漢國置業有限公司

Hon Kwok Land Investment Company, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 160)

2018-19 ANNUAL RESULTS ANNOUNCEMENT

FINANCIAL RESULTS

Despite ongoing geopolitical tensions and market uncertainties, the Group achieved solid returns. Our consolidated revenue was HK$1,478 million (2018: HK$1,781 million) and net profit attributable to shareholders was HK$1,159 million (2018: HK$2,980 million), including an increase in fair value of investment properties net of deferred tax charges of HK$707 million (2018: HK$233 million). The decrease in revenue reflects the expected reduction in property sales attributable to two of the Group's development projects in Mainland China, namely The Botanica in Guangzhou at its completion stage and Metropolitan Oasis in Nanhai at the beginning of its phase 3 construction. The decrease in profit was mainly due to the recognition of gain on disposal of a bare site in Guangzhou amounted to HK$2.4 billion in the prior year which was non-recurring in nature. Basic earnings per share was HK$1.61 (2018: HK$4.14).

As at 31 March 2019, shareholders' equity amounted to HK$11,874 million (as at 31 March 2018: HK$11,372 million) and net assets per share attributable to shareholders was HK$16.48 (as at 31 March 2018: HK$15.79). The increase in shareholder's equity at year end was partly set off by the translation difference caused by the depreciation of Renminbi against Hong Kong Dollars during the year.

DIVIDEND

The Directors recommend the payment of a final dividend of 12.5 Hong Kong cents per ordinary share for the year ended 31 March 2019 (2018: final dividend of 12.5 Hong Kong cents and a special dividend of 5.0 Hong Kong cents) to shareholders whose names appear on the Company's register of members on 6 September 2019. Subject to the approval by the shareholders at the forthcoming annual general meeting, the dividend cheques are expected to be despatched to shareholders on or before 23 September 2019.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on 29 August 2019. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 26 August 2019 to 29 August 2019 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (which will be relocated to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019) not later than 4:30 p.m. on 23 August 2019.

CLOSURE OF REGISTER OF MEMBERS FOR DIVIDEND

The proposed final dividend for the year ended 31 March 2019 is subject to the approval by the shareholders at the annual general meeting. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 5 September 2019 to 6 September 2019, during which period no share transfers will be registered. The last day for dealing in the Company's shares cum entitlements to the proposed final dividend will be 2 September 2019. In order to qualify for the proposed final dividend, all transfer forms accompanied by relevant share certificates must be lodged with Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (which will be relocated to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019) not later than 4:30 p.m. on 4 September 2019.

BUSINESS REVIEW

Property Development and Investment – Mainland China

Guangzhou, PRC

The **Botanica** 寶翠園, situated in the greenery zone of Tian He District near the Botanical Garden, comprises 39 blocks of high-rise residential buildings. This project, with a total gross floor area of approximately 229,000 sq.m., was developed in four phases. The final phase of the development was completed in December 2016 with all residential units already sold out in prior years. For the year ended 31 March 2019, the Group booked revenue of HK$1,035 million (2018: HK$1,129 million) from the units delivered during the year. As at 31 March 2019, property sales contracted but revenue not yet booked amounted to RMB120 million.

Ganghui Dasha 港滙大廈, a 20-storey commercial/office building, is situated at the junction of Beijing Road, Nanti Er Road and Baqi Er Road, Yue Xiu District. The average occupancy rate of the building was about 95%.

The development site at **45-107 Beijing Nan Road**, Yue Xiu District, adjacent to a pedestrian street and ultimately terminating at the Pearl River, will be developed into a 30-storey residential building and a 32-storey commercial/office building. Foundation works for the project commenced in the first quarter of this year.

Nanhai, Foshan, PRC

Metropolitan Oasis 雅瑤綠洲, situated in Da Li District, Nanhai with a total gross floor area of approximately 273,000 sq.m., was developed in phases. For the year ended 31 March 2019, the Group recorded revenue of HK$189 million (2018: HK$439 million) from the units of phase 1 & 2 delivered during the year. Phase 3 of the project, comprising 19 blocks of high rise apartments of approximately 550 units, is scheduled for completion in 2020. Some units in Phase 3 were launched to the market for pre-sale and achieved contract revenue of RMB514 million up to the date of this record.

Shenzhen, PRC

Hon Kwok City Commercial Centre 漢國城市商業中心, the Group's investment property, with a total gross floor area of approximately 128,000 sq.m., is situated at the junction of Shen Nan Zhong Road and Fu Ming Road, Futian District of Shenzhen. Our signature landmark is a 75-storey high commercial/office tower above ground with a 5-level basement, offering Grade A office and retail space. Construction works were completed with the issue of the property ownership certificate during the year. Leasing of office/commercial space is in progress and tenants are expected to move in during the coming months.

City Square 城市天地廣場, situated at Jia Bin Road, Luo Hu District, is a 5-storey commercial podium. All the retail shops at ground level and the entire first floor of the podium are fully let. **The Bauhinia Hotel (Shenzhen)** 寶軒酒店（深圳）, a 162-room hotel located on the upper three floors of the above podium, maintained occupancy and room rates at a satisfactory level. The average occupancy rate of **City Suites** 寶軒公寓, a 64-unit serviced apartment on top of the podium was approximately 90%.

Enterprise Square 僑城坊, in which the Group owns a 20% interest, is situated at Qiaoxiang Road North, Nanshan District, covering a site area of approximately 49,000 sq.m. and a total gross floor area of approximately 224,500 sq.m. It is being developed into a commercial complex composed of office towers, a residential apartment tower and a commercial mall offering dining and entertainment facilities to the tenants. Development for the entire project was completed in June 2018. The office portion of the project was launched to the market for pre-sale in January 2017. For the year ended 31 March 2019, the project realised revenue of RMB1,884 million (2018: RMB1,174 million) from the units delivered during the year. As at 31 March 2019, the property sales contracted but revenue not yet booked amounted to RMB188 million. Net profit attributable to the Group in respect of Enterprise Square, including an increase in fair value of the commercial mall and an office tower which are classified as investment properties, amounted to HK$317 million (2018: HK$114 million) for the year ended 31 March 2019.

Chongqing, PRC

Chongqing Hon Kwok Centre 重慶漢國中心, situated at Bei Bu Xin Qu, is a 21-storey twin-tower office building atop of a 4-storey retail/commercial podium and is currently nearly fully let.

Chongqing Jinshan Shangye Zhongxin 重慶金山商業中心, a twin-tower project, is also situated at Bei Bu Xin Qu and adjacent to the above **Chongqing Hon Kwok Centre** 重慶漢國中心. It comprises a 41-storey office tower and a 42-storey hotel and office composite tower each with its respective 4-storey retail/commercial podium. The leasing up activities at the office tower are ongoing with occupancy rates climbing steadily. The refurbishment works of the hotel/office tower have finished and the hotel opened in November 2018.

Property Investment – Hong Kong

The development project at **Kin Chuen Street, Kwai Chung, New Territories**, with a total gross floor area of approximately 228,000 sq.ft. is currently at the stage of superstructure works. The property as planned will be developed into a data centre producing recurring rental income and is scheduled for completion in 2020.

On 12 June 2018, the Group entered into a connected transaction regarding the appointment of Shun Cheong Data Centre Solutions Company Limited ("Shun Cheong Data Centre Solutions"), an indirect wholly-owned subsidiary of Chinney Alliance Group Limited ("Chinney Alliance") (Stock Code: 385), as a consultant to provide consultancy services in respect of the development of the data centre at a fixed fee of HK$16.2 million. The transaction was subject to the reporting and announcement requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). For details, please refer to the Company's announcement dated 12 June 2018. On 12 July 2018, the Group entered into another connected transaction regarding the appointment of Chinney Construction Company, Limited ("Chinney Construction"), an indirect wholly-owned subsidiary of Chinney Alliance, as the main contractor for carrying out the substructure and superstructure works for the data centre at a total contract sum not exceeding HK$757.8 million. The transaction was approved by the independent shareholders of Chinney Investments, Limited (a substantial shareholder of the Company) ("Chinney Investments") (Stock Code: 216), the Company and Chinney Alliance respectively at the general meetings held by each of the companies on 24 August 2018. For details, please refer to the Company's announcement dated 12 July 2018 and the circular of the Company dated 8 August 2018.

The average occupancy rate of **The Bauhinia Hotel (Central)** 寶軒酒店（中環）, a 42-room boutique hotel situated at four podium floors of the hotel/apartment building at Connaught Road Central and Des Voeux Road Central was close to 100% with satisfactory room rates whilst that of **The Bauhinia** 寶軒, a 171-room serviced apartment atop the hotel, was above 85%. The retail shops at street level of the aforesaid building are fully let.

The average occupancy rate of **The Bauhinia Hotel (TST)** 寶軒酒店(尖沙咀), a 98-room boutique hotel occupying a total of 20 floors of a 23-storey commercial/office building at Observatory Court, Tsim Sha Tsui, was about 95% with satisfactory room rates. All the remaining floors of the above building have been leased out for commercial use.

The average occupancy rate of **Hon Kwok Jordan Centre** 漢國佐敦中心, a 23-storey commercial/office building situated at Hillwood Road, Tsim Sha Tsui was close to 100%.

Property and carpark management

For the year ended 31 March 2019, the property and carpark management segment revenue was HK$32 million compared with HK$23 million in 2018. The increase in revenue was mainly due to more parking spaces being managed by the Group. As at 31 March 2019, the Group managed 11 car parks (31 March 2018: 11 car parks) with 2,000 parking spaces (31 March 2018: 1,700 parking spaces).

OUTLOOK

In the year ahead, economic growth in advanced countries is expected to be moderate amidst continuing widespread trade protection and uncertainties. The US-China trade conflicts have intensified, stemming from the raising of additional tariffs by the United States on US$200 billion worth of imports from China, leading to the affirmative countermeasures announced by China. The ongoing trade conflicts severely disrupt global supply chains and cloud the global economic sentiment. In the United States, GDP growth is expected to decline from 3 percent as recorded in 2018 due to an expected economic slowdown. Foreseeing that inflation will remain benign, the Federal Reserve is likely to adopt a cautious approach in setting the interest rate as they attempt to maintain growth without triggering inflation. In all, the global economy remains volatile and highly susceptible to external uncertainties including the Brexit and trade negotiation.

In the mainland China, GDP expanded by 6.4 percent in the first quarter of 2019, within the government's range of target GDP for 2019. Nevertheless, the economy is forecast to soften under the prevailing uncertain external environment and heightened trade conflicts. To boost near-term economic growth, the Central Government is likely to adopt accommodative measures to stimulate domestic demand in tandem with debt deleveraging policies to mitigate financial risks. Meanwhile, to curb speculative activity in the real estate market, the Central Government will continue to adhere to the city-specific housing policy of "one policy for one city" in major cities, with the aim toward stabilizing the property market and enable long term healthy growth.

In Hong Kong, economic growth has softened reflecting the impact of external uncertainties (in particular, the US-China trade disputes) on market sentiment and export demand. Fortunately, our local property market is strongly underpinned by a stable employment and income market, low interest environment, and the Government's long term measures to increase housing supply. Coupled with the recent release of the outlined development plans for the Greater Bay Area, which highlights Hong Kong's role as an international centre for finance, transportation, trade and aviation, the local economy will likely benefit from ample opportunities and massive infrastructure works in the long run.

Consequently we are cautiously optimistic about the future and will continue to closely monitor market developments and adjust investment strategies to maximize return for our investors.

A NOTE OF THANKS AND APPRECIATION

On behalf of the Board, I would like to thank our shareholders and business partners for their tremendous support and loyalty.

Finally, I would like to thank my fellow directors for their valuable advice and all staff members for their efforts during the year under review.

James Sai-Wing Wong
Chairman

Hong Kong, 27 June 2019

CONSOLIDATED RESULTS

The consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2019 together with comparative figures for the previous year are as follows:

Consolidated Statement of Profit or Loss

		For the year ended 31 March	
		2019	2018
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**1,478,353**	1,781,043
Cost of sales		**(744,358)**	(891,999)
Gross profit		**733,995**	889,044
Other income	*3*	**17,924**	18,641
Fair value gains on investment properties, net		**929,811**	229,091
Gain on disposal of subsidiaries	4	**-**	2,495,927
Loss on disposal of investment properties, net		**(804)**	(244)
Administrative expenses		**(92,868)**	(115,382)
Other operating expenses, net		**(25,539)**	(34,409)
Finance costs	*5*	**(118,480)**	(102,338)
Share of profit of an associate		**317,087**	113,780
Profit before tax	*6*	**1,761,126**	3,494,110
Income tax expense	*7*	**(460,564)**	(385,190)
Profit for the year		**1,300,562**	3,108,920
Attributable to:			
Owners of the Company		**1,158,507**	2,979,893
Non-controlling interests		**142,055**	129,027
		1,300,562	3,108,920
Earnings per share attributable to ordinary equity holders of the Company	*8*		
Basic and diluted		**HK$1.61**	HK$4.14

Consolidated Statement of Comprehensive Income

	For the year ended 31 March	
	2019	2018
	HK$'000	*HK$'000*
Profit for the year	**1,300,562**	3,108,920
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income/(loss) of an associate	**(14,527)**	15,955
Release of exchange fluctuation reserve upon disposal of subsidiaries	**-**	(78,064)
Exchange differences on translation of foreign operations	**(541,825)**	740,992
Other comprehensive income/(loss) for the year, net of tax	**(556,352)**	678,883
Total comprehensive income for the year	**744,210**	3,787,803
Attributable to:		
Owners of the Company	**628,184**	3,625,224
Non-controlling interests	**116,026**	162,579
	744,210	3,787,803

Consolidated Statement of Financial Position

	Notes	**31 March 2019** **HK$'000**	31 March 2018 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**266,766**	81,006
Investment properties		**14,296,837**	13,675,630
Investment in a joint venture		**199**	199
Investment in an associate		**789,271**	486,711
Total non-current assets		**15,353,073**	14,243,546
CURRENT ASSETS			
Tax recoverable		**5,895**	97
Properties held for sale under development and completed properties held for sale		**2,051,599**	2,553,549
Trade receivables	*10*	**21,561**	20,146
Prepayments, deposits and other receivables		**136,159**	165,451
Contract costs		**5,547**	-
Cash and bank balances		**1,963,000**	2,678,461
Total current assets		**4,183,761**	5,417,704
CURRENT LIABILITIES			
Trade payables and accrued liabilities	*11*	**415,741**	588,325
Due to an associate		**15,950**	26,002
Interest-bearing bank borrowings		**1,107,931**	2,206,409
Contract liabilities		**286,193**	-
Customer deposits		**47,582**	1,222,514
Tax payable		**122,549**	416,473
Total current liabilities		**1,995,946**	4,459,723
NET CURRENT ASSETS		**2,187,815**	957,981
TOTAL ASSETS LESS CURRENT LIABILITIES		**17,540,888**	15,201,527

Consolidated Statement of Financial Position *(Continued)*

	31 March 2019 *HK$'000*	31 March 2018 *HK$'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**3,920,286**	2,328,945
Deferred tax liabilities	**1,552,045**	1,409,452
Total non-current liabilities	**5,472,331**	3,738,397
Net assets	**12,068,557**	11,463,130
EQUITY		
Equity attributable to owners of the Company		
Share capital	**1,519,301**	1,519,301
Reserves	**10,354,903**	9,852,794
	11,874,204	11,372,095
Non-controlling interests	**194,353**	91,035
Total equity	**12,068,557**	11,463,130

Notes:

1. Basis of Preparation and Changes in Accounting Policies and Disclosures

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance (the "Companies Ordinance"). They have been prepared under the historical cost convention, except for certain investment properties 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.

The unaudited financial information relating to the year ended 31 March 2019 and the financial information relating to the year ended 31 March 2018 included in this preliminary announcement of annual results for the year ended 31 March 2019 do not constitute the Company's statutory annual consolidated financial statements for those years but, in respect of the year ended 31 March 2018, is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The financial statements for the year ended 31 March 2019 have yet to be reported on by the Company's auditor and will be delivered to the Registrar of Companies in due course. The Company has delivered the financial statements for the year ended 31 March 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's auditor has reported on these financial statements for the year ended 31 March 2018. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

<u>Changes in accounting policies and disclosures</u>

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

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014–2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9 and HKFRS 15, the adoption of the above revised standards has had no significant financial effect on the financial information.

(a) HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The adoption of HKFRS 9 has had no significant impact on the Group's financial information on classification and measurement of its financial assets, and no material transition adjustments against the applicable opening balances in equity at 1 April 2018 has recognised. And, the comparative information was not restated and continues to be reported under HKAS 39.

1. Basis of Preparation and Changes in Accounting Policies and Disclosures *(Continued)*

(b) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 April 2018, thus the comparative figures have not been restated.

Revenue recognition

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

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

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

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

Accounting for revenue from sales of properties

Prior to the adoption of HKFRS 15, the Group accounted for revenue from sales of properties when significant risks and rewards of ownership have been transferred to the customers on delivery in its entirety at a single time upon vacant possession.

Under HKFRS 15, for properties that have no alternative use to the Group due to contractual reasons and when the Group has an enforceable right to payment from customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method for measuring progress. The excess of cumulative revenue recognised in profit or loss over the cumulative billings to purchasers of properties is recognised as contract assets. The excess of cumulative billings to purchasers of properties over the cumulative revenue recognised in profit or loss is recognised as contract liabilities.

1. **Basis of Preparation and Changes in Accounting Policies and Disclosures** *(Continued)*

(b) *(Continued)*

Accounting for revenue from sales of properties (Continued)

The Group has assessed that there is an enforceable right to payment from the customers for performance completed to date for few properties. Thus, the majority of revenue from the sale of properties will continue to be recognised at a point in time, when the purchasers obtain the physical possession of the completed property and the Group has the present right to payment and the collection of the consideration is probable.

Set out below are the amounts by which each financial statement line item was affected as at 31 March 2019 and for the year ended 31 March 2019 as a result of the adoption of HKFRS 15. The adoption of HKFRS 15 has had no impact on the Group's profit or loss and other comprehensive income or on the Group's operating, investing and financing cash flows. The first column shows the amounts recorded under HKFRS 15 and the second column shows what the amounts would have been had HKFRS 15 not been adopted:

	Notes	HKFRS 15 *HK$'000*	Previous HKFRS *HK$'000*	Increase/ (decrease) *HK$'000*
Assets				
Prepayments, deposits and other receivables		136,159	141,706	(5,547)
Contract costs	(i)	5,547	-	5,547
Liabilities				
Contract liabilities		286,193	-	286,193
Customer deposits	(ii)	47,582	333,775	(286,193)

The nature of the adjustments as at 1 April 2018 and the reasons for the significant changes in the consolidated statement of financial position as at 31 March 2019 are described below:

(i) Accounting for sales commission

Prior to the adoption of HKFRS 15, the Group capitalised the sales commission associated with obtaining agreement for sale and purchase with property buyer and charged to profit or loss when the revenue from the related property sale is recognised. Upon adoption of HKFRS 15, sales commission incurred directly attributable to obtaining a contract, if recoverable, is capitalised and recorded in contract costs. Capitalised sales commission is charged to profit or loss when the revenue from the related property sale is recognised and are included as selling and marketing expenses at that time. Prepaid sales commission of HK$6,225,000 that was previously classified as prepayments, deposits and other receivables has been reclassified to contract costs as at 1 April 2018.

As at 31 March 2019, the adoption of HKFRS 15 resulted in a decrease in prepayments, deposits and other receivables and an increase in contract costs, both by HK$5,547,000.

(ii) Accounting for significant financing component for sales of properties

Prior to the adoption of HKFRS 15, the Group presented sales proceeds received from customers in connection with the Group's pre-sales of properties as sales deposits received under customer deposits in the consolidated statement of financial position.

No interest was accrued on the long-term advances received under the previous accounting policy. Upon adoption of HKFRS 15, the Group recognised contract liabilities for the interest on the sales proceeds received from customers with a significant financing component. The Group elected to apply the practical expedient and did not recognise the effects of a significant financing component with a customer if the time period is one year or less. In addition, reclassifications have been made from sales deposits received to contract liabilities for the outstanding balance of sales proceeds from customers. Receipts in advance of HK$1,191,562,000 that were previously classified as customer deposits have been reclassified to contract liabilities as at 1 April 2018.

As at 31 March 2019, the adoption of HKFRS 15 resulted in a decrease in customer deposits and an increase in contract liabilities, both by HK$286,193,000.

2. 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 develops properties for sale;

(b) the property investment segment holds investment properties for development and the generation of rental income; and

(c) the property and carpark management segment comprises the sub-leasing of carparking business and the property management service business which provides management services to residential and commercial properties.

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

Segment assets exclude investment in a joint venture, investment in an associate, other unallocated head office and corporate assets, including tax recoverable and cash and bank balances, as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities, including interest-bearing bank borrowings, tax payable and deferred tax liabilities, as these liabilities are managed on a group basis.

During the current and prior years, there were no intersegment transactions.

	For the year ended 31 March 2019			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property and carpark management** *HK$'000*	**Total** *HK$'000*
Segment revenue:				
Sales to external customers	**1,224,190**	**221,755**	**32,408**	**1,478,353**
Segment results	**559,498**	**1,051,642**	**2,498**	**1,613,638**
Reconciliation:				
Interest income				**13,852**
Unallocated expenses				**(64,971)**
Finance costs				**(118,480)**
Share of profit of an associate				**317,087**
Profit before tax				**1,761,126**

	For the year ended 31 March 2018			
	Property development *HK$'000*	Property investment *HK$'000*	Property and carpark management *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	1,567,499	190,266	23,278	1,781,043
Segment results	738,707	315,600	(405)	1,053,902
Reconciliation:				
Interest income				13,567
Unallocated expenses				(80,728)
Finance costs				(102,338)
Gain on disposal of subsidiaries				2,495,927
Share of profit of an associate				113,780
Profit before tax				3,494,110

2. Operating Segment Information *(Continued)*

	At 31 March 2019			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property and carpark management** *HK$'000*	**Total** *HK$'000*
Segment assets	**2,241,050**	**14,639,264**	**2,070,899**	**18,951,213**
Reconciliation:				
Elimination of intersegment receivables				**(2,172,744)**
Investment in a joint venture				**199**
Investment in an associate				**789,271**
Corporate and other unallocated assets				**1,968,895**
Total assets				**19,536,834**
Segment liabilities	**1,481,445**	**1,009,820**	**446,945**	**2,938,210**
Reconciliation:				
Elimination of intersegment payables				**(2,172,744)**
Corporate and other unallocated liabilities				**6,702,811**
Total liabilities				**7,468,277**

	For the year ended 31 March 2019			
	Property development *HK$'000*	**Property investment** *HK$'000*	**Property and carpark management** *HK$'000*	**Total** *HK$'000*
Other segment information:				
Fair value gains on investment properties, net	**-**	**929,811**	**-**	**929,811**
Loss/(gain) on disposal of items of property, plant and equipment	**-**	**10**	**(4)**	**6**
Loss on disposal of investment properties	**-**	**804**	**-**	**804**
Depreciation	**985**	**1,736**	**2,593**	**5,314**
Capital expenditure *	**429**	**470,725**	**475**	**471,629**

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

2. Operating Segment Information *(Continued)*

	At 31 March 2018			
	Property development *HK$'000*	Property investment *HK$'000*	Property and carpark management *HK$'000*	Total *HK$'000*
Segment assets	2,811,157	14,092,159	1,804,319	18,707,635
Reconciliation:				
Elimination of intersegment receivables				(2,211,853)
Investment in a joint venture				199
Investment in an associate				486,711
Corporate and other unallocated assets				2,678,558
Total assets				19,661,250
Segment liabilities	2,554,429	1,055,476	438,789	4,048,694
Reconciliation:				
Elimination of intersegment payables				(2,211,853)
Corporate and other unallocated liabilities				6,361,279
Total liabilities				8,198,120

	For the year ended 31 March 2018			
	Property development *HK$'000*	Property investment *HK$'000*	Property and carpark management *HK$'000*	Total *HK$'000*
Other segment information:				
Fair value gains on investment properties, net	-	229,091	-	229,091
Gain on disposal of items of property, plant and equipment, net	-	300	-	300
Loss on disposal of investment properties, net	-	244	-	244
Depreciation	1,079	2,082	2,561	5,722
Capital expenditure *	104	399,869	227	400,200

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

2. Operating Segment Information *(Continued)*

Geographical information

(a) Revenue

	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**111,689**	104,221
Mainland China	**1,366,664**	1,676,822
	1,478,353	1,781,043

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

(b) Non-current assets

	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**3,923,186**	3,661,841
Mainland China	**10,640,417**	10,094,795
	14,563,603	13,756,636

The non-current asset information above is based on the locations of the assets and excludes investments in a joint venture and an associate.

3. Revenue and Other Income

Revenue represents income from the sale of properties, gross rental income and property management income during the year.

An analysis of revenue is as follows:

	2019 HK$'000	2018 HK$'000
Revenue from contracts with customers		
Sale of properties	**1,224,190**	1,567,499
Property management income	**30,832**	26,226
Revenue from other sources		
Gross rental income	**223,331**	187,318
	1,478,353	1,781,043

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 March 2019

	Property development HK$'000	Property investment HK$'000	Property and carpark management HK$'000	Total HK$'000
Geographical markets				
Hong Kong	-	-	1,575	1,575
Mainland China	1,224,190	29,257	-	1,253,447
Total revenue from contracts with customers	1,224,190	29,257	1,575	1,255,022

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of properties
The performance obligation is satisfied upon the physical possession of the completed property being obtained by the purchasers.

Property management income
The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services. Management service contracts are for periods of one year or less, or are billed based on the time incurred.

	2019 HK$'000	2018 HK$'000
Other income		
Bank interest income	**13,852**	13,567
Others	**4,072**	5,074
	17,924	18,641

4. Gain on disposal of subsidiaries

(a) Disposal of Smooth Ever Investments Limited ("Smooth Ever")

During the year ended 31 March 2018, the Company disposed of Smooth Ever Investments Limited, a wholly-owned subsidiary of the Company, and its subsidiaries ("Smooth Ever Group"). Smooth Ever Group was engaged in property development business. The transaction was completed in September 2017.

The net assets disposed of in the above transaction were as follows:

	2018 *HK$'000*
Net assets disposed of:	
Property, plant and equipment	26
Properties held for sale under development	504,857
Prepayments, deposits and other receivables	78
Cash and bank balances	169
Due to a shareholder and a group company	(375,080)
Other payables and accrued liabilities	(21)
Non-controlling interests	(64,621)
	65,408
Assignment of loans from a shareholder and a group company	375,080
	440,488
Tax provision	322,945
Direct transaction costs incurred	513,120
Exchange fluctuation reserve	(69,606)
Gain on disposal of subsidiaries	2,378,589
Consideration received	3,585,536
Satisfied by:	
Cash	3,585,536

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries was as follows:

	HK$'000
Cash Consideration	3,585,536
Tax provision	(302,945)
Cash and bank balances disposed of	(169)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	3,282,422

4. Gain on disposal of subsidiaries *(continued)*

(b) Disposal of Guangzhou Jian Zhao Land Investment Co., Ltd ("Jian Zhao")

During the year ended 31 March 2018**,** the Company disposed of its entire equity in Jian Zhao, a wholly-owned subsidiary of the Company. The transaction was completed in January 2018.

The net assets disposed of in the above transaction were as follows:

	2018 *HK$'000*
Net assets disposed of:	
Property, plant and equipment	1,369
Investment property	217,284
Prepayments, deposits and other receivables	549
Cash and banks balances	572
Due to a group company	(37,037)
Other payables and accrued liabilities	(216)
Deferred tax liabilities	(28,333)
	154,188
Assignment of a loan from a group company	37,037
	191,225
Tax provision	14,754
Direct transaction costs incurred	7,326
Exchange fluctuation reserve	(8,458)
Gain on disposal of a subsidiary	117,338
Consideration received	322,185
Satisfied by:	
Cash	322,185

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary was as follows:

	HK$'000
Cash Consideration	322,185
Tax provision	(14,754)
Cash and bank balances disposed of	(572)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	306,859

5. Finance Costs

	2019	2018
	HK$'000	*HK$'000*
Interest on bank loans and overdrafts	**187,706**	183,769
Less: Interest capitalised under properties under development	**(69,226)**	(81,431)
	118,480	102,338

6. Profit Before Tax

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

	2019	2018
	HK$'000	*HK$'000*
Cost of properties sold	**628,919**	789,941
Depreciation	**5,314**	5,722
Minimum lease payments under operating leases	**21,658**	19,204
Auditor's remuneration	**2,540**	2,500
Foreign exchange differences, net	**(2)**	736
Loss/(gain) on disposal of items of property, plant and equipment, net	**6**	(300)
Loss on disposal of investment properties, net	**804**	244
Employee benefit expenses (including directors' remuneration):		
Wages, salaries, allowances and benefits in kind	**58,254**	73,186
Pension scheme contributions	**1,955**	1,945
	60,209	75,131
Less: Amounts capitalised under properties under development	**(20,080)**	(23,300)
	40,129	51,831
Gross rental income	**(252,588)**	(212,022)
Less: Outgoing expenses	**115,439**	102,058
	(137,149)	(109,964)

At 31 March 2019 and 31 March 2018, the amount of forfeited pension scheme contributions available to the Group for future utilisation was not significant.

7. Income Tax

	2019	2018
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**-**	-
Mainland China corporate income tax	**138,298**	138,939
Land appreciation tax in Mainland China	**99,059**	249,765
Overseas profits tax	**-**	(98)
	237,357	388,606
Deferred tax	**223,207**	(3,416)
Total tax charge for the year	**460,564**	385,190

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Land appreciation tax has been calculated in conformity with the prevailing rules and practices on the Group's completed projects in Mainland China at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

8. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company of HK$1,158,507,000 (2018: HK$2,979,893,000) and the weighted average number of ordinary shares in issue during the year of 720,429,301 (2018: 720,429,301).

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2019 and 2018 in respect of a dilution as the Group has no potential dilutive ordinary shares in issue during the years ended 31 March 2019 and 2018.

9. Dividends

	2019	2018
	HK$'000	*HK$'000*
Proposed final – 12.5 HK cents (2018: 12.5 HK cents) per ordinary share	**90,054**	90,054
Proposed special – Nil (2018: 5.0 HK cents) per ordinary share	**-**	36,021
	90,054	126,075

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. Trade Receivables

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

	2019 *HK$'000*	2018 *HK$'000*
Within 30 days	**1,900**	1,813
31 to 60 days	**1,347**	1,431
61 to 90 days	**1,370**	929
Over 90 days	**16,944**	15,973
Total	**21,561**	20,146

Monthly rent in respect of leased properties is payable in advance by the tenants pursuant to the terms of the tenancy agreements. The balance of the consideration in respect of sold properties is payable by the purchasers pursuant to the terms of the sale and purchase agreements. Overdue trade debts are closely monitored by management and are provided for in full in cases of non-recoverability. 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.

11. Trade Payables and Accrued Liabilities

Included in the trade payables and accrued liabilities are trade payables of HK$28,088,000 (2018: HK$23,302,000). An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2019 *HK$'000*	2018 *HK$'000*
Within 30 days	**28,088**	23,302

12. Contingent Liabilities

(a) As at 31 March 2019, the Group has given a guarantee of HK$24,000,000 (2018: HK$32,000,000) to a bank in connection with a facility granted to an associate and such banking facility guaranteed by the Group to the associate was utilized to the extent of HK$24,000,000 (2018: HK$32,000,000).

(b) As at 31 March 2019, the Group has given guarantees of HK$198,487,000 (2018: HK$1,078,000,000) to banks for housing loans extended by the banks to the purchasers of the Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property ownership certificates to the purchasers.

FINANCIAL REVIEW

Liquidity and financial resources

The total interest-bearing debts of the Group amounted to approximately HK$5,028 million as at 31 March 2019 (2018: HK$4,535 million), of which approximately 22% (2018: 49%) of the debts were classified as current liabilities. Included therein were debts of HK$94 million related to bank loans with repayable on demand clause and HK$814 million related to project or term loans which will be refinanced during the forthcoming financial year. Based on the repayment schedules pursuant to the related loan agreements and assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts was approximately 4%. The increase in total debts was mainly due to the refinancing of the existing syndicated bank loans as well as the drawdown of bank loans for construction of development projects.

Total cash and bank balances including time deposits were approximately HK$1,963 million as at 31 March 2019 (2018: HK$2,678 million). Included in cash and bank balances are restricted bank deposits of HK$77 million (2018: HK$260 million) which can only be applied in the designated property development projects prior to their completion of construction. The Group had committed but undrawn banking facilities of a total of approximately HK$2,065 million at year end available for its working capital purpose.

Total shareholders' funds as at 31 March 2019 were approximately HK$11,874 million (2018: HK$11,372 million). The increase was mainly due to current year's profit attributable to shareholders, which was partly set off by the depreciation in value of assets less liabilities denominated in Renminbi.

The gearing ratio of the Group, as measured by the net interest-bearing debts of approximately HK$3,065 million (2018: HK$1,857 million) over the shareholders' funds plus non-controlling interests totalling of approximately HK$12,069 million (2018: HK$11,463 million), was 25% as at 31 March 2019 (2018: 16%).

Funding and treasury policies

The Group adopts prudent funding and treasury policies. Surplus funds are primarily maintained in the form of cash deposits with leading banks.

Acquisition and development of properties are financed partly by internal resources and partly by bank loans. Repayments of bank loans are scheduled to match asset lives and project completion dates. Bank loans are mainly denominated in Hong Kong dollars and Renminbi and bear interest at floating rates.

Foreign currency exposure is closely monitored by management and hedged to the extent desirable. As at 31 March 2019, the Group had no material exposure under foreign exchange contracts or any other hedging instruments.

Pledge of assets

Properties with an aggregate carrying value of approximately HK$14,795 million as at 31 March 2019 were pledged to secure certain banking facilities of the Group.

Employees and remuneration policies

The Group, not including its joint venture and associate, employed approximately 320 employees as at 31 March 2019. Remuneration is determined by reference to market terms and the qualifications and experience of the staff concerned. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Group also provides other benefits including medical cover, provident fund, personal accident insurance and educational subsidies to all eligible staff.

CONNECTED TRANSACTIONS

1. On 12 June 2018, Gold Famous Development Limited ("Gold Famous"), an indirect wholly-owned subsidiary of the Company, entered into a consultancy agreement with Shun Cheong Data Centre Solutions, an indirect wholly-owned subsidiary of Chinney Alliance, pursuant to which Shun Cheong Data Centre Solutions was appointed by Gold Famous as a consultant to provide consultancy services in respect of the construction and development of a data centre on a parcel of land owned by Gold Famous in Kwai Chung, Hong Kong (the "Data Centre Project") at a fixed fee of HK$16,200,000 (the "Consultancy Agreement"). As Chinney Investments is interested in approximately 68.09% of the issued shares of the Company and approximately 29.10% of the issued shares of Chinney Alliance and Dr. James Sai-Wing Wong is the chairman, executive director and a controlling shareholder of each of Chinney Investments, the Company and Chinney Alliance, the transaction constituted a connected transaction for each of Chinney Investments, the Company and Chinney Alliance under the Listing Rules and is subject to the reporting and announcement requirements.

2. On 12 July 2018, Gold Famous, an indirect wholly-owned subsidiary of the Company, entered into a framework agreement with Chinney Construction, an indirect wholly-owned subsidiary of Chinney Alliance, pursuant to which Gold Famous engaged Chinney Construction to act as the contractor to carry out construction works for the Data Centre Project at a total contract sum not exceeding HK$757,800,000 (the "Framework Agreement"). As Chinney Investments is interested in approximately 68.09% of the issued shares of the Company and approximately 29.10% of the issued shares of Chinney Alliance and Dr. James Sai-Wing Wong is the chairman, executive director and a controlling shareholder of each of Chinney Investments, the Company and Chinney Alliance, the related transaction constituted a connected transaction for each of Chinney Investments, the Company and Chinney Alliance under the Listing Rules. Since the entering into of the Consultancy Agreement dated 12 June 2018 also constituted a connected transaction and pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, the Consultancy Agreement and the Framework Agreement should be aggregated as a series of transactions as they were entered into within a 12-month period and involved parties which are connected with one another. The applicable percentage ratios of the Framework Agreement on both stand-alone and the basis when aggregated with the Consultancy Agreement, are more than 5% and contract sum was more than HK$10 million, the transaction is subject to the reporting, announcement and independent shareholders' approval requirements. The transaction was approved by the independent shareholders of Chinney Investments, the Company and Chinney Alliance at the general meetings held by each of the companies on 24 August 2018.

CORPORATE GOVERNANCE

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct for directors’ securities transactions. Having made specific enquiry, all the directors have confirmed that they have complied with the required standard as set out in the Model Code throughout the year ended 31 March 2019.

Compliance with the Corporate Governance Code

In the opinion of the Directors, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules for the year ended 31 March 2019, except for the following deviations:

1. CG Code provision A.1.1 stipulates that the board of directors should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.

   During the year ended 31 March 2019, the board of directors of the Company (the “Board”) met twice for approving the annual results of the Company for the year ended 31 March 2018 and the interim results for the period ended 30 September 2018. As business operations were under the management and supervision of the executive directors of the Company, who had from time to time held meetings to resolve all material business or management issues, only two regular board meetings were held for the year ended 31 March 2019.

2. CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

   Currently, Dr. James Sai-Wing Wong is the Chairman of the Company and assumes the role of the Chairman and also the chief executive officer. Given the nature of the Group’s businesses which require considerable market expertise, the Board believes that the vesting of the two roles for the time being provides the Group with stable and consistent leadership and allows for more effective planning and implementation of long term business strategies. The Board will continuously review the effectiveness of the structure to balance the power and authority of the Board and the management.

3. CG Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election and CG Code provision A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

   The non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election in accordance with the articles of association of the Company (the “Articles of Association”). The Articles of Association do not require the directors to retire by rotation at least once every three years. However, in accordance with article 104 of the Articles of Association, at each annual general meeting of the Company, one-third of the directors for the time being (or, if their number is not three or a multiple of three, then the number nearest one-third), other than the one who holds the office as executive chairman or managing director, shall retire from office by rotation. The Board will ensure the retirement of each director, other than the one who holds the office as executive chairman or managing director, by rotation at least once every three years in order to comply with the CG Code provisions.

The Chairman will not be subject to retirement by rotation; which deviates from CG Code provision A.4.2 as the Board considers that the continuity of office of the Chairman provides the Group with a strong and consistent leadership and is of great importance to the smooth operations of the Group.

All directors appointed to fill a casual vacancy is subject to re-election by shareholders at the next following annual general meeting of the Company instead of at the first general meeting after their appointment as stipulated in CG Code provision A.4.2.

4. CG Code provision A.5.1 stipulates that the Company should establish a nomination committee which should be chaired by the Chairman of the Board or an independent non-executive director.

   The Company has not established a nomination committee. The Board is responsible for considering the suitability of a candidate to act as a director, and collectively approving and terminating the appointment of a director as this allows a more informed and balanced decision to be made. The Chairman is mainly responsible for identifying suitable candidates for members of the Board when there is a vacancy or an additional director is considered necessary. The Chairman will propose the appointment of such candidates to the Board for consideration and the Board will determine the suitability of the relevant candidates on the basis of their gender, age, professional qualifications and experience as well as educational background.

5. CG Code provision B.1.2 stipulates that the terms of reference of the remuneration committee should include, as a minimum, those specific duties as set out in the CG Code provisions.

   The Company has adopted the revised terms of reference of the Remuneration Committee on 30 March 2012 with certain deviations from the CG Code provisions. Pursuant to the revised terms of reference, the Remuneration Committee reviews and makes recommendations to the Board on the remuneration packages of directors (as opposed to directors and senior management).

Audit Committee

Regular meetings have been held by the Audit Committee of the Company since its establishment and it meets at least twice each year to review and supervise the Group’s financial reporting process and internal control. The Audit Committee has reviewed with management the annual results of the Group for the year ended 31 March 2019.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2019 as set out in the preliminary announcement have been agreed by the Company's 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 HKICPA and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31 March 2019.

By Order of the Board
James Sai-Wing Wong
Chairman

Hong Kong, 27 June 2019

At the date of this announcement, the directors of the Company are Dr. James Sai-Wing Wong (Chairman), Mr. James Sing-Wai Wong, Mr. Xiao-Ping Li and Mr. Philip Bing-Lun Lam as executive directors; and Dr. Daniel Chi-Wai Tse, Mr. Zuo Xiang and Ms. Janie Fong as independent non-executive directors.