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WANG ON GROUP LIMITED
（宏安集團有限公司）*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2018

ANNUAL FINANCIAL HIGHLIGHTS

	FY2018	FY2017	YoY change
Revenue *(HK$' million)*	**2,621**	869	+201.6%
Gross profit *(HK$' million)*	**1,060**	330	+221.2%
Net profit attributable to Shareholders *(HK$' million)*	**1,223**	424	+188.4%
EPS *(HK cents)*			
Basic	**6.52**	2.22	+193.7%
Diluted	**6.52**	2.22	+193.7%
Dividend per share *(HK cent)*			
Final	**0.50**	0.50	–
Interim	**0.10**	0.10	–
	As at 31.3.2018	As at 31.3.2017	
Total net asset value *(HK$' million)*	**7,999**	6,426	+24.5%
NAV per share *(HK$)*	**0.42**	0.33	+27.3%
Gearing ratio	**34.7%**	37.1%	-2.4%
Cash and cash equivalents *(HK$' million)*	**2,664**	2,369	+12.5%

* *For identification purpose only*

RESULTS

The board of directors (the "**Board**" or the "**Directors**") of Wang On Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2018, together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2018

	Notes	**2018** **_HK$'000_**	2017 *HK$'000*
REVENUE	*4*	**2,620,998**	869,357
Cost of sales		**(1,561,342)**	(539,124)
Gross profit		**1,059,656**	330,233
Other income and gains, net	*4*	**1,771,077**	1,119,438
Selling and distribution expenses		**(333,951)**	(181,055)
Administrative expenses		**(449,397)**	(260,923)
Other expenses		**(113,978)**	(568,757)
Finance costs	*6*	**(92,389)**	(30,357)
Fair value losses on financial assets at fair value through profit or loss, net		**(52,937)**	(123,752)
Fair value gains on investment properties, net		**78,304**	50,118
Reversal of write-down of properties under development		–	44,411
Share of profits and losses of:			
Joint ventures		**3,672**	10,101
Associates		**(35,008)**	(29,787)
PROFIT BEFORE TAX	*5*	**1,835,049**	359,670
Income tax credit/(expense)	*7*	**(69,055)**	17,599
PROFIT FOR THE YEAR		**1,765,994**	377,269

	Note	2018 HK$'000	2017 HK$'000
OTHER COMPREHENSIVE INCOME/(LOSS)			
Items to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		**(39,387)**	13,839
Reclassification adjustments for losses included in profit or loss			
– Loss on disposal		**2,209**	–
– Impairment losses		**33,368**	–
Exchange differences on translation of foreign operations		**5,877**	(1,644)
Other reserves:			
Release of other reserves for the step acquisition of Wai Yuen Tong Medicine Holdings Limited ("**WYTH**")		–	11,870
Share of other comprehensive income/(loss) of joint ventures		**9,602**	(3,856)
Share of other comprehensive income of associates		**27,629**	10,568
Release of reserves upon deemed partial disposal of equity interests in an associate		**(973)**	–
		36,258	18,582
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**38,325**	30,777
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,804,319**	408,046
Profit/(loss) attributable to:			
Owners of the parent		**1,223,444**	423,690
Non-controlling interests		**542,550**	(46,421)
		1,765,994	377,269
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**1,249,250**	458,409
Non-controlling interests		**555,069**	(50,363)
		1,804,319	408,046
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic and diluted		**HK6.52 cents**	HK2.22 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2018

	Notes	2018 HK$'000	2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,325,728**	1,285,661
Investment properties		**1,422,000**	1,473,300
Properties under development		**152,997**	415,004
Trademarks		**61,356**	68,991
Investments in joint ventures		**1,510,843**	91,338
Investments in associates		**77,315**	95,118
Available-for-sale investments		**1,302,052**	1,134,828
Financial assets at fair value through profit or loss		**7,661**	14,424
Loans and interest receivables	*11*	**738,657**	80,594
Deposits and other receivables		**63,049**	42,708
Deferred tax assets		**32,460**	25,384
Total non-current assets		**6,694,118**	4,727,350
CURRENT ASSETS			
Properties under development		**2,599,460**	3,103,588
Properties held for sale		**719,080**	–
Available-for-sale investments		**53,702**	35,879
Inventories		**183,175**	190,658
Trade and bills receivables	*10*	**123,179**	91,764
Loans and interest receivables	*11*	**533,444**	554,921
Prepayments, deposits and other receivables		**1,539,258**	2,008,506
Financial assets at fair value through profit or loss		**272,459**	340,272
Tax recoverable		**1,616**	6,638
Cash and cash equivalents		**2,664,364**	2,369,308
		8,689,737	8,701,534
Assets classified as held for sale		**532,673**	196,150
Total current assets		**9,222,410**	8,897,684
CURRENT LIABILITIES			
Trade payables	*12*	**252,656**	124,289
Other payables and accruals		**215,680**	120,369
Deposits received and receipts in advance		**2,285,795**	2,797,159
Bank and other loans		**1,483,418**	792,793
Provision for onerous contracts		**9,663**	4,080
Tax payable		**86,541**	19,280
		4,333,753	3,857,970
Liabilities directly associated with the assets classified as held for sale		**147,775**	4,049
Total current liabilities		**4,481,528**	3,862,019
NET CURRENT ASSETS		**4,740,882**	5,035,665
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,435,000**	9,763,015

	2018 *HK$'000*	2017 *HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES	**11,435,000**	9,763,015
NON-CURRENT LIABILITIES		
Bank and other loans	**3,191,679**	3,288,481
Deferred tax liabilities	**50,152**	48,276
Other payables	**164,958**	–
Deposit received	**28,766**	–
Total non-current liabilities	**3,435,555**	3,336,757
Net assets	**7,999,445**	6,426,258
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**189,285**	192,885
Reserves	**5,610,237**	4,420,095
	5,799,522	4,612,980
Non-controlling interests	**2,199,923**	1,813,278
Total equity	**7,999,445**	6,426,258

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated 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, available-for-sale investments and financial assets at fair value through profit or loss which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. The consolidated 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 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in *Annual Improvements to HKFRSs 2014-2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

(a) Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Disclosures have been made in a note to the financial statements.

(b) Amendments to HKAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporarily differences or assets that are in the scope of the amendments.

(c) Amendments to HKFRS 12 clarify that the disclosure requirements in HKFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of HKFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements given that the amendments are only clarification that HKFRS 12 had not intended to exempt an entity from all the disclosure requirements in HKFRS 12 with respect to interests in entities classified as held for sale or discontinued operations. The Group has properly provided the relevant information of the subsidiaries held for sale in the financial statements.

3. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank interest income, finance costs, fair value losses from the Group's financial assets at fair value through profit or loss, gains/losses arising from acquisition/disposal transactions, head office and corporate income and expenses and share of profits and losses of joint ventures and associates are excluded from such measurement.

Year ended 31 March

	Property development		Property investment		Fresh markets		Pharmaceutical		Treasury management		Elimination		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:														
Sales to external customers	**1,333,515**	46,039	**25,832**	119,136	**221,279**	191,545	**826,845**	375,763	**213,527**	136,874	**–**	–	**2,620,998**	869,357
Intersegment sales	**–**	–	**16,323**	9,071	**–**	–	**9,372**	5,877	**–**	–	**(25,695)**	(14,948)	**–**	–
Other revenue	**11,661**	15,924	**87,477**	46,498	**13,718**	14,788	**–**	113	**1,966**	2,002	**–**	–	**114,822**	79,325
Total	**1,345,176**	61,963	**129,632**	174,705	**234,997**	206,333	**836,217**	381,753	**215,493**	138,876	**(25,695)**	(14,948)	**2,735,820**	948,682
Segment results	**339,372**	(2,593)	**63,478**	65,617	**24,328**	21,991	**(115,538)**	(97,359)	**91,369**	117,858	**–**	–	**403,009**	105,514
Reconciliation:														
Bank interest income													**14,008**	6,521
Finance costs													**(92,389)**	(30,357)
Fair value losses of financial assets at fair value through profit or loss, net													**(52,937)**	(123,752)
Gain on bargain purchase													**–**	1,056,230
Gain on disposals of subsidiaries, net													**1,245,753**	–
Gain on remeasurement of the retained 50% equity interest in a joint venture													**467,039**	–
Loss on remeasurement of pre-existing interest in WYTH to acquisition date fair value													**–**	(550,445)
Corporate and unallocated income/(expenses), net													**(118,098)**	(84,355)
Share of profits and losses of:														
Joint ventures													**3,672**	10,101
Associates													**(35,008)**	(29,787)
Profit before tax													**1,835,049**	359,670
Income tax credit/(expense)													**(69,055)**	17,599
Profit for the year													**1,765,994**	377,269

Year ended 31 March

	Property development		Property investment		Fresh markets		Pharmaceutical		Treasury management		Corporate and others		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:														
Depreciation	**60**	92	**11,445**	3,456	**10,381**	5,948	**38,173**	21,750	**–**	–	**14,230**	4,504	**74,289**	35,750
Reversal of write-down of properties under development	**–**	(44,411)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(44,411)
Impairment of available-for-sale investments	**–**	–	**–**	–	**–**	–	**–**	–	**33,368**	–	**–**	–	**33,368**	–
Impairment of trademarks	**–**	–	**–**	–	**–**	–	**7,635**	–	**–**	–	**–**	–	**7,635**	–
Impairment of items of property, plant and equipment	**–**	–	**50,285**	–	**–**	604	**3,735**	–	**–**	–	**–**	–	**54,020**	604
Impairment of trade receivables, net	**–**	–	**–**	–	**691**	217	**2,326**	5,030	**–**	–	**–**	–	**3,017**	5,247
Impairment of loans and interest receivables, net	**–**	–	**–**	–	**–**	–	**–**	–	**10,086**	4,643	**–**	–	**10,086**	4,643
Loss/(gain) on disposal of investment properties	**–**	–	**(4,121)**	1,155	**–**	–	**–**	–	**–**	–	**–**	–	**(4,121)**	1,155
Loss on disposal of items of property, plant and equipment	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	363	**–**	363
Provision for onerous contracts	**–**	–	**–**	–	**5,583**	4,080	**–**	–	**–**	–	**–**	–	**5,583**	4,080
Capital expenditure*	**131**	1,336	**287,398**	608,231	**27,457**	29,984	**37,551**	175,412	**–**	–	**98,609**	8,920	**451,146**	823,883
Fair value losses on financial assets at fair value through profit or loss, net	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**52,937**	123,752	**52,937**	123,752
Fair value gains on investment properties, net	**(31,274)**	(6,726)	**(47,030)**	(43,392)	**–**	–	**–**	–	**–**	–	**–**	–	**(78,304)**	(50,118)
Investment in joint ventures	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1,510,843**	91,338	**1,510,843**	91,338
Investment in associates	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**77,315**	95,118	**77,315**	95,118
Share of profits and losses of:														
Joint ventures	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(3,672)**	(10,101)	**(3,672)**	(10,101)
Associates	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**35,008**	29,787	**35,008**	29,787

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

Geographical information

(a) *Sales to external customers*

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**2,381,666**	795,801
Mainland China	**208,153**	52,097
Macau	**13,431**	10,056
Others	**17,748**	11,403
	2,620,998	869,357

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

(b) *Non-current assets*

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**4,339,432**	3,229,151
Mainland China	**210,576**	199,283
Macau	**231**	978
	4,550,239	3,429,412

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

Information about major customers

During the current year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue. During the prior year, revenue of HK$92,937,000 was derived from interest income earned from a single external customer of the treasury management segment.

4. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents sub-licensing fee income received and receivable; the aggregate of the net invoiced value of goods sold, after allowances for returns and trade discounts; gross rental income received and receivable from investment properties; proceeds from the sale of properties; and interest income received and receivable from bonds investment and loans receivables during the year.

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

	2018	2017
	HK$'000	*HK$'000*
Revenue		
Sub-licensing fee income	**221,149**	189,911
Gross rental income	**30,222**	40,339
Sale of properties	**1,329,255**	126,470
Sale of goods	**826,845**	375,763
Interest income from treasury operation	**213,527**	136,874
	2,620,998	869,357
Other income		
Bank interest income	**14,008**	6,521
Dividend income from listed securities	**3,315**	2,676
Management fee income	**4,980**	960
Forfeiture of deposits from customers	**3,585**	8,580
Others	**28,276**	18,037
	54,164	36,774
Gains, net		
Gains on disposals of subsidiaries, net	**1,245,753**	25,306
Gain on bargain purchase	**–**	1,056,230
Gain on remeasurement of the retained 50% equity interest in a joint venture	**467,039**	–
Gain on disposal of investment properties	**4,121**	–
Exchange gains, net	**–**	1,128
	1,716,913	1,082,664
Other income and gains, net	**1,771,077**	1,119,438

5. PROFIT BEFORE TAX

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

	2018	2017
	HK$'000	*HK$'000*
Cost of services provided	**190,995**	172,994
Cost of properties sold	**841,518**	90,371
Cost of inventories recognised as an expense (including allowance for obsolete inventories of HK$4,840,000 (2017: HK$3,260,000))	**522,932**	271,827
Depreciation	**74,289**	35,750
Minimum lease payments under operating leases	**248,226**	190,480
Auditor's remuneration	**6,000**	5,750
Employee benefit expense (including Directors' remuneration):		
Wages and salaries	**373,263**	188,864
Pension scheme contributions	**14,038**	5,263
Less: Amount capitalised	**(11,214)**	(11,457)
	376,087	182,670
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	**5,897**	3,932
Loss/(gain) on disposal of investment properties*/**	**(4,121)****	1,155*
Loss on disposal of items of property, plant and equipment*	**–**	363
Impairment of trademarks*	**7,635**	–
Impairment of trade receivables, net*	**3,017**	5,247
Impairment of loans and interest receivables, net*	**10,086**	4,643
Impairment of items of property, plant and equipment*	**54,020**	604
Impairment of available-for-sales investments*	**33,368**	–
Foreign exchange differences, net	**269***	(1,128)
Provision for onerous contracts*	**5,583**	4,080
Loss on remeasurement of pre-existing interest in WYTH to acquisition date fair value*	**–**	550,445
Transaction costs incurred for the step acquisition of WYTH*	**–**	2,220

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

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

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2018	2017
	HK$'000	*HK$'000*
Interest on bank loans and other loans	**156,310**	82,324
Less: Interest capitalised	**(63,921)**	(51,967)
	92,389	30,357

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2018	2017
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**73,917**	8,993
Overprovision in prior years	**(1,128)**	(263)
Current – other jurisdictions		
Charge for the year	**569**	–
	73,358	8,730
Deferred	**(4,303)**	(26,329)
Total tax charge/(credit) for the year	**69,055**	(17,599)

8. DIVIDENDS

	2018 *HK$'000*	2017 *HK$'000*
Interim – HK0.1 cent (2017: Interim – HK0.1 cent) per ordinary share	**19,059**	19,289
Less: Interim dividend related to treasury shares	**(423)**	–
Less: Interim dividend related to treasury shares attributable to the non-controlling shareholders	**(184)**	–
	18,452	19,289
2017 final – HK0.5 cent (2017: 2016 final – HK0.5 cent) per ordinary share	**96,443**	96,444
Less: 2017 final dividend related to treasury shares	**(2,115)**	–
Less: 2017 final dividend related to treasury shares attributable to the non-controlling shareholders	**(919)**	–
	93,409	96,444
	111,861	115,733

Subsequent to the end of the reporting period, the Board has recommended the payment of a final dividend of HK0.5 cent per share (2017: HK0.5 cent), totalling approximately HK$94,643,000, for the year ended 31 March 2018 to the shareholders of the Company.

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

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

The Company had no potentially dilutive ordinary shares in issue during the years ended 31 March 2018 and 2017 and the share options of the Company's subsidiary outstanding during the years ended 31 March 2018 and 2017 had no dilutive effect on the basic earnings per share amounts presented for the years ended 31 March 2018 and 2017.

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

	2018	2017
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**1,223,444**	423,690

	Number of shares	
	2018	2017
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue	**19,183,621**	19,288,520
Less: Weighted average number of treasury shares	**(423,000)**	(213,238)
Weighted average number of ordinary shares used in the basic and diluted earnings per share calculation	**18,760,621**	19,075,282

10. TRADE AND BILLS RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**125,122**	94,605
Bills receivable	**640**	–
Less: Impairment	**(2,583)**	(2,841)
	123,179	91,764

The Group's trading terms with its customers are mainly on credit. The credit period generally ranges from 15 to 120 days. Each customer has a maximum credit limit and the credit limit is reviewed regularly. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

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

	2018 *HK$'000*	2017 *HK$'000*
Within 1 month	**59,902**	38,298
1 to 3 months	**35,176**	30,288
3 to 6 months	**21,307**	20,375
Over 6 months	**6,154**	2,803
	122,539	91,764

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

	2018 *HK$'000*	2017 *HK$'000*
At beginning of year	**2,841**	217
Business combination	**–**	1,367
Impairment losses recognised	**3,017**	5,247
Amount written off as uncollectible	**(3,275)**	(3,990)
At end of year	**2,583**	2,841

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$2,583,000 (2017: HK$2,841,000) with a carrying amount before provision of HK$2,583,000 (2017: HK$2,841,000).

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

	2018 *HK$'000*	2017 *HK$'000*
Neither past due nor impaired	**100,021**	74,981
Less than 1 month past due	**11,142**	5,885
1 to 3 months past due	**8,712**	8,626
3 to 6 months past due	**1,508**	818
Over 6 months past due	**1,156**	1,454
	122,539	91,764

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 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.

Included in the Group's trade receivables are amounts due from the Group's associates of HK$7,480,000 (2017: HK$10,417,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

11. LOANS AND INTEREST RECEIVABLES

		2018	2017
	Notes	***HK$'000***	*HK$'000*
Loans and interest receivables, secured	*(i)*	**1,062,675**	372,263
Loans and interest receivables, unsecured	*(ii)*	**224,155**	267,895
		1,286,830	640,158
Less: Impairment	*(iii)*	**(14,729)**	(4,643)
		1,272,101	635,515
Less: Loans and interest receivables classified as non-current assets		**(738,657)**	(80,594)
Current portion		**533,444**	554,921

Notes:

(i) These loans receivables are stated at amortised cost at effective interest rates ranging from 8% to 34.8% (2017: 8% to 24%). The credit terms of these loans receivables range from 3 months to 20 years (2017: 5 months to 20 years). The carrying amounts of these loans receivables approximate to their fair values.

Included in the above loans and interest receivables are loans and interest receivables from a joint venture partner of HK$600,000,000 (2017: nil), which bear interest at 0.7% per annum over 12-month HIBOR and repayable within 2 years.

(ii) These loans receivables are stated at amortised cost at effective interest rates ranging from 3% to 13.5% (2017: 3% to 34.8%). The credit terms of these loans receivables range from 6 months to 6 years (2017: 1 year to 6 years). The carrying amounts of these loans receivables approximate to their fair values.

Included in the above loans and interest receivables are loans and interest receivables from an associate, Easy One Financial Group Limited ("**Easy One**"), of HK$102,849,000 (2017: HK$81,585,000), which bear interest at 6.5% per annum and repayable within 1 year.

(iii) The movements in provision for impairment of loans and interest receivables are as follows:

	2018	2017
	HK$'000	*HK$'000*
At beginning of year	**4,643**	5,844
Impairment losses recognised	**10,086**	4,643
Amount written off as uncollectible	**–**	(5,844)
At end of year	**14,729**	4,643

Included in the above provision for impairment of loans and interest receivables are provision for individually impaired receivables of HK$14,729,000 (2017: HK$4,643,000) with an aggregate carrying amount of HK$14,729,000 (2017: HK$13,543,000).

The individually impaired loans and interest receivables relate to borrowers that were in financial difficulties and were in default in both interest and principal payments.

The ageing analysis of the loans and interest receivables that are not individually nor collectively considered to be impaired is as follows:

	2018	2017
	HK$'000	*HK$'000*
Neither past due nor impaired	**1,271,118**	586,027
Less than 1 month past due	**688**	935
1 to 3 months past due	**295**	10,270
3 to 6 months past due	**–**	29,383
	1,272,101	626,615

Receivables that were neither past due nor impaired relate to 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 are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12. TRADE PAYABLES

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

	2018	2017
	HK$'000	*HK$'000*
Within 1 month	**245,140**	85,748
1 to 3 months	**5,254**	23,422
3 to 6 months	**1,704**	10,201
Over 6 months	**558**	4,918
	252,656	124,289

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

13. EVENT AFTER THE REPORTING PERIOD

On 19 April 2018, the Group entered into a sale and purchase agreement with a connected person to dispose of 30% equity interest in a subsidiary which is engaged in property development in Hong Kong. The transaction was completed on 19 April 2018. Further details of this disposal are set out in the joint announcement of the Company and Wang On Properties Limited ("**WOP**", together with its subsidiaries, collectively the "**WOP Group**") dated 19 April 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the financial year ended 31 March 2018, the Group's revenue and profit attributable to owners of the parent amounted to HK$2,621.0 million (2017: HK$869.4 million) and HK$1,223.4 million (2017: HK$423.7 million), respectively.

DIVIDENDS

The Board has recommended the payment of a final dividend of HK0.5 cent (2017: HK0.5 cent) per ordinary share for the year ended 31 March 2018 to the Shareholders whose names appear on the register of members of the Company as of Thursday, 6 September 2018. The final dividend will be paid on or around Monday, 17 September 2018, subject to Shareholders' approval at the forthcoming annual general meeting of the Company to be held on Wednesday, 29 August 2018. Together with the interim dividend of HK0.1 cent (30 September 2016: HK0.1 cent) per ordinary share, the total dividends for the year ended 31 March 2018 will be HK0.6 cent (2017: HK0.6 cent) per ordinary share.

BUSINESS REVIEW

The Group's revenue for the year ended 31 March 2018 increased by 201.5% to HK$2,621.0 million (2017: HK$869.4 million). It was mainly derived from recognised sales of completed residential properties at The Met. Bliss and including full year WYTH's revenue which are accounted for using equity accounting during the first half year of prior period. Profit for the year was HK$1,766.0 million, representing an increase of 368.1% compared with HK$377.3 million reported for the year ended 31 March 2017. This result included the one-time gain on disposal of investments totaling HK$1,714.4 million, comprising a profit of HK$924.1 million on disposal of a 50% interest in Yau Tong residential project in June 2017, and a profit of HK$790.3 million on the disposal of 60% interest in Whitehead residential project in September 2017. The profit attributable to owners of the parent was HK$1,223.4 million (2017: HK$423.7 million).

The Group continues to maintain a stable financial position. As of 31 March 2018, the Group's net assets were HK$7,999.4 million (2017: HK$6,426.3 million). Its cash resources amounted to HK$2,990.5 million (2017: HK$2,745.5 million) including cash and cash equivalents of HK$2,664.4 million (2017: HK$2,369.3 million) and short term investments of HK$326.1 million (2017: HK$376.2 million). In aggregate, the total borrowings as of 31 March 2018 was HK$4,675.1 million (2017: HK$4,081.3 million) giving the Group a net debt position (bank and other loans less cash and cash equivalents) of HK$2,010.7 million (2017: HK$1,712.0 million). The review of the individual business segments of the Group is set out below.

Property Development

Property development segment recorded revenue and segment profit of HK$1,333.5 million and HK$339.4 million, respectively (2017: HK$46.0 million and a loss of HK$2.6 million, respectively). The main contributor to the segment revenue was made by the recognised sales of The Met. Bliss.

The Met. Blossom

Located at Ma Kam Street, Ma On Shan, The Met. Blossom consists of 640 units with a total saleable area of approximately 200,000 square feet. Launched in August 2016, The Met. Blossom has achieved strong market response. As at 31 March 2018, 637 units had been pre-sold, representing 99.5% of the total number of units. The project is expected to be delivered in the third quarter of 2018. WOP holds an 60% interest in this project.

The Met. Acappella

The Met. Acappella, situated at Tai Wai, Shatin, is a twin tower development with two wings of 12-and-13 storey residential blocks offering a total of 336 units. It comprises diversified unit layouts including studios, one-bedroom units, one-bedroom (with storeroom or study room) units, that account for over 80% of all units. The project also offers garden duplex units and penthouse units with rooftop terrace. The Met. Acappella is designed to incorporate the natural scenery of the neighbouring areas, enabling residents to enjoy fresh air and breathtaking green views in this bustling city. With the excellent and convenient transport network, The Met. Acappella also allows its residents to indulge in all-round shopping, dining, entertainment and leisure activities, satisfying the needs of pursuing quality lifestyle. Pre-sales of the project, launched in November 2017, had received positive response and strong performance. Up to 20 June 2018, 287 units had been pre-sold with a total pre-sale amount of HK$1.9 billion. The project is scheduled to be completed in 2019.

Ladder Dundas

The site at 575–575A Nathan Road, Mongkok has completed the construction works and the occupation permit was granted in February 2018. This development is a 19-floor Ginza type commercial complex under the brand "Ladder".

Yau Tong residential project

In June 2017, the WOP Group has reached an agreement with the Lands Department on the land conversion price of the redevelopment project located at Nos. 13 and 15 Sze Shan Street, Yau Tong with an amount of HK$983.0 million. The site occupies an area of approximately 41,000 square feet with a gross floor area ("**GFA**") of approximately 272,000 square feet. On 7 June 2017, the WOP Group disposed of 50% interest in this project to a subsidiary of CIFI Holdings (Group) Co. Ltd. and realised a gain of HK$924.2 million. The project has completed the foundation works and is undergoing the construction of superstructure. This development is expected to be completed in 2020.

Whitehead residential project

On 19 May 2017, the WOP Group has successfully acquired a company holding a site at Sha Tin Town Lot No. 601. The residential project has a site area of approximately 253,000 square feet and a GFA of approximately 388,000 square feet. In November 2017, the WOP Group disposed of 60% interest in this project at a consideration of approximately HK$2,441.3 million and led to an one-time gain of HK$790.3 million. The site is undergoing the foundation works.

Pokfulam residential project

In December 2017 and March 2018, the WOP Group entered into sales and purchase agreements for the acquisition of all of the 16 properties located at 86A–86D Pokfulam Road, Hong Kong. This project is capable of being redeveloped into a low-density luxurious residential properties. On 19 April 2018, the WOP Group disposed of 30% interest in a subsidiary holding of these properties at a consideration approximately HK$103.8 million.

Tsing Yi residential project

On 12 April 2018, the WOP Group acquired a site located at the junction of Liu To Road and Hang Mei Street, Tsing Yi at a total consideration of HK$867.3 million through public tender. The site, occupying an area of approximately 14,400 square feet, will be developed into a premium residential project under the exquisite series "The Met.", with a residential and commercial GFA of approximately 90,000 square feet. We are highly confident in the potential of this exclusive project, which is situated in a prestigious locale with stunning sea view.

As at 31 May 2018, the Group had a development land portfolio as follows:

Location	Approximate site area (square feet)	Approximate GFA (square feet)	Intended usage	Anticipated year of completion
The Met. Blossom	33,300	200,000	Residential	2018
The Met. Acappella	71,000	148,000	Residential	2019
Yau Tong residential project	41,000	272,000	Residential and Commercial	2020
Whitehead residential project	253,000	388,000	Residential	2020
Pokfulam residential project	28,500	28,500	Residential	2021
Tsing Yi residential project	14,400	90,000	Residential and Commercial	2022

Property Investment

As at 31 March 2018, our investment properties comprised of commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK$1,951.8 million (31 March 2017: approximately HK$1,668.8 million).

During the reporting period, we received a gross rental income of approximately HK$25.8 million (2017: approximately HK$34.1 million), representing a decrease of approximately HK$8.3 million. The decrease in gross rental income was primarily due to the disposal of some rental properties.

During the reporting period, we continued to dispose second-hand residential properties and realised HK$82.3 million (2017: HK$35.6 million). As at 31 March 2018, we still held 22 second-hand residential properties with valuation of HK$121.6 million. In April 2018, WOP has entered into a provisional agreement to sell office premises and certain car park units located in Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories for a cash consideration of HK$324.5 million payable on completion scheduled in October 2018.

Fresh Markets

Our fresh market business segment continues to be an important profit and cash flow stream. The segment revenue grew by 15.6% to HK$221.3 million (2017: HK$191.5 million) resulting in net segment income increased by 10.5% to HK$24.3 million (2017: HK$22.0 million). The rise in revenue was mainly attributable to the growth of rental income as a result of completion of renovation and revitalisation of certain fresh markets. Those fresh markets have been reconfigured to offer a more comfortable and casual shopping experience. The low stall design makes our revamped fresh markets to become permeable and spacious, allowing shoppers to locate their favourite stalls at a glance.

Our fresh market business, which has been built over the past two decades, is a high margin and cash flow generating business. During the reporting period, we managed a portfolio of approximately 850 stalls under "Allmart" brand of fresh markets in Hong Kong with a GFA of over 210,000 square feet. In order to meet the rising tide of customers' expectation, the Group strives to offer a more comfortable and spacious shopping environment through well-designed layout, enhancement works and high quality management services. We will continue to strengthen the partnership with our tenants and local community by launching effective marketing and promotion events, as well as creating stronger connection with the shoppers.

In mainland China, the Group operates fresh market business through its joint venture (the "**JV**") under the "Huimin" brand in various districts of Shenzhen, Guangdong Province. The JV currently manages a portfolio of approximately 1,000 stalls fresh markets with a GFA of over 283,000 square feet, in which approximately 152,000 square feet are owned by the JV. Following the issuance of urban redevelopment policy by the Shenzhen Government, some of the fresh markets properties may be affected. The Group will continue to observe its development, in particularly the impact on the land-use rights of our fresh market properties.

Pharmaceutical and Health Food Products Business

WYTH is making a very good progress on their business, with a revenue of HK$826.8 million (2017: HK$375.8 million) as we report our first full year operations versus 6 months in 2017. On annualised basis, the revenue growth is still remarkable and reaches 12.0%.

Chinese pharmaceutical and health food products

"Wai Yuen Tong" business has achieved substantial growth in terms of volume and market share of our heath food products. The sales revenue grew by 19.5% to HK$690.9 million, with gross profit up by 17.3% to HK$263.3 million. This remarkable growth is mainly the result of executing our strategy on scaling up marketing spending and shedding of the lower margin products and distribution channels. We will continue to promote and improve our brand value to maintain a top market leader position in health food product markets. In view of rising cost pressure, we will also strengthen the margin enforcement effort to push manufacture cost saving and formula optimisation.

WYTH's new GMP certified production factory located in Yuen Long Industrial Estate was completed and commenced production in early April 2017. The new facility not only improves the manufacturing productivity, but also complements our effort to pursue innovation, meet market demand and trend as well as expand product variety for our customers.

Western pharmaceutical

The western pharmaceutical business has been navigating a complex transition in both pricing and manufacturing strategy. As a result, sales fell by 9.3% to HK$135.9 million with gross profit dropped by 13.5% to HK$50.0 million. "Pearls" brand, a series of mosquito repellents products and over-the-counter medicines, remains popular and its distribution stores channels are well established. The management's intention is to further drive a stronger network and channel for the business growth of its western pharmaceutical business.

Treasury Management

The Group maintains a robust financial position. Liquid investment amounted to HK$1,635.9 million at 31 March 2018, an increase of 7.2% from the balance of HK$1,525.4 million at 31 March 2017, mainly reflecting the cash arising from funds from operations and disposal of certain properties and subsidiaries. The liquid investments represented 79% of the debt securities, 17% of listed equity securities and 4% of fund investment.

This business segment contributed HK$213.5 million (2017: HK$136.9 million) to the revenue. Among other things, interest income from China Agri-Products Exchange Limited ("**CAP**") is HK$112.8 million. In October 2014, the Group agreed to subscribe five-year 10.0% coupon interest bonds issued by CAP (collectively the "**CAP Bonds**"). As at 31 March 2018, the fair value and principal amount of the CAP Bonds held by the Group amounted to approximately HK$1,038.0 million and HK$1,050.0 million (2017: approximately HK$1,041.0 million and HK$1,050.0 million), respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2018, the Group's total assets less current liabilities were HK$11,435.0 million (2017: HK$9,763.0 million) and the current ratio decreased from 2.3 times as at 31 March 2017 to 2.1 times as at 31 March 2018.

As at 31 March 2018, the Group held cash resources and short-term investments of HK$2,990.5 million (2017: HK$2,745.5 million). Aggregate borrowings as at 31 March 2018 amounted to HK$4,675.1 million (2017: HK$4,081.3 million). The gearing ratio was approximately 34.7% (2017: 37.1%), calculated by reference to the Group's total bank and other loans net of cash and cash equivalents and the equity attributable to owners of the parent.

As at 31 March 2018, the Group's land and buildings, investment properties (including the investment properties included in assets held for sale), properties under development, properties held for sale, available-for-sales investments and financial assets at fair value through profit or loss with carrying value of HK$483.2 million, HK$1,868.8 million, HK$1,168.3 million, HK$576.5 million, HK$239.6 million and HK$96.6 million (2017: HK$533.3 million, HK$1,574.7 million, HK$1,756.7 million, nil, nil and nil) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 31 March 2018 amounted to HK$1,567.0 million (2017: HK$2,319.9 million) is mainly for property development business. The Group has given guarantee to a bank in connection with a facility granted to the joint ventures of the Group up to HK$2,158.8 million and the banking facility guarantee by the Group was utilised to the extent of HK$1,033.3 million as at the end of the reporting period.

The Group strengthens and improves its financial risk control on a continual basis and has consistently adopted a prudent approach in financial management. Financial resources are under close monitor to ensure the Group's efficient and effective operation, as well as flexibility to respond to opportunities and uncertainties. The management of the Group is of the opinion that the Group's existing financial structure is healthy and related resources are sufficient to cater for the Group's operation needs in the foreseeable future.

DEBT PROFILE AND FINANCIAL PLANNING

As at 31 March 2018, interest-bearing debt profile of the Group was analysed as follows:

	2018	2017
	HK$'000	*HK$'000*
Bank loans repayable:		
Within one year	**1,470,021**	763,948
In the second year	**1,332,427**	777,622
In the third to fifth years, inclusive	**1,392,024**	1,988,001
Beyond five years	**467,228**	522,858
	4,661,700	4,052,429
Other loans repayable:		
Within one year	**13,397**	28,845
	4,675,097	4,081,274

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

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2018, the Group held available-for-sale investment and financial assets at fair value through profit or loss of approximately HK$1,355.8 million and HK$280.1 million, respectively:

	As at 31 March 2018				For the year ended 31 March 2018			Fair value/carrying amount		
Nature of investments	Number of shares held	Amount held	Percentage to share-holding in such stock	Percentage to the Group's net assets	Fair value gain/(loss) of financial assets at fair value through profit or loss	Bond interest income	Dividends received	As at 31 March 2018	As at 31 March 2017	Investment cost
	'000	*HK$'000*	*%*	*%*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale investments										
CAP – 10.0% 5-year Bonds	–	1,038,087	–	13.0	–	112,804	–	1,038,087	1,040,976	1,050,000
Others	–	317,667	–	4.0	–	15,653	–	317,667	129,731	317,135
Sub-total	–	1,355,754	–	17.0	–	128,457	–	1,355,754	1,170,707	1,367,135
Financial assets at fair value through profit or loss										
A. Listed investments										
Kingston Financial Group Limited ("**Kingston**")	31,104	109,175	0.23	1.4	30,482	–	778	109,175	78,693	51,816
Others	–	159,622	–	2.0	(76,994)	–	2,537	159,622	220,354	173,117
B. Mutual Funds	–	3,662	–	0.0	338	–	–	3,662	41,225	10,846
C. Others	–	7,661	–	0.1	(6,763)	–	–	7,661	14,424	9,941
Sub-total	–	280,120	–	3.5	(52,937)	–	3,315	280,120	354,696	245,720
Total	–	1,635,874	–	20.5	(52,937)	128,457	3,315	1,635,874	1,525,403	1,612,855

The principal activities of the securities are as follows:

1. CAP is principally engaged in the business of management and sales of properties in agricultural produce exchange markets in the People's Republic of China.

2. Kingston is principally engaged in provision of securities brokerage, underwriting and placements, margin and initial public offering financing, other financial services, hotel ownership and management, food and beverage, casino and securities investment.

3. Save as disclosed above, the Group also invested in other shares listed in Hong Kong. The fair value of each of these shares represented less than 1.00% of the net assets of the Group as at 31 March 2018.

4. Save as disclosed above, the Group also invested in other mutual funds, the fair value of each of these mutual funds represented less than 1.00% of the net assets of the Group as at 31 March 2018.

FOREIGN EXCHANGE

The management of the Group is of the opinion that the Group has no material foreign exchange exposure and therefore, the Group does not engage in any hedging activities. As at 31 March 2018, the Group held limited amount of foreign currency deposits, while all bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, also being mostly denominated in Renminbi and Hong Kong dollar, matches the currency requirements of the Group's operating expenses.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2018, the Group had 1,194 (2017: 1,156) employees, of whom approximately 60.9% (2017: 64.6%) 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 as well as the individual's performances. The Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all eligible employees in Hong Kong and had launched a defined scheme of remuneration and promotion review to accommodate the above purpose and review is normally carried out annually. Other forms of benefits such as medical and retirement benefits and structured training programs are also provided.

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

PROSPECTS

Looking forward, the prospects for each of our business segments remain positive. The upcoming completion of several key cross-border infrastructure projects, including Guangzhou-Shenzhen-Hong Kong Express Rail Link and Hong Kong-Zhuhai-Macau Bridge, will significantly shorten the travelling time between key cities in mainland China and Hong Kong, and thereby bringing comprehensive benefits to Hong Kong's economic development. Together with the development of the Guangdong-Hong Kong-Macau Greater Bay Area initiatives which provide the infrastructure to facilitate the movement of people, capital, goods and services, Hong Kong is in a strategic position to gain resulting growth momentum in retail and property sectors.

On property development and investment front, we remain positive about the Hong Kong residential property in coming few years and will continue to take full advantage of the prosperous property market. The Group will continue exploring opportunities in property acquisition and further enhance its operational efficiency and effectiveness to strengthen the real estate business.

Our fresh market segment maintains its growing momentum, and we are confident that it will continue to provide stable recurring income and cash flow to the Group.

With regard to the pharmaceutical and health food products segment, we believe our sales will be ahead of 2017 levels as a result of effective promotion activities and sales channel development. A number of our newly launched products, including "An Gong Niu Huang Wan", have quickly gained leading market share and are still growing in a fast pace. We will continue to push sales growth through effective marketing strategy and apply the selling expense wisely with highlighting on giving customers more direct benefits. We will utilise our manufacturing and logistic support capabilities to protect our margins.

The overall strong financial position of the Group enables us to have a high degree of flexibility and agility for our treasury management segment. We will continue our proactive and prudent investment approach to drive business growth on all business segments.

CORPORATE SOCIAL RESPONSIBILITY

While the Group endeavours to promote business development and strive for greater rewards for our stakeholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. During the past years, the Group made charity donations to various organisations, including various non-government and non profit making organisations. In light of the ever greater disparity between the rich and the poor in Hong Kong society developed in recent years, people from the lower class face escalating pressure in making a living. Yearns of this group of people are not only on tangible resources and financial support, but also care and respect from the general public. The Group will continue to devote further resources and effort towards achieving the goal of a socially responsible business.

ENVIRONMENTAL MATTERS

The Group has taken measures to promote environmental-friendliness of the workplace by encouraging paper-recycling culture and energy-saving culture within the Group. The Group also participated in the BEAM Plus assessment scheme, a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council, for the development of some of our properties, including "The Met. Blossom", "The Met. Bliss" and "The Met. Acappella" by engaging a third-party consultancy company for the provision of services in respect of BEAM Plus Certification and other environmental assessments. The Group also outsourced all of the construction-related work for our property development projects to independent construction companies which are subject to various environmental laws and regulations.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased a total of 360 million shares of HK$0.01 each of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). All the repurchased shares were subsequently cancelled by the Company during the year.

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

Month	Number of share repurchased and cancelled *(in million)*	Purchase price per share Highest *HK$*	Lowest *HK$*	Aggregate amount *HK$ (in million)*
December 2017	230	0.129	0.117	28.1
January 2018	130	0.133	0.122	16.6
	360			44.7

The repurchase of the Company's shares by the Directors during the year was made pursuant to the mandate granted by the Shareholders at the last annual general meeting of the Company held on 29 August 2017, with a view to benefiting the Shareholders as a whole by enhancing the net asset value per share and earnings per share of the Company. As at 31 March 2018 and up to the date of this announcement, the total number of shares of the Company in issue was 18,928,520,047 shares.

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Board has reviewed the corporate governance practices of the Company and is satisfied that the Company had applied the principles and complied with the code provisions set out in the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") throughout the financial year ended 31 March 2018.

Further details of the Company's corporate governance practices will be set out in the corporate governance report to be contained in the Company's 2018 annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

AUDIT COMMITTEE

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

The Audit Committee, comprising three independent non-executive Directors , namely Mr. Siu Yim Kwan, Sidney, Mr. Wong Chun, Justein and Mr. Siu Kam Chau, has reviewed with the management and the Company's independent auditor the accounting policies and principles adopted and the Group's consolidated financial statements for the year ended 31 March 2018. Mr. Siu Yim Kwan, Sidney was elected as the chairman of the Audit Committee.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2018 as set out in this announcement have been agreed by the Company's independent auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with *Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements* or *Hong Kong Standards on Assurance Engagements* issued by the *Hong Kong Institute of Certified Public Accountants* and consequently no assurance has been expressed by Ernst & Young on this announcement.

CLOSURE OF REGISTER OF MEMBERS

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

(a) *for determining eligibility to attend and vote at the 2018 annual general meeting (the **"2018 AGM"**):*

Latest time to lodge transfer documents for registration:	4:30 p.m., Tuesday, 21 August 2018
Closure of register of members:	Wednesday, 22 August 2018 to Wednesday, 29 August 2018 (both days inclusive)
Record date:	Wednesday, 29 August 2018

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

Latest time to lodge transfer documents for registration:	4:30 p.m., Tuesday, 4 September 2018
Closure of register of members:	Wednesday, 5 September 2018 to Thursday, 6 September 2018 (both days inclusive)
Record date:	Thursday, 6 September 2018

In order to be eligible to attend and vote at the 2018 AGM and to qualify for the proposed final dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than the respective latest dates and time set out above.

ANNUAL GENERAL MEETING

The 2018 AGM of the Shareholders will be held at Garden Room A–D, 2/F., New World Millennium Hong Kong Hotel of 72 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong, on Wednesday, 29 August 2018 at 12:30 p.m. and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of HKExnews (www.hkexnews.hk) and the Company (www.wangon.com). The 2018 annual report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the above websites in due course.

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

Hong Kong, 20 June 2018

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

* *For identification purpose only*