HK$'000
Long term leases	**348,926**	891,427
Medium term leases	**918,357**	942,853
	1,267,283	1,834,280

17. INVESTMENTS IN SUBSIDIARIES

		Company	
	Notes	**2014**	2013
		HK$'000	HK$'000
Unlisted shares, at cost		**71,000**	71,000
Due from subsidiaries	(i)	**3,823,795**	3,101,717
Loans to subsidiaries	(ii)	**196,428**	404,768
Due to subsidiaries	(i)	**(1,868,182)**	(1,605,656)
		2,223,041	1,971,829
Impairment	(iii)	**(203,753)**	(94,956)
		2,019,288	1,876,873

Notes:

(i) The amounts are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair values.

(ii) The amounts are unsecured, bear interest at 2% (2013: 2%) per annum, and have no fixed terms of repayment. The carrying amounts of these amounts approximate to their fair values.

(iii) The impairment relates primarily to amounts due from subsidiaries and loans to subsidiaries that had suffered losses for years or ceased operations.

17. INVESTMENTS IN SUBSIDIARIES (continued)

Particulars of the principal subsidiaries are as follows:

Name	Place of incorporation and business	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Allied Victory Investment Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Allied Wide Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Antic Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
China Tech Limited	Hong Kong	Ordinary HK$1	–	100	Property development
Cititeam Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
City Global Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
City Target Limited	Hong Kong	Ordinary HK$1	–	100	Property development
Double Bright Limited	Hong Kong	Ordinary HK$1	–	100	Property development
Double Leads Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Money lending
Double Vantage Limited	Hong Kong	Ordinary HK$1	–	100	Property development
East Run Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Easy Kingdom Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Easytex Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Emperor Smart Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Money lending
Everlong Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding

NOTES TO FINANCIAL STATEMENTS

17. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation and business	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Ever Task Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Fulling Limited	Hong Kong	Ordinary HK$100	–	100	Money lending and securities investment
Goldbo Investment Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Good Excellent Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Goodtech Management Limited	Hong Kong	Ordinary HK$2,800,100	–	100	Management of shopping centres
Hovan Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Kingtex Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Lanbo Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Longable Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Mailful Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Majorluck Limited	Hong Kong	Ordinary HK$10,000	–	100	Management and sub-licensing of Chinese wet markets
More Action Investments Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
New Earth Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
New Golden Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Newbo Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
New Sino Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment

17. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation and business	Nominal value of issued ordinary share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Regal Smart Investment Limited	Hong Kong	Ordinary HK$1	–	100	Investment holding
Richly Gold Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Rich System Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property development
Rich Time Strategy Limited	British Virgin Islands	Ordinary US$1	–	100	Investment holding
Samrich Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Shiny World Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Sunbo Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Topbo Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Vincent Investments Limited	Hong Kong	Ordinary HK$2	–	100	Property development
Wang On Commercial Management Limited	British Virgin Islands	Ordinary US$2	–	100	Investment holding
Wang On Management Limited	Hong Kong	Ordinary HK$2	–	100	Management and sub-letting of properties
Wang On Enterprises (BVI) Limited	British Virgin Islands	Ordinary US$1	100	–	Investment holding
Wang On Majorluck Limited	Hong Kong	Ordinary HK$1,000	–	100	Management and sub-licensing of Chinese wet markets
Wang To Investments Limited	Hong Kong	Ordinary HK$2	–	100	Property investment
Winhero Investment Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
World Way Investments Limited	Hong Kong	Ordinary HK$1	–	100	Property investment

NOTES TO FINANCIAL STATEMENTS

17. INVESTMENTS IN SUBSIDIARIES (continued)

Note:

For the year ended 31 March 2013, the Group acquired Vincent Investments Limited from an independent third party. Further details of this acquisition are included in note 35 to the financial statements.

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

18. INVESTMENT IN A JOINT VENTURE

	Group	
	2014	2013
	HK$'000	HK$'000
		(Restated)
Share of net assets	**89,965**	92,062
Goodwill on acquisition	**1,376**	1,376
	91,341	93,438

Particulars of the Group's joint venture are as follows:

Name	Paid-up and registered capital	Place of registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities
Shenzhen Jimao	RMB31,225,000	PRC/Mainland China	50	50	50	Management and sub-licensing of Chinese wet markets

The above joint venture is unlisted and is indirectly held by the Company.

Shenzhen Jimao, which is considered a material joint venture of the Group, is engaged in management and sub-licensing of Chinese wet markets in Mainland China and is accounted for using the equity method.

18. INVESTMENT IN A JOINT VENTURE (continued)

The following table illustrates the summarised financial information of Shenzhen Jimao and reconciled to the carrying amount in the financial statements:

	2014 HK$'000	2013 HK$'000
Prepayments, deposits and other receivables	**1,842**	2,392
Cash and cash equivalents	**32,439**	36,232
Current assets	**34,281**	38,624
Property, plant and equipment	**1,255**	1,504
Investment properties	**158,466**	154,234
Non-current assets	**159,721**	155,738
Other payables and accruals	**6,010**	2,606
Deposits received and receipts in advance	**6,206**	5,512
Tax payable	**923**	2,250
Current liabilities	**13,139**	10,368
Deferred tax liabilities and non-current liabilities	**934**	(130)
Net assets	**179,929**	184,124
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets of the joint venture, excluding goodwill	**89,965**	92,062
Goodwill on acquisition	**1,376**	1,376
Carrying amount of the investment	**91,341**	93,438
Revenue	**36,219**	34,786
Interest income	**808**	654
Depreciation and amortisation	**(166)**	(252)
Tax	**(2,687)**	(1,064)
Profit for the year	**16,113**	9,850
Other comprehensive income/(loss)	**(916)**	2,218
Total comprehensive income for the year	**15,197**	12,068
Dividend received	**9,696**	3,053

NOTES TO FINANCIAL STATEMENTS

19. INVESTMENT IN AN ASSOCIATE

	Group	
	2014	2013
	HK$'000	HK$'000
Share of net assets	**521,592**	480,327
Market value of listed shares	**151,641**	153,099

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of incorporation and business	Percentage of ownership interest attributable to the Group 2014	Percentage of ownership interest attributable to the Group 2013	Principal activities
Wai Yuen Tong Medicine Holdings Limited ("WYTH")*	Ordinary shares of HK$0.01 each	Bermuda/Hong Kong	24.87	24.87	Production and sale of traditional Chinese and Western pharmaceutical products, health food products and property investment

* Listed on the Main Board of The Stock Exchange of Hong Kong Limited

The Group acquired on-market an aggregate of 220,000,000 shares of WYTH during the year ended 31 March 2013 through a series of transactions between 21 January 2013 and 1 February 2013 at an aggregate purchase price of approximately HK$44 million. A gain on bargain purchase amounting to approximately HK$146.7 million, which represented the excess of the Group's additional interests in the fair value of the net identifiable assets of WYTH over the aggregate purchase price, was recognised for the year ended 31 March 2013 and included in "Share of profit and loss of an associate" on the face of the consolidated statement of profit or loss and other comprehensive income.

In addition, WYTH issued an aggregate of 895,000,000 ordinary shares to certain placees during the year ended 31 March 2013. Consequently, the Group's equity interests in WYTH were diluted and an aggregate loss of about HK$104.9 million on deemed partial disposals of WYTH was recognised during the year ended 31 March 2013 and included in "Other expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

19. INVESTMENT IN AN ASSOCIATE (continued)

The Group's shareholding in WYTH comprises equity shares held through a wholly-owned subsidiary of the Company.

The financial year of the Group's associate is coterminous with that of the Group.

The Group's associate has been accounted for using the equity method in these financial statements.

The following table illustrates the summarised financial information of WYTH and has been adjusted to reflect the fair value of identifiable assets and liabilities of WYTH at the completion dates of acquisitions by the Group, and reconciled to the carrying amount in the consolidated financial statements:

	2014	2013
	HK$'000	HK$'000
Current assets	**645,660**	948,921
Non-current assets	**1,952,644**	1,353,772
Current liabilities	**308,735**	324,453
Non-current liabilities	**192,295**	46,888
Net assets	**2,097,274**	1,931,352
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**24.87%**	24.87%
Carrying amount of the investment	**521,592**	480,327
Revenue	**865,258**	808,517
Profit for the year	**173,051**	153,323
Other comprehensive income	**1,668**	4,612
Total comprehensive income for the year	**174,719**	157,935
Dividend received	**2,188**	–

NOTES TO FINANCIAL STATEMENTS

20. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2014	2013
	HK$'000	HK$'000
Listed equity investments in Hong Kong, at fair value	**106,909**	321,300
Listed debt securities, at fair value:		
Hong Kong	**5,981**	6,182
Elsewhere	**6,814**	7,047
	12,795	13,229
	119,704	334,529

During the year, the Group acquired on-market an aggregate of approximately 382,184,000 ordinary shares of PNG Resources Holdings Limited ("**PNG Resources**"), representing approximately 4.97% equity interest in PNG Resources, at an aggregate consideration of approximately HK$76,484,000. At the end of the reporting period, the Group's equity interest in PNG Resources was 17.03%.

During the year, the net loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$291,308,000 (2013: net gain of HK$205,890,000), of which HK$84,833,000 (2013: Nil) was reclassified from other comprehensive income to profit or loss for the year.

There was a significant decline in the market value of PNG Resources during the year. The directors consider that such a decline indicates that the investment in PNG Resources has been impaired and an impairment loss of HK$84,833,000 (2013: Nil), which included a reclassification from other comprehensive income of HK$84,833,000 (2013: Nil), has been recognised in profit or loss for the year.

The above investments consist of investments in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

21. PROPERTIES HELD FOR SALE

	Group	
	2014	2013
	HK$'000	HK$'000
Carrying amount at 1 April	**167,346**	364,514
Transfer from properties under development (note 16)	**742,762**	–
Properties sold during the year	**(568,999)**	(197,168)
Carrying amount at 31 March	**341,109**	167,346

At 31 March 2014, the Group's properties held for sale with an aggregate carrying value of HK$313,983,000 (2013: HK$166,226,000) were pledged to secure the Group's general banking facilities (note 29).

The Group's properties held for sale are situated in Hong Kong and are held under the following leases:

	Group	
	2014	2013
	HK$'000	HK$'000
Long term leases	**315,146**	–
Medium term leases	**25,963**	167,346
	341,109	167,346

Further particulars of the Group's properties held for sale are included on page 143.

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22. 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	
	2014	2013
	HK$'000	HK$'000
Within 90 days	**1,943**	4,438
91 days to 180 days	**63**	120
Over 180 days	**83**	248
	2,089	4,806
Less: Impairment	**(131)**	(154)
	1,958	4,652

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 carrying amounts of trade receivables approximate to their fair values.

22. TRADE RECEIVABLES (continued)

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

	Group	
	2014	2013
	HK$'000	HK$'000
At 1 April	**154**	161
Impairment losses recognised (note 6)	**17**	–
Amount written off as uncollectible	**(40)**	–
Impairment losses reversed (note 6)	**–**	(7)
At 31 March	**131**	154

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$131,000 (2013: HK$154,000) with a carrying amount before provision of HK$146,000 (2013: HK$247,000).

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	
	2014	2013
	HK$'000	HK$'000
Neither past due nor impaired	**1,943**	3,714
Less than 90 days past due	**–**	614
91 to 180 days past due	**–**	231
	1,943	4,559

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was 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.

NOTES TO FINANCIAL STATEMENTS

23. LOANS AND INTEREST RECEIVABLES

	Notes	Group 2014 HK$'000	2013 HK$'000
Loans and interest receivables from PNG Resources	(i)/(v)	**130,077**	209,852
Loans and interest receivables from China Agri-Products	(ii)/(v)	**925,534**	704,754
Loans and interest receivables, secured	(iii)	**905**	905
Loans and interest receivables, unsecured	(iii)	**6,140**	6,526
		1,062,656	922,037
Less: Impairment	(iv)	**(5,844)**	(5,844)
		1,056,812	916,193
Less: Loans and interest receivables classified as non-current assets		**(210,797)**	(881,054)
		846,015	35,139

Notes:

(i) PNG Resources is an associate of WYTH.

The loans are unsecured, except for a loan with principal amount of HK$135 million which is secured by share charges in respect of the equity interests of three subsidiaries of PNG Resources. The loans bear interest at 8% (2013: 8%) per annum, and are repayable within one year.

(ii) The loans bear interest at rates ranging from 10% to 12% (2013: 10%) per annum and are repayable within one to three years. The loans are secured by (i) share charges in respect of the equity interests of three subsidiaries of China Agri-Products Exchange Limited ("China Agri-Products" and an associate of PNG Resources); (ii) floating charges of assets of the aforesaid three subsidiaries; and (iii) a loan assignment by way of charge executed by China Agri-Products on loans owned by the aforesaid three subsidiaries to it.

(iii) These loans receivable are stated at amortised cost at effective interest rates ranging from 4% to 12% and the credit terms of which range from 1 year to 22 years. As these loans receivable relate to a number of different borrowers, the directors are of the opinion that there is no concentration of credit risk over these loans receivables. The carrying amounts of these loans receivables approximate to their fair values.

(iv) Included in the above provision for impairment of loans and interest receivables are provision for individually impaired receivables of HK$5,844,000 (2013: HK$5,844,000) with an aggregate carrying amount of HK$5,844,000 (2013: HK$5,844,000).

(v) The aggregate fair value of the loans and interest receivables was HK$1,050,619,000 as at 31 March 2014 (2013: HK$876,875,000). The fair values have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

23. LOANS AND INTEREST RECEIVABLES (continued)

Other than the aforementioned impaired loans and interest receivables, none of the above assets is either past due or impaired. The financial assets included in the above balances relate to the receivables for which there was no recent history of default.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Group		Company	
	Notes	**2014 HK$'000**	2013 HK$'000 (Restated)	**2014 HK$'000**	2013 HK$'000
Prepayments		**18,718**	12,931	**884**	887
Deposits	(i)	**49,668**	123,802	**82**	82
Other receivables		**283,013**	268,324	**1,048**	311
		351,399	405,057	**2,014**	1,280
Less: Impairment	(ii)	**(265)**	(265)	**–**	–
		351,134	404,792	**2,014**	1,280
Less: Deposits classified as non-current assets	(iii)	**(3,996)**	(117,916)	**–**	–
		347,138	286,876	**2,014**	1,280

Notes:

(i) The deposits as at 31 March 2014 included earnest money of HK$25,000,000 paid to certain independent third parties in respect of a potential acquisition of commercial and residential properties. The aforementioned earnest money had been wholly refunded to the Group at the date of approval of these financial statements.

(ii) Included in the above provision for impairment of other receivables is a provision for individually impaired receivables of HK$265,000 (2013: HK$265,000 (as restated)) with an aggregate carrying amount of HK$665,000 (2013: HK$665,000 (as restated)).

(iii) During the year ended 31 March 2013, a deposit of HK$101,600,000 was paid to independent third parties for the acquisition of a shopping mall in Hong Kong for rental-earning purposes, at an aggregate consideration of HK$508,000,000. The acquisition was completed during the year ended 31 March 2014 and the shopping mall was classified as an investment property as at 31 March 2014.

Other than the aforementioned impaired other receivables, none of the above assets is either past due or impaired. The financial assets included in the above balances relate to the receivables for which there was no recent history of default. The carrying amounts of prepayments, deposits and other receivables approximate to their fair values.

NOTES TO FINANCIAL STATEMENTS

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Unlisted equity investments, at fair value:	**15,080**	8,904	**–**	–
Listed equity investments, at market value:				
Hong Kong	**90,194**	47,085	**14,639**	10,322
	105,274	55,989	**14,639**	10,322

The above financial instruments at 31 March 2014 and 2013 were classified as held for trading and were, upon initial recognition designated by the Group as financial assets at fair value through profit or loss.

The market values of the Group's and the Company's listed equity investments at the date of approval of these financial statements were HK$90,719,000 and HK$15,765,000, respectively.

26. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000 (Restated)	**HK$'000**	HK$'000
Cash and bank balances	**367,653**	341,465	**168,990**	108,913
Time deposits	**352,938**	393,070	**325,021**	381,604
Less: Time deposits with original maturity over three months	**(10,000)**	–	**(10,000)**	–
Cash and cash equivalents	**710,591**	734,535	**484,011**	490,517

As at the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$171,774,000 (2013: HK$57,878,000 (as restated)). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

26. CASH AND CASH EQUIVALENTS (continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

27. 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	
	2014	2013
	HK$'000	HK$'000
Within 90 days	**56,792**	38,473

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.

28. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
		(Restated)		
Deferred income	**–**	6,112	**–**	–
Other payables	**20,931**	17,181	**106**	735
Accruals	**40,212**	28,954	**24,707**	17,175
	61,143	52,247	**24,813**	17,910
Less: Other payables classified as non-current liabilities	**(984)**	(4,264)	**–**	–
	60,159	47,983	**24,813**	17,910

Other payables are non-interest-bearing and there are generally no credit terms. The carrying amounts of the above other payables approximate to their fair values.

NOTES TO FINANCIAL STATEMENTS

29. INTEREST-BEARING BANK LOANS

Group

	2014			2013		
	Contractual interest rate (%)	Maturity	HK$'000	Contractual interest rate (%)	Maturity	HK$'000
Current:						
Bank loans – secured	HIBOR+ (1.0-3.05)/ Prime rate – 2.75	2015 or on demand	388,068	HIBOR+ (0.85-3.05)/ Prime rate – 2.75	2014 or on demand	84,871
Bank loans – unsecured	HIBOR+1.5	On demand	8,000	HIBOR+1.5	On demand	8,000
Long term bank loans repayable on demand – secured	HIBOR+ (1.0-2.3)/ Prime rate – 2.75	On demand	49,247	HIBOR+ (0.85-1.8)/ Prime rate – 2.75	On demand	181,251
Long term bank loans repayable on demand – unsecured	HIBOR+1.5	On demand	2,000	HIBOR+1.5	On demand	10,000
			447,315			284,122
Non-current:						
Bank loans – secured	HIBOR+ (1.2-3.05)	2015-2025	819,540	HIBOR+ (1.25-3.05)	2014-2025	1,345,697
			1,266,855			1,629,819

29. INTEREST-BEARING BANK LOANS (continued)

Company

	2014			2013		
	Contractual interest rate (%)	**Maturity**	**HK$'000**	Contractual interest rate (%)	Maturity	HK$'000
Current:						
Bank loans – secured	**HIBOR+ (1.1-1.45)**	**2015 or on demand**	**12,053**	HIBOR+ (1.35-1.45)	2014 or on demand	16,053
Long term bank loans repayable on demand – secured			**–**			–
			12,053			16,053
Non-current:						
Bank loans – secured	**HIBOR+1.45**	**2015-2022**	**15,400**	HIBOR+1.45	2014-2022	17,454
			27,453			33,507

	Group		Company	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Analysed into:				
Bank loans repayable:				
Within one year or on demand (Note)	**447,315**	284,122	**12,053**	16,053
In the second year	**146,703**	1,111,737	**15,400**	17,454
In the third to fifth years, inclusive	**397,379**	114,455	**–**	–
Beyond five years	**275,458**	119,505	**–**	–
	1,266,855	1,629,819	**27,453**	33,507

Note: As further explained in note 42 to the financial statements, the Group's term loans with an aggregate amount of HK$394,352,000 (2013: HK$249,779,000) containing an on-demand clause have been classified as current liabilities. For the purpose of the above analysis, the loans are included within current interest-bearing bank loans and analysed into bank loans repayable within one year or on demand.

NOTES TO FINANCIAL STATEMENTS

29. INTEREST-BEARING BANK LOANS (continued)

At the end of the reporting period, the maturity profile of interest-bearing loans based on the scheduled repayment dates set out in the loan agreements is as follows:

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Bank loans repayable:				
Within one year or on demand	**396,068**	92,871	**12,053**	16,053
In the second year	**157,473**	1,012,960	**2,053**	2,054
In the third to fifth years, inclusive	**415,563**	243,885	**6,160**	6,160
Beyond five years	**297,751**	280,103	**7,187**	9,240
	1,266,855	1,629,819	**27,453**	33,507

Notes:

(a) Certain bank loans of the Group and the Company are secured by the Group's land and buildings (note 14), investment properties and certain rental income generated therefrom (note 15), properties under development (note 16), properties held for sale (note 21) and share charges in respect of the entire equity interests of four wholly-owned subsidiaries of the Company, which are engaged in property development. In addition, sales proceeds from the pre-sale of properties under development with an aggregate carrying amount of HK$239,940,000 (2013: HK$229,726,000) are pledged for certain bank loans of the Group.

The Company has guaranteed certain of the Group's bank loans up to HK$2,474,686,000 (2013: HK$2,383,130,000) as at the end of the reporting period.

(b) All bank loans of the Group and the Company bear interest at floating interest rates.

(c) The carrying amounts of the bank loans of the Group and of the Company approximate to their fair values.

30. PROVISIONS FOR ONEROUS CONTRACTS

	Group 2014 HK$'000	2013 HK$'000
Carrying amount at 1 April	**3,249**	3,457
Provided for the year	**2,380**	–
Amount utilised during the year	**(1,580)**	(208)
Carrying amount at 31 March	**4,049**	3,249
Less: Portion classified as current liabilities	**(2,398)**	(880)
Long term portion	**1,651**	2,369

31. DEFERRED TAX

The components of deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

Group

	Depreciation allowance in excess of related depreciation HK$'000	Revaluation gain of investment properties HK$'000 (Restated)	Withholding tax HK$'000	Total HK$'000 (Restated)
At 1 April 2012	6,885	3,132	283	10,300
Acquisition of a subsidiary (note 35)	478	–	–	478
Deferred tax charged/(credited) to profit or loss during the year	(1,646)	2,496	–	850
At 31 March and 1 April 2013	**5,717**	**5,628**	**283**	**11,628**
Deferred tax credited to profit or loss during the year	**(603)**	**(5,192)**	**–**	**(5,795)**
At 31 March 2014	**5,114**	**436**	**283**	**5,833**

NOTES TO FINANCIAL STATEMENTS

31. DEFERRED TAX (continued)

Deferred tax assets

Group

	Losses available for offsetting against future taxable profits HK$'000	Depreciation in excess of related depreciation allowance HK$'000	Provision for onerous contracts HK$'000	Total HK$'000
At 1 April 2012	1,637	–	570	2,207
Deferred tax credited/(charged) to profit or loss during the year	(197)	281	(34)	50
At 31 March and 1 April 2013	**1,440**	**281**	**536**	**2,257**
Deferred tax credited/(charged) to profit or loss during the year	**(34)**	**(281)**	**12**	**(303)**
At 31 March 2014	**1,406**	**–**	**548**	**1,954**

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2014 HK$'000	2013 HK$'000 (Restated)
Net deferred tax assets recognised in the consolidated statement of financial position	**548**	817
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(4,427)**	(10,188)
	(3,879)	(9,371)

The Group has tax losses arising in Hong Kong of approximately HK$180,766,000 (2013: HK$172,633,000), subject to the agreement of the Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

31. DEFERRED TAX (continued)

Deferred tax assets (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable to withholding taxes on dividends distributed by its joint venture established in the PRC in respect of earnings generated from 1 January 2008.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

32. SHARE CAPITAL

Shares

	2014	2013
	HK$'000	HK$'000
Authorised:		
40,000,000,000 ordinary shares of HK$0.01 each	**400,000**	400,000
Issued and fully paid:		
6,524,935,021 ordinary shares of HK$0.01 each	**65,249**	65,249

There was no movement in the Company's share capital during the year.

33. SHARE OPTION SCHEME

On 2 May 2012, the share option scheme adopted by the Company on 3 May 2002 (the "2002 Scheme") expired and a new share option scheme (the "2012 Scheme") was adopted by the shareholders of the Company on 21 August 2012. As a result, the Company can no longer grant any further options under the 2002 Scheme. However, all options granted prior to the expiry of the 2002 Scheme will remain in full force and effect. During the year ended 31 March 2014, no share option was granted, exercised, lapsed or cancelled under the 2012 Scheme.

NOTES TO FINANCIAL STATEMENTS

33. SHARE OPTION SCHEME (continued)

Under the 2012 Scheme, share options may be granted to any director or proposed director (whether executive or non-executive, including independent non-executive director), employee or proposed employee (whether full-time or part-time), secondee, any holder of securities issued by any member of the Group, any person or entity that provides research, development or other technology support or advisory, consultancy, professional or other services to any member of the Group or any substantial shareholder or company controlled by a substantial shareholder, or any company controlled by one or more persons belonging to any of the above classes of participants. The 2012 Scheme became effective on 21 August 2012 and, unless otherwise terminated earlier by shareholders in a general meeting, will remain in force for a period of 10 years from that date.

Purpose

The purpose of the 2012 Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Maximum number of shares available for subscription

Pursuant to the 2012 Scheme, the maximum number of share options that may be granted under the 2012 Scheme and any other share option schemes of the Company is an amount, upon their exercise, not in aggregate exceeding 30% of the issued share capital of the Company from time to time, excluding any shares issued on the exercise of share options. The total number of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme and any other schemes shall not in aggregate exceed 10% of the number of shares in issue, as at the date of approval of the 2012 Scheme limit or as refreshed from time to time.

Maximum entitlement of each participant

The maximum number of shares issuable under share options to each eligible participant (except for a substantial shareholder or an independent non-executive director or any of their respective associate) under the 2012 Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of such limit must be separately approved by shareholders with such eligible participant and his associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the option). Where any grant of share options to a substantial shareholder or an independent non-executive director (or any of their respective associates) will result in the total number of shares issued and to be issued upon exercise of share options already granted and to be granted to such person under the 2012 Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant representing in aggregate over 0.1% of the shares in issue, and having an aggregate value, based on the closing price of the Company's shares at each date of grant, in excess of HK$5 million, such further grant of share options is required to be approved by shareholders in a general meeting in accordance with the Listing Rules. Any change in the terms of a share option granted to a substantial shareholder or an independent non-executive director (or any of their respective associate) is also required to be approved by shareholders.

33. SHARE OPTION SCHEME (continued)

Basis of determining the exercise price

The option price per share payable on the exercise of an option is determined by the directors, provided that it shall be at least the higher of:

(i) the closing price of the shares as stated in the daily quotation sheet issued by the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") at the date of offer of grant (which is deemed to be the date of grant if the offer for the grant of a share option is accepted by the eligible person), which must be a business day; and

(ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of grant, provided that the option price per share shall in no event be less than the nominal amount of one share.

An offer for the grant of share options must be accepted within 30 days from the date on which such offer was made. The amount payable by the grantee of a share option to the Company on acceptance of the offer of the grant is HK$1.00 for each lot of share options granted.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the 2002 Scheme during the year:

	2014		2013	
	Weighted average exercise price HK$ per share	**Number of options '000**	Weighted average exercise price HK$ per share	Number of options '000
At 1 April	**1.3448**	**23,912**	1.3932	32,944
Forfeited during the year	**0.23**	**(1,302)**	1.4779	(8,609)
Expired during the year	**–**	**–**	2.4082	(423)
At 31 March	**1.3476**	**22,610**	1.3448	23,912

There was no share option exercised during the years ended 31 March 2014 and 2013. The exercise period of the share options granted is determined by the board of directors, and commences after a vesting period up to three years.

NOTES TO FINANCIAL STATEMENTS

33. SHARE OPTION SCHEME (continued)

Basis of determining the exercise price (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2014

Number of options '000	Exercise price* HK$ per share	Exercise period
14,562	2.0549	1/3/2007 to 28/2/2017
797	0.3893	8/1/2010 to 7/1/2019
7,251	0.2234	12/5/2011 to 11/5/2020
22,610		

2013

Number of options '000	Exercise price* HK$ per share	Exercise period
14,562	2.0549	1/3/2007 to 28/2/2017
867	0.3893	8/1/2010 to 7/1/2019
8,483	0.2234	12/5/2011 to 11/5/2020
23,912		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

The Group recognised a share option expense of HK$17,000 (2013: HK$116,000) during the year ended 31 March 2014.

At the end of the reporting period, the Company had 22,610,000 (2013: 23,912,000) share options outstanding under the 2002 Scheme. The exercise in full of these share options would, under the present capital structure of the Company, result in the issue of 22,610,000 (2013: 23,912,000) additional ordinary shares of the Company and additional share capital of HK$226,000 (2013: HK$239,000) and share premium of HK$31,628,000 (2013: HK$31,917,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 22,610,000 share options outstanding under the 2002 Scheme, which represented approximately 0.3% of the Company's shares in issue as at that date.

34. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 47 and 48 of the financial statements.

(b) Company

	Notes	Share premium account HK$'000	Contributed surplus (Note) HK$'000	Share option reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2012		1,462,363	321,388	8,535	461,426	2,253,712
Total comprehensive income for the year					50,910	50,910
Transfer of share option reserve upon the forfeiture or expiry of share options		–	–	(2,554)	2,554	–
Final 2012 dividend		–	–	–	(32,625)	(32,625)
Interim 2013 dividend	12	–	–	–	(9,787)	(9,787)
Equity-settled share option arrangements	33	–	–	116	–	116
At 31 March and 1 April 2013		**1,462,363**	**321,388**	**6,097**	**472,478**	**2,262,326**
Total comprehensive income for the year		**–**	**–**	**–**	**192,506**	**192,506**
Transfer of share option reserve upon the forfeiture of share options		**–**	**–**	**(181)**	**181**	**–**
Final 2013 dividend	12	**–**	**–**	**–**	**(32,625)**	**(32,625)**
Interim 2014 dividend	12	**–**	**–**	**–**	**(9,787)**	**(9,787)**
Equity-settled share option arrangements	33	**–**	**–**	**17**	**–**	**17**
At 31 March 2014		**1,462,363**	**321,388**	**5,933**	**622,753**	**2,412,437**

Note:

The contributed surplus of the Company originally derived from the difference between the nominal value of the share capital and share premium of the subsidiaries acquired pursuant to the Group's reorganisation on 6 February 1995 and the par value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to shareholders under certain circumstances.

NOTES TO FINANCIAL STATEMENTS

35. ACQUISITION OF A SUBSIDIARY THAT IS NOT A BUSINESS

Year ended 31 March 2013

On 8 February 2013, the Group entered into a sale and purchase agreement with Woomera International Limited, an independent third party, to acquire the entire equity interests in Vincent Investments Limited ("Vincent Investments") and the shareholder's loan owed by Vincent Investments to its then shareholder, at a cash consideration of HK$475,771,000. Vincent Investments is principally engaged in property development in Hong Kong and up to the date of acquisition, Vincent Investments has not carried out any significant business transaction except for holding certain properties in Hong Kong.

The above acquisition has been accounted for by the Group as an acquisition of assets as the entity acquired by the Group does not constitute a business.

The net assets acquired by the Group in the above transaction are as follows:

	HK$'000
Net assets acquired:	
Properties held for development	476,853
Bank balances	158
Deposits received	(613)
Accruals	(149)
Deferred tax liabilities	(478)
	475,771
Satisfied by:	
Cash	475,771

An analysis of the cash flows in respect of the acquisition of Vincent Investments is as follows:

	HK$'000
Cash consideration	(475,771)
Bank balances acquired	158
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	(475,613)
Transaction costs of the acquisition included in cash flows from operating activities	(1,013)
	(476,626)

36. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

(a)

	Company	
	2014	2013
	HK$'000	HK$'000
Guarantees given to financial institutions in connection with facilities granted to subsidiaries	**2,474,686**	2,424,573

(b) The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount payable of HK$1,354,000 (2013: HK$1,415,000) as at 31 March 2014, as further explained under the heading "Other employee benefits" in note 2.4 to the financial statements. The contingent liability has arisen because, at the end of the reporting period, a number of current employees had achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

37. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15) and sub-leases Chinese wet markets under operating lease arrangements, with leases negotiated for terms ranging from two months to six years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Within one year	**160,798**	217,733
In the second to fifth years, inclusive	**46,366**	200,800
	207,164	418,533

NOTES TO FINANCIAL STATEMENTS

37. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

The Group leases certain Chinese wet markets and certain of its office properties under operating lease arrangements. Leases are negotiated for terms ranging from two to six years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Within one year	**83,783**	108,285
In the second to fifth years, inclusive	**20,498**	104,135
	104,281	212,420

38. COMMITMENTS

In addition to the operating lease commitments detailed in note 37(b) above, the Group had the following capital commitments at the end of the reporting period:

	Group	
	2014	2013
	HK$'000	HK$'000
Contracted, but not provided for:		
Properties under development	**211,309**	291,932
Investment properties	**9,824**	406,400
	221,133	698,332

At the end of the reporting period, the Company did not have any significant commitments.

39. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

(a) Transactions with related parties

	Notes	2014 HK$'000	2013 HK$'000
Rental income received from a director*	(i)	**1,073**	996
Rental expenses paid to a company in which a director of the Company is a controlling shareholder*	(ii)	**286**	–
Transactions with WYTH:			
– Management fee received by the Group	(ii)	**960**	960
– Rental income received by the Group	(ii)	**1,507**	1,470
– Rental expenses paid by the Group	(ii)	**1,992**	1,950
– Purchases of products by the Group	(iii)	**431**	889

* The related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Notes:

(i) A property of the Group was leased to a director at a monthly rental of HK$100,000 (2013: HK$83,000). The rental was determined with reference to the prevailing market rates.

(ii) The transactions were based on terms mutually agreed between the Group and the related party.

(iii) The purchases from WYTH were made according to the published prices and conditions offered by WYTH to customers.

(b) Other transaction with a related party

During the year ended 31 March 2013, the Group acquired 1,150,000,000 ordinary shares of PNG Resources from WYTH at the price of HK$0.096 per share, being approximately 14.95% equity interest in PNG Resources, at a consideration of HK$110,400,000.

NOTES TO FINANCIAL STATEMENTS

39. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group

	2014	2013
	HK$'000	HK$'000
Short term employment benefits	**8,258**	5,785
Post-employment benefits	**80**	74
Equity-settled share option expense	**–**	31
Total compensation paid to key management personnel	**8,338**	5,890

The above compensation of key management personnel excludes the directors' remuneration, details of which are set out in note 8 to the financial statements.

40. FINANCIAL INSTRUMENTS BY CATEGORY

Except for available-for-sale investments and financial assets at fair value through profit or loss, which are measured at fair value, other financial assets and liabilities of the Company and the Group as at 31 March 2014 and 2013 are loans and receivables, and financial liabilities at amortised cost, respectively.

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, time deposits, pledged deposits, trade payables, financial assets included in prepayments, deposits and other receivables, current portion of loans and interest receivables, financial liabilities included in other payables and accruals and current portion of interest-bearing bank loans to their carrying amounts largely due to the short term maturities of these instruments.

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

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

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

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

The fair values of the non-current portion of loans and interest receivables, deposits and interest-bearing bank loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group's own non-performance risk for interest-bearing bank loans as at 31 March 2014 was assessed to be insignificant. The fair values of loans and interest receivables and interest-bearing bank loans are measured using significant unobservable inputs (level 3).

The fair values of listed equity investments and listed debt investments are based on quoted market prices. The fair values of unlisted financial assets at fair value through profit or loss have been estimated using the net asset value per share of the investments. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

Group

As at 31 March 2014

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Available-for-sale investments:				
Equity investments	**106,909**	**–**	**–**	**106,909**
Debt investments	**–**	**12,795**	**–**	**12,795**
Equity investments at fair value through profit or loss	**90,194**	**15,080**	**–**	**105,274**
	197,103	**27,875**	**–**	**224,978**

NOTES TO FINANCIAL STATEMENTS

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

Assets measured at fair value: (continued)

Group (continued)

As at 31 March 2013

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Available-for-sale investments:				
Equity investments	321,300	–	–	321,300
Debt investments	–	13,229	–	13,229
Equity investments at fair value through profit or loss	47,085	8,904	–	55,989
	368,385	22,133	–	390,518

Company

As at 31 March 2014

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Equity investments at fair value through profit or loss	**14,639**	**–**	**–**	**14,639**

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

Assets measured at fair value: (continued)

Company (continued)

As at 31 March 2013

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Equity investments at fair value through profit or loss	10,322	–	–	10,322

The Group and Company did not have any financial liabilities measured at fair value as at 31 March 2014 and 2013.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2013: Nil).

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include equity investments, debt securities, available-for-sale investments, trade and other receivables, loans and interest receivables, deposits, trade and other payables, accruals, deposits received, cash and bank balances and bank borrowings.

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

Interest rate risk

The Group's exposure to changes in market interest rates relates primarily to the Group's bank loans with floating interest rates. The Group has not used any interest rate swaps to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's profit before tax. There is no material impact on other components of the Group's equity.

NOTES TO FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk (continued)

	Group	
	Increase/ (decrease) basis points	**Increase/ (decrease) in in profit before tax HK$'000**
2014		
HK$	**100**	**(12,669)**
HK$	**(100)**	**12,669**
2013		
HK$	100	(16,298)
HK$	(100)	16,298

Foreign currency risk

The Group has minimal transactional currency exposure arising from sales or purchases by operating units in currencies other than the units' functional currencies, and hence it does not have any foreign currency hedging policies.

Part of the Group's turnover and operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Shortages in the availability of foreign currencies may restrict the ability of the Group's PRC subsidiaries and joint venture to remit sufficient foreign currencies to pay dividends or other amounts to the Group.

Under the PRC existing foreign exchange regulations, payments of current account items, including dividends, trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration for Foreign Exchange Bureau by complying with certain procedural requirements. However, approval from appropriate PRC governmental authorities is required where RMB is to be converted into a foreign currency and remitted out of Mainland China to pay capital account items, such as the repayment of bank loans denominated in foreign currencies.

Currently, the Group's PRC subsidiaries and joint venture may purchase foreign exchange for settlement of current account transactions, including payment of dividends to the Company, without prior approval of the State Administration for Foreign Exchange Bureau. The Group's PRC subsidiaries and joint venture may also retain foreign currencies in their current accounts to satisfy foreign currency liabilities or to pay dividends. Since foreign currency transactions on the capital account are still subject to limitations and require approval from the State Administration for Foreign Exchange Bureau, this could affect the Group's subsidiaries and joint venture's ability to obtain required foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Group.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

There are limited hedging instruments available in the PRC to reduce the Group's exposure to exchange rate fluctuations between RMB and other currencies. To date, the Group has not entered into any hedging transactions in an effort to reduce the Group's exposure to foreign currency exchange risks. While the Group may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and the Group may not be able to hedge the Group's exposure successfully, or at all.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the Euro, Pound Sterling ("GBP") and RMB exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Group	
	Increase/ (decrease) exchange rate %	**Increase/ (decrease) in in profit before tax HK$'000**
2014		
If Euro strengthens against HK$	**6.341**	**7**
If Euro weakens against HK$	**(6.341)**	**(7)**
If HK$ strengthens against RMB	**2.678**	**5,367**
If HK$ weakens against RMB	**(2.678)**	**(5,367)**
2013		
If Euro strengthens against HK$	10.428	10
If Euro weakens against HK$	(10.428)	(10)
If GBP strengthens against HK$	7.052	755
If GBP weakens against HK$	(7.052)	(755)
If HK$ strengthens against RMB	2.504	1,256
If HK$ weakens against RMB	(2.504)	(1,256)

NOTES TO FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, loans and interest receivables and debt securities. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis. The maximum exposure of these financial assets is equal to the carrying amounts of these instruments.

In respect of trade and other receivables, credit evaluations are performed on all customers requiring credit over a certain amount. Trade receivables are mainly rental related and are normally due within 15 to 30 days and the Group obtains rental deposits from its tenants.

In respect of loans and interest receivables, individual credit evaluations are performed on all borrowers requiring credit over a certain amount. These evaluations focus on the borrowers' past history of making payments when due and current ability to pay, and take into account information specific to the borrowers. Certain of these loans and interests receivable are secured by share charges in respect of the equity interest of certain subsidiaries and unlisted equity investments of the respective borrowers.

The credit risk of debt securities mainly arises from the risk that the issuer might default on a payment or go into liquidation. Debt securities by different types of issuers are generally subject to different degrees of credit risk. The management regularly reviews the credit exposure and does not expect any investment counterparty to fail to meet its obligations.

The credit risk of the Group's other financial assets, which comprises cash and cash equivalents and certain listed equity securities, with the maximum exposure equal to the carrying amounts of these instruments.

The Company is also exposed to credit risk through the granting of financial guarantees to certain subsidiaries, further details of which are disclosed in note 36 to the financial statements.

Further quantitative data in respect of the Group's exposure to credit risk arising from available-for-sale investments (note 20), trade and other receivables (notes 22 and 24), loans and interest receivables (note 23) and financial assets at fair value through profit or loss (note 25) are disclosed in the corresponding notes to the financial statements.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual and undiscounted payments, was as follows:

Group

	2014					
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank loans (Note)	394,352	71,655	164,842	411,282	280,829	1,322,960
Trade payables (note 27)	–	56,792	–	–	–	56,792
Other payables and accruals (note 28)	–	60,159	984	–	–	61,143
	394,352	188,606	165,826	411,282	280,829	1,440,895

	2013					
	On demand HK$'000	Within 1 year HK$'000 (Restated)	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000 (Restated)
Interest-bearing bank loans (Note)	249,779	57,043	1,142,682	128,734	134,697	1,712,935
Trade payables (note 27)	–	38,473	–	–	–	38,473
Other payables and accruals (note 28)	–	41,871	4,264	–	–	46,135
	249,779	137,387	1,146,946	128,734	134,697	1,797,543

NOTES TO FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Company

	2014					
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank loans (Note)	10,000	2,312	2,282	6,358	7,293	28,245
Other payables and accruals (note 28)	–	24,813	–	–	–	24,813
Due to subsidiaries (note 17)	–	–	–	–	1,868,182	1,868,182
	10,000	27,125	2,282	6,358	1,875,475	1,921,240
Financial guarantees issued:						
Guarantees given to bank in connection with facilities granted to subsidiaries (note 36(a))	–	2,474,686	–	–	–	2,474,686

	2013					
	On demand HK$'000	Within 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank loans (Note)	14,000	2,411	17,773	–	–	34,184
Other payables and accruals (note 28)	–	17,910	–	–	–	17,910
Due to subsidiaries (note 17)	–	–	–	–	1,605,656	1,605,656
	14,000	20,321	17,773	–	1,605,656	1,657,750
Financial guarantees issued:						
Guarantees given to bank in connection with facilities granted to subsidiaries (note 36(a))	–	2,424,573	–	–	–	2,424,573

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Note:

Included in interest-bearing bank loans of the Group are term loans with an aggregate principal amounting to HK$394,352,000 (2013: HK$249,779,000) of which the respective loan agreements contain a repayment on-demand clause giving the bank the unconditional right to call in the loans at any time and therefore, for the purpose of the above maturity profile, the total amount is classified as "on demand".

Notwithstanding the above clause, the directors do not believe that these loans will be called in their entirety within 12 months, and they consider that the loans will be repaid in accordance with the maturity dates as set out in the respective loan agreements. This evaluation was made considering: the financial position of the Group at the date of approval of the financial statements; the Group's compliance with the loan covenants; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time. In accordance with the terms of the loans, the contractual undiscounted payments are as follows:

Group

	Within 1 year HK$'000	**1 to 2 years HK$'000**	**3 to 5 years HK$'000**	**Over 5 years HK$'000**	**Total HK$'000**
31 March 2014	**350,951**	**10,170**	**18,545**	**22,291**	**401,957**
31 March 2013	59,450	30,036	63,516	101,034	254,036

Company

	Within 1 year HK$'000	**1 to 2 years HK$'000**	**3 to 5 years HK$'000**	**Over 5 years HK$'000**	**Total HK$'000**
31 March 2014	**10,183**	**–**	**–**	**–**	**10,183**
31 March 2013	14,222	–	–	–	14,222

NOTES TO FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk

Price risk is the risk that the fair values of financial investments decrease as a result of changes in the levels of equity indices and the value of individual debt securities. The Group was exposed to price risk arising from individual financial investments classified as available-for-sale investments (note 20) and financial assets at fair value through profit or loss (note 25) as at 31 March 2014.

The Group's debt securities are traded in the over-the-counter market and are valued at fair value at each year end date with reference to the trading prices quoted in the market. The Group's listed equity investments are listed on the Hong Kong Stock Exchange and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year were as follows:

	31 March 2014	**High/low 2014**	31 March 2013	High/low 2013
Hong Kong – Hang Seng Index	**22,151**	**23,881/20,803**	22,300	23,730/18,630

The Group manages its exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these financial investments.

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the financial investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk (continued)

	Carrying amount of financial investments HK$'000	Increase/ (decrease) in price %	Increase/ (decrease) in profit before tax HK$'000
2014			
Equity securities listed in Hong Kong:			
Held-for-trading	**90,194**	**14.80**	**13,349**
Held-for-trading	**90,194**	**(14.80)**	**(13,349)**
Equity securities listed in Hong Kong:			
Available-for-sale	**106,909**	**14.80**	**15,823**
Available-for-sale	**106,909**	**(14.80)**	**(15,823)**
Equity securities unlisted in Hong Kong:			
Held-for-trading	**15,080**	**14.80**	**2,232**
Held-for-trading	**15,080**	**(14.80)**	**(2,232)**
2013			
Equity securities listed in Hong Kong:			
Held-for-trading	47,085	27.38	12,892
Held-for-trading	47,085	(27.38)	(12,892)
Equity securities listed in Hong Kong:			
Available-for-sale	321,300	27.38	87,972
Available-for-sale	321,300	(27.38)	(87,972)
Equity securities unlisted in Hong Kong:			
Held-for-trading	8,904	27.38	2,438
Held-for-trading	8,904	(27.38)	(2,438)

NOTES TO FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2014.

The Group monitors capital using a net gearing ratio, which is net debt divided by equity attributable to owners of the parent. Net debt is calculated as a total of interest-bearing bank loans, less cash and cash equivalents. The gearing ratios as at the end of the reporting periods were as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
		(Restated)
Interest-bearing bank loans (note 29)	**1,266,855**	1,629,819
Less: Cash and cash equivalents (note 26)	**(710,591)**	(734,535)
Net debt	**556,264**	895,284
Equity attributable to owners of the parent	**3,912,054**	3,567,531
Gearing ratio	**14.22%**	25.10%

43. COMPARATIVE AMOUNTS

As further explained in note 2.2 to the financial statements, due to the adoption of revised HKFRS 11 during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made, certain comparative amounts have been restated to conform with the current year's presentation and accounting treatment, and a third statement of financial position as at 1 April 2012 has been presented.

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 14 May 2014.

PARTICULARS OF PROPERTIES

INVESTMENT PROPERTIES

Location	Use	Tenure	Attributable interest of the Group
Shop 4 & 5, Ground Floor, Mong Kok Building, Nos. 93,95 and 99 Mong Kok Road, Mong Kok, Kowloon	Commercial premises for rental	Long term lease	100%
Shop 6, Ground Floor, Grandeur Garden, Nos. 14-18 Chik Fai Street, Nos. 55-65 Tai Wai Road, Shatin, New Territories	Commercial premises for rental	Medium term lease	100%
Shop B, Ground Floor, Nos. 106-108 Shau Kei Wan Road, Hong Kong	Commercial premises for rental	Long term lease	100%
Ground Floor with Cockloft, Foon Shing Building, No. 732 Nathan Road, Kowloon	Commercial premises for rental	Long term lease	100%
Commercial Unit and Car Parking Space on 1st and 2nd Basement of Riviera Plaza, Tsuen Wan, New Territories	Commercial premises for rental	Medium term lease	100%

PROPERTIES HELD FOR SALE

Property name	Location	Units	Estimated approximate gross floor area (sq ft)	Use	Attributable interest of the Group
"726 Nathan Road"	Nos. 724-726, Nathan Road, Mong Kok, Kowloon	11 floor units, and shop at ground floor	27,500	Commercial	100%

PARTICULARS OF PROPERTIES

PROPERTIES UNDER DEVELOPMENT

Location	Approximate site area (sq ft)	Estimated approximate gross floor area (sq ft)	Use	Estimated completion date	Attributable interest of the Group
Nos. 1-3,5,7,9 & 13, Kwai Heung Street, Sai Ying Pun, Hong Kong	4,800	39,000	Residential & Commercial	2014	100%
Nos. 140,142,144 & 146, Camp Street, Sham Shui Po, Kowloon	4,600	43,000	Residential & Commercial	2015	100%
Nos. 575-575A, Nathan Road, Mong Kok, Kowloon	2,100	20,000	Commercial	2016	100%
Nos. 13 & 15, Sze Shan Street, Yau Tong, Kowloon	41,000	272,000	Residential & Commercial	2017	100%

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate is set out below. The amounts for each year in the five year financial summary have been adjusted for the effects of the retrospective changes in the accounting policy affecting the accounting for a joint venture, as detailed in note 2.2 to the financial statements.

RESULTS

	Year ended 31 March				
	2014	2013	2012	2011	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
CONTINUING OPERATIONS					
REVENUE	**1,597,340**	744,069	393,763	539,765	509,752
PROFIT AFTER FINANCE COSTS	**629,649**	266,256	122,551	240,164	144,749
Share of profits and losses of:					
A joint venture	**8,057**	4,925	4,898	7,757	1,344
An associate	**43,038**	179,379	295,704	–	(9,049)
PROFIT BEFORE TAX	**680,744**	450,560	423,153	247,921	137,044
Income tax expense	**(87,535)**	(41,026)	(29,666)	(16,763)	(24,177)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**593,209**	409,534	393,487	231,158	112,867
DISCONTINUED OPERATION					
Profit for the year from a discontinued operation	**–**	–	1,809	9,281	4,620
PROFIT FOR THE YEAR	**593,209**	409,534	395,296	240,439	117,487
Attributable to:					
Owners of the parent	**593,521**	409,536	395,228	240,241	117,488
Non-controlling interests	**(312)**	(2)	68	198	(1)
	593,209	409,534	395,296	240,439	117,487

FIVE YEAR FINANCIAL SUMMARY

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	31 March				
	2014	2013	2012	2011	2010
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
TOTAL ASSETS	**5,788,783**	5,712,640	4,210,172	3,633,262	2,936,393
TOTAL LIABILITIES	**(1,876,576)**	(2,144,644)	(1,218,777)	(1,006,399)	(970,656)
NON-CONTROLLING INTERESTS	**(153)**	(465)	(467)	(594)	(396)
	3,912,054	3,567,531	2,990,928	2,626,269	1,965,341