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Vestate Group Holdings Limited

國投集團控股有限公司

(incorporated in Cayman Islands with limited liability)

(Stock Code: 1386)

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017 AND RESUMPTION OF TRADING

The board of directors (the “**Board**”) of Vestate Group Holdings Limited (Formerly known as Walker Group Holdings Limited) (the “**Company**”) presents the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2017 (the “**Year**”) , together with comparative figures for the year ended 31 March 2016, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2017

	<i>Note</i>	2017 <i>HK\$'000</i>	(Restated) 2016 <i>HK\$'000</i>
Revenue	3	561,557	840,658
Cost of sales	4	<u>(272,996)</u>	<u>(357,342)</u>
Gross profit		288,561	483,316
Selling and distribution costs	4	(377,530)	(545,336)
Administrative expenses	4	(136,511)	(97,577)
Other losses, net	5	(400)	(394)
Other income	6	<u>4,747</u>	<u>4,277</u>
Operating loss		<u>(221,133)</u>	(155,714)
Finance income	7	25,213	224
Finance costs	7	<u>(14,106)</u>	<u>(748)</u>
Finance income/(costs), net		11,107	(524)
Share of loss of an associate		<u>(54)</u>	<u>—</u>
Loss before income tax		(210,080)	(156,238)
Income tax expense	8	<u>(116)</u>	<u>(656)</u>
Loss for the year		<u>(210,196)</u>	<u>(156,894)</u>

		2017	(Restated) 2016
	<i>Note</i>	HK\$'000	HK\$'000
Attributable to:			
Equity holders of the Company		(209,501)	(155,892)
Non-controlling interests		(695)	(1,002)
		<u>(210,196)</u>	<u>(156,894)</u>
Loss per share for loss attributable to equity holders of the Company (expressed in HK cents per share)			
— Basic	9	<u>(31.96)</u>	<u>(24.74)</u>
— Diluted	9	<u>(31.96)</u>	<u>(24.74)</u>

Note: The auditor has issued an unqualified audit opinion on the Group's consolidated financial statements for the year ended 31 March 2017.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

	2017 <i>HK\$'000</i>	(Restated) 2016 <i>HK\$'000</i>
Loss for the year	<u>(210,196)</u>	<u>(156,894)</u>
Other comprehensive income		
Items that have been reclassified or may be subsequently reclassified to profit or loss:		
Revaluation gain of land and buildings	88,737	—
Currency translation differences	<u>(13,722)</u>	<u>(11,503)</u>
Total items that have been reclassified or may be subsequently reclassified to profit or loss	<u>75,015</u>	<u>(11,503)</u>
Total comprehensive income for the year	<u><u>(135,181)</u></u>	<u><u>(168,397)</u></u>
Attributable to:		
Equity holders of the Company	(134,653)	(167,319)
Non-controlling interests	<u>(528)</u>	<u>(1,078)</u>
	<u><u>(135,181)</u></u>	<u><u>(168,397)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

		(Restated)	(Restated)
	2017	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note</i>		
ASSETS			
Non-current assets			
Investment in a joint venture	510	—	—
Investments in associates	7,227	—	—
Property, plant and equipment	113,534	29,252	34,942
Intangible assets	230,788	1,873	2,570
Deferred income tax assets	—	—	6,091
Long-term deposits and prepayments	27,354	12,588	10,995
	<u>379,413</u>	<u>43,713</u>	<u>54,598</u>
Current assets			
Inventories	132,594	223,446	242,388
Trade receivables	11 39,751	72,939	115,024
Deposits, prepayments and other receivables	32,014	27,081	40,044
Cash and cash equivalents	12 32,839	41,039	94,939
	<u>237,198</u>	<u>364,505</u>	<u>492,395</u>
Assets held for sale	14,730	13,900	26,660
	<u>251,928</u>	<u>378,405</u>	<u>519,055</u>
Total assets	<u><u>631,341</u></u>	<u><u>422,118</u></u>	<u><u>573,653</u></u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	71,619	64,136	62,356
Share premium	673,503	576,561	562,600
Reserves	(529,037)	(408,208)	(235,828)
	<u>216,085</u>	<u>232,489</u>	<u>389,128</u>
Non-controlling interests	241	(2,014)	(2,316)
Total equity	<u>216,326</u>	<u>230,475</u>	<u>386,812</u>

		(Restated)	(Restated)
	2017	2016	2015
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Convertible bonds	134,199	—	—
Obligation under finance lease	225	9	115
Deferred income tax liabilities	36,739	351	5,990
	<u>171,163</u>	<u>360</u>	<u>6,105</u>
Current liabilities			
Trade payables	13 79,576	104,026	101,396
Accruals and other payables	73,408	41,129	53,193
Borrowings	72,240	44,920	25,040
Obligation under finance lease	105	106	106
Tax payable	973	1,102	1,001
Convertible bonds	17,550	—	—
	<u>243,852</u>	<u>191,283</u>	<u>180,736</u>
Total liabilities	<u>415,015</u>	<u>191,643</u>	<u>186,841</u>
Total equity and liabilities	<u>631,341</u>	<u>422,118</u>	<u>573,653</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Vestate Group Holdings Limited and its subsidiaries are principally engaged in the retailing of footwear in Hong Kong, the People's Republic of China (the "PRC") and Taiwan.

The Company was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands.

The Company's shares are listed on The Stock Exchange of Hong Kong Limited ("HKSE").

These consolidated financial statements are presented in thousands of units of Hong Kong dollar ("HK\$"), unless otherwise stated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance Cap. 622. They have been prepared under the historical cost convention, as modified by the revaluation of land and buildings available-for-sale financial assets, and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties classified as assets held for sale, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2.1.1 GOING CONCERN

During the year ended 31 March 2017, the Group reported a net loss of HK\$210,196,000 (2016: HK\$156,894,000) and had a net cash outflow from operating activities of HK\$129,865,000 (2016: HK\$81,880,000). As at 31 March 2017, the Group's cash and cash equivalents amounted to HK\$32,839,000. On 17 June 2017, the Group entered into a sales and purchase agreement with China Investment S.p.A. (the "**Milan Properties Vendor**"), a company with 70% interest owned by Ms. Cai Jiaying, an executive Director of the Company, to acquire certain properties in Milan at a total cash consideration of Euro34,000,000 (equivalent to approximately HK\$297,160,000) (the "**Milan Properties**"). The construction of the Milan Properties commenced in June 2017 and the construction is expected to be completed in June 2019. The first refundable advance payment of Euro10,200,000 (equivalent to approximately HK\$89,148,000) was paid by the Group in June 2017 and the remaining consideration will be payable by stages according to the progress of construction of the properties.

In view of these circumstances, the Directors of the Company (“**Directors**”) have given careful consideration to the future liquidity, the construction progress of the Milan Properties and its available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. The Directors have reviewed the Group’s cash flow projections prepared by management covering a period of twelve months from 31 March 2017. In order to improve the Group’s financial position and alleviate the liquidity pressure, the Directors have been implementing various measures as follows:

- a. As at 31 March 2017, the Group had unutilised overdraft facilities of approximately HK\$5,000,000. The Group has communicated continuously with the principal banks on the Group’s performance to ensure the existing banking facilities, which are fully secured by the Group’s properties, to be continuously available to the Group. The Directors are of the opinion that such banking facilities will be renewed upon expiry in November 2017 and continue to be available to the Group for the next twelve months from 31 March 2017.
- b. On 5 May 2017, the Group issued a two-year bond with principal amount of HK\$350,000,000 at interest rate of 12% per annum for the first year and 13% per annum for the second year. The bond is guaranteed by Mr. Zhu Xiaojun, Chairman of the Group and is pledged by 70% of the shares of the Milan Properties Vendor. The proceeds from the issuance of the bond were received by the Group in May 2017.
- c. On 27 June 2017, an independent third party has granted a stand-by revolving loan facilities of up to RMB100,000,000 to the Group, which is available to drawn down on or before 27 June 2018. The loan facility is guaranteed by Mr. Zhu Xiaojun, the Chairman of the Group and bears interest at 18% per annum. The Directors believe that this loan facility is available for draw down as additional working capital of the Group, as and when needed. The Directors are of the opinion that this facility will be renewed upon expiry on 27 June 2018.
- d. The Group is implementing various measures, such as optimizing its overall sales network by relocating certain of its outlets, and further developing E-Commerce business to improve its profit margin and operating cashflows of its footwear retailing business.
- e. In relation to the purchase of the Milan Properties, the Directors have considered a construction plan provided by the Milan Properties Vendor and considered that other than the refundable advance payment of HK\$89,148,000, there is no further payment due and payable within the next twelve months from 31 March 2017. The Group will negotiate with the Milan Property Vendor to defer the payment should any such amount became fall due within the next twelve months from 31 March 2017.
- f. In respect of the Group’s money lending business which commenced subsequent to 31 March 2017, the Group has granted 1-year unsecured term loans to several third parties totalling HK\$74,000,000 up to the date of approval of the consolidated financial statements. The Group is closely monitoring the collection of these loans and the Directors are confident that these loans will be successfully collected upon maturity according to the terms of the relevant loan agreements. The Group will consider the liquidity position of the Group, the credit profile of the borrowers, the availability of securities and the loan terms carefully before granting any further loans.
- g. The Group will also continue to seek for other alternative financing and bank borrowings to finance the settlement of its existing financial obligations and future operating and capital expenditures.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2017. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notwithstanding the above, significant uncertainty exists as to whether management of the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through achieving the following plans:

- (i) Successful negotiation with the bank to renew the Group's banking facilities upon its expiry in November 2017 such that the existing bank borrowings will continue to be available to the Group and the unutilised overdraft facilities will be available for draw down from time to time as and when needed;
- (ii) Continuous compliance by the Group of the existing terms and conditions of all the convertible bonds and bond issued by the Group as at the date of approval of the consolidated financial statements such that these convertible bonds and bond will continue to be available to the Group and be repaid in accordance with the agreed repayment schedules;
- (iii) The independent third party will be able to provide the funding advance of up to RMB100,000,000 to the Group as and when needed which will be repayable beyond twelve months from 31 March 2017;
- (iv) Successful implementation of measures to improve the sales margin and operating cashflows of its footwear retailing business;
- (v) The construction of the properties under development in Milan will be progressed according to the construction plan provided by the Milan Properties Vendor; and successful negotiation with the Milan Property Vendor to defer any payment which might fall due within the next twelve months from 31 March 2017; and
- (vi) Obtaining additional sources of financing or bank borrowings as and when needed.

Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2.1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(a) New and amended standards adopted by the Group

The following new and amended standards have been adopted by the Group for the first time for the financial year beginning on or after 1 April 2016.

HKAS 1 (Amendment)	Disclosure initiative
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation
HKAS 16 and HKAS 41 (Amendment)	Agriculture: bearer plants
HKAS 27 (Amendment)	Equity method in separate financial statements
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: applying the consolidation exception
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations
HKFRS 14	Regulatory deferral accounts
HKFRSs (Amendment)	Improvements to HKFRSs 2014

The adoption of the above new and amended standards did not have any significant impact on the Group's consolidated financial statements.

(b) New and amended standards have been issued but are not effective and have not been early adopted by the Group

The following new and amended standards are not effective for financial year beginning on 1 April 2016, and have not been applied in preparing these consolidated financial statements: Effective for annual periods beginning on or after

		Effective for accounting periods beginning on or after
HKAS 7 (Amendment)	Statement of cash flows	1 January 2017
HKAS 12 (Amendment)	Recognition of deferred tax assets for unrealised losses	1 January 2017
HKFRS 2 (Amendment)	Clarification and measurement of share-based payment transactions	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 15 (Amendment)	Clarification to HKFRS 15	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the likely impact of adopting the above new standards and amendments to existing standards but it is not yet in a position to state whether they will have a significant impact on its reported results of operations and financial position. The Group plans to adopt these new standards and amendments to existing standards when they become effective.

(c) Changes in accounting policies

In previous years, the Group's land and buildings and investment properties classified as assets held for sale were carried at historical cost less accumulated depreciation and impairment losses in the consolidated statement of financial position. The directors reassessed the appropriateness of these accounting policies during the year and concluded that by using the revaluation model and fair value model under HKAS 16 and HKAS 40 for land and buildings and investment properties respectively, the consolidated financial statements would provide more appropriate and relevant information about the Group's results and financial position.

Consequently, the Group changed its accounting policies on land and buildings and investment properties to follow the revaluation model and fair value model under HKAS 16 and HKAS 40 respectively with effective from 1 April 2016.

The change in accounting policy of land and buildings from the cost model to the revaluation model has been accounted for prospectively.

The change in accounting policy of investment properties, including investment properties classified in assets held for sale from the cost model to fair value model have been accounted for retrospectively. The comparative figures for 2016 have been restated to reflect the change in accounting policy.

The effect of the changes in accounting policies to the consolidated financial statements is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Effect on consolidated statement of financial position			
Increase in property, plant and equipment	86,163	—	—
Increase in assets held for sale	12,620	11,790	21,638
Increase in revaluation reserve	(94,375)	(5,638)	(10,049)
Increase in retained earnings	(6,152)	(16,000)	(13,715)
Effect on consolidated income statement			
Increase in depreciation	2,574	—	—
(Increase)/decrease in other gains	(830)	9,848	2,126
	<u>1,744</u>	<u>9,848</u>	<u>2,126</u>
Increase in loss attributable to equity holders of the Company	1,744	9,848	2,126
Increase in basic loss per share (HK cent per share)	0.27	1.56	0.34
Increase in diluted loss per share (HK cent per share)	0.27	1.56	0.34

3. SEGMENT INFORMATION

The Group is principally engaged in the retailing of footwear in Hong Kong, the PRC and Taiwan.

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's financial information to assess the performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Directors assess the performance of the operating segments based on a measure of segment loss without allocation of administrative expenses, other gains, other income and finance income/(costs), which is consistent with that in the financial statements. In current year, the Executive Directors continue to identify the business segment based on geographic basis, as the acquisition of China Consume Financial Holdings Company Limited (“China Consume”) was completed in February 2017, its contribution to the Group is insignificant for the year ended 31 March 2017.

Segment assets exclude deferred income tax assets.

Segment liabilities exclude tax payable, deferred income tax liabilities, convertible bonds and obligation under finance lease.

In respect of geographical segment reporting, sales are based on the country in which the customer is located, and total assets and capital expenditure are based on the country where the assets are located.

From next financial year, management tentatively plans to review the Group’s financial performance base on its business nature.

The segment results for the year ended 31 March 2017 are as follows:

	For the year ended 31 March 2017						
	Retailing of footwear			Subtotal	E-Commerce and		Total
	Hong Kong	The PRC	Taiwan		E-Payment	Unallocated	
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue from sales of footwear, fashion wears and accessories	<u>119,368</u>	<u>434,382</u>	<u>7,807</u>	<u>561,557</u>	<u>—</u>	<u>—</u>	<u>561,557</u>
Segment loss	(37,208)	(51,354)	(407)	(88,969)	—	(132,164)	(221,133)
Finance income							25,213
Finance costs							(14,106)
Share of loss of an associate							(54)
Income tax expense							(116)
Loss for the year							<u>(210,196)</u>
Other segment items are as follows:							
Capital expenditure	3,223	6,277	74	9,574	—	—	9,574
Depreciation of property, plant and equipment	5,530	6,162	89	11,781	—	—	11,781
Amortisation of intangible assets	113	693	—	806	—	—	806
Impairment of property, plant and equipment	871	234	—	1,105	—	—	1,105
Write back of inventories, net	<u>(1,381)</u>	<u>(5,267)</u>	<u>(21)</u>	<u>(6,669)</u>	<u>—</u>	<u>—</u>	<u>(6,669)</u>

The segment results for the year ended 31 March 2016 are as follows:

	(Restated)						
	For the year ended 31 March 2016						
	Retailing of footwear			E-Commerce and		Total	
Hong Kong	The PRC	Taiwan	Subtotal	E-Payment	Unallocated		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Revenue from sales of footwear, fashion wears and accessories	182,972	646,486	11,200	840,658	—	—	840,658
Segment loss	(28,963)	(32,193)	(864)	(62,020)	—	(93,694)	(155,714)
Finance income							224
Finance costs							(748)
Income tax expense							(656)
Loss for the year							<u>(156,894)</u>
Other segment items are as follows:							
Capital expenditure	2,303	9,934	196	12,433	—	—	12,433
Depreciation of property, plant and equipment	5,208	10,002	183	15,393	—	—	15,393
Amortisation of intangible assets	229	944	—	1,173	—	—	1,173
Impairment of property, plant and equipment	1,586	—	—	1,586	—	—	1,586
(Write-back of)/provision for inventories, net	(5,519)	5,043	(323)	(799)	—	—	(799)

The segment assets and liabilities at 31 March 2017 are as follows:

	Retailing of footwear			E-Commerce and		Total
	Hong Kong	The PRC	Taiwan	Subtotal	E-Payment	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment assets	169,706	195,202	6,027	370,935	260,406	631,341
Total assets						<u>631,341</u>
Segment liabilities	126,854	90,207	7,091	224,152	1,072	225,224
Unallocated liabilities						<u>189,791</u>
Total liabilities						<u>415,015</u>

The segment assets and liabilities at 31 March 2016 are as follows:

	(Restated)					
	Retailing of footwear			E-Commerce and		
	Hong Kong	The PRC	Taiwan	Subtotal	E-Payment	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment assets	105,615	311,242	5,261	422,118	—	422,118
Total assets						<u>422,118</u>
Segment liabilities	73,869	109,479	6,727	190,075	—	190,075
Unallocated liabilities						<u>1,568</u>
Total liabilities						<u>191,643</u>

4. EXPENSES BY NATURE

	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
Purchase of and changes in inventories	279,665	358,141
Auditor's remuneration		
— Audit service	2,550	1,500
— Non-audit service	91	662
Depreciation of property, plant and equipment		
— owned assets	11,637	15,281
— leased assets	144	112
Impairment of property, plant and equipment	1,105	1,586
Provision for impairment of trade receivables	—	1,134
Amortisation of intangible assets	806	1,173
Written off of other receivables	—	769
Operating lease rental in respect of leasehold land and buildings		
— minimum lease payments	29,747	31,206
— turnover rental expenses	170,436	269,952
Advertising and promotion expenses	14,234	19,563
Write-back of inventories, net	(6,669)	(799)
Employee benefit expenses	206,551	217,391
Other expenses	76,740	82,584
Total cost of sales, selling and distribution costs and administrative expenses	<u>787,037</u>	<u>1,000,255</u>

Expenses by nature of the Group has been presented in the consolidated income statement as follows:

	2017 HK\$'000	2016 <i>HK\$'000</i>
Cost of sales	272,996	357,342
Selling and distribution costs	377,530	545,336
Administrative expenses	136,511	97,577

787,037	<u>1,000,255</u>
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5. OTHER LOSSES, NET

	2017 HK\$'000	(Restated) 2016 <i>HK\$'000</i>
Loss on disposal of available for sales financial assets	(2)	—
Fair value gain on revaluation of assets held for sale	830	—
Loss on disposal of property, plant and equipment	(1,051)	(194)
Net foreign exchange losses	(177)	(200)

(400)	<u>(394)</u>
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6. OTHER INCOME

	2017 HK\$'000	2016 <i>HK\$'000</i>
Licence fee and royalty income	426	811
Government subsidies	1,879	718
Others	2,442	2,748

4,747	<u>4,277</u>
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Government subsidies represent incentives received from the PRC tax authority for investment in Waigaoqiao Free Trade Zone in the PRC.

7. FINANCE INCOME/(COSTS), NET

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Finance income		
— Fair value gain on convertible bonds	22,911	—
— Interest income from bank deposits	63	224
— Interest income — others	2,239	—
	<u>25,213</u>	<u>224</u>
	-----	-----
	25,213	224
Finance costs		
— Amortisation of unrealised fair value of convertible bonds	(9,390)	—
— Interest on convertible bonds	(3,041)	—
— Interest on bank borrowings	(1,444)	(736)
— Interest expense — others	(216)	—
— Interest on obligation under finance lease	(15)	(12)
	<u>(14,106)</u>	<u>(748)</u>
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	(14,106)	(748)
Finance income/(costs), net	<u>11,107</u>	<u>(524)</u>
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8. INCOME TAX EXPENSE

The amount of income tax expense charged to the consolidated income statement represents:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current income tax		
— Hong Kong profits tax	—	—
— PRC corporate income tax	—	157
— (Over)/under-provision in respect of prior year	(119)	185
	<u>(119)</u>	<u>342</u>
Deferred income tax	<u>235</u>	<u>314</u>
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	235	314
	<u>116</u>	<u>656</u>
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Taxation has been provided at the appropriate rates prevailing in the countries in which the Group operates. Hong Kong profits tax has not been provided for as the Group has no assessable profit for the years ended 31 March 2017 and 2016.

9. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2017	(Restated) 2016
Loss attributable to equity holders of the Company (<i>HK\$ '000</i>)	<u><u>(209,501)</u></u>	<u><u>(155,892)</u></u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u><u>655,560</u></u>	<u><u>630,076</u></u>
Loss per share attributable to equity holders of the Company (<i>HK cents per share</i>)	<u><u>(31.96)</u></u>	<u><u>(24.74)</u></u>

(b) Diluted

Diluted loss per share is the same as basic loss per share for the year ended 31 March 2017 and 2016 as there were no dilutive potential ordinary share outstanding during the year.

10. DIVIDEND

The Board has recommended not to declare dividend for the year ended 31 March 2017 (2016: Nil).

11. TRADE RECEIVABLES

Retail sales are in cash, by credit cards or collected by department stores on behalf of the Group. The department stores normally settle the proceeds to the Group within 2 months from the date of sales.

Wholesales are generally on credit terms ranging from 0 to 30 days.

Ageing analysis of trade receivables by invoice date at the statement of financial position date is as follows:

	2017 <i>HK\$ '000</i>	2016 <i>HK\$ '000</i>
0 — 30 days	25,926	50,649
31 — 60 days	6,558	10,440
61 — 90 days	2,069	2,866
Over 90 days	<u>5,710</u>	<u>10,102</u>
	40,263	74,057
<i>Less:</i> Provision for impairment of trade receivables	<u>(512)</u>	<u>(1,118)</u>
	<u><u>39,751</u></u>	<u><u>72,939</u></u>

12. CASH AND CASH EQUIVALENTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Cash at banks and on hand	<u>32,839</u>	<u>41,039</u>
Cash and cash equivalents	<u><u>32,839</u></u>	<u><u>41,039</u></u>

13. TRADE PAYABLES

The ageing analysis of trade payables by invoice date is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
0 — 30 days	26,351	48,359
31 — 60 days	17,127	32,030
61 — 90 days	2,525	13,820
Over 90 days	<u>33,573</u>	<u>9,817</u>
	<u><u>79,576</u></u>	<u><u>104,026</u></u>

The amounts are repayable according to normal trade terms from 30 to 90 days.

14. BUSINESS COMBINATIONS

Acquisition of China Consume

In February 2017, the Group acquired 100% equity interest in China Consume through a 100% owned subsidiary for a total consideration of HK\$178,700,000, which consist of a cash consideration of HK\$83,500,000 and issue of share of the Company with fair value of HK\$95,200,000 as at 8 February 2017, and obtained control of China Consume which principally engages in E-Commerce and E-Payment business.

The following table summarises the consideration paid for acquisition of China Consume, the fair value of assets acquired and liabilities assumed on the acquisition date.

	<i>HK\$'000</i>
Consideration:	
— Cash consideration	83,500
— Issue of ordinary shares	<u>95,200</u>
Total consideration transferred	<u>178,700</u>
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	774
Intangible asset	193,629
Trade receivables, prepayment and other receivables	35,543
Investment in available-for-sales financial assets	1,793
Investment in an associate	1,192
Investment in assets held for sale	3,360
Cash and cash equivalents	141
Trade and other payables	(6,169)
Deferred tax liabilities	<u>(36,153)</u>
Total identifiable net assets	<u>194,110</u>
Amount due to the Group, net	(51,217)
Non-controlling interests	(346)
Goodwill	<u>36,153</u>

15. EVENTS AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

(a) Issuance of bonds

On 5 May 2017, the Group issued a two-year bond with principal amount of HK\$350,000,000 at interest rate of 12% per annum for the first year and 13% per annum for the second year. The bond is guaranteed by Mr. Zhu Xiaojun, Chairman of the Group and is pledged by 70% of the shares of the Milan Properties Vendor.

(b) Proposed acquisition of properties in Milan, Italy from a related party

On 17 June 2017, the Group entered into a sales and purchase agreement with China Investment S.p.A., a company with 70% interest owned by Ms. Cai Jiaying, an executive Directors of the Company, to acquire certain properties in Milan at a total cash consideration of Euro34,000,000 (equivalent to approximately HK\$297,160,000). The construction of the Milan Properties commenced in June 2017 and the construction is expected to be completed in June 2019.

Details of the acquisition are set out in the announcement of the Company dated 19 June 2017.

(c) Money lending business

The Group's money lending business commenced subsequent to 31 March 2017. The Group has granted 1-year unsecured term loans to several third parties totalling HK\$74,000,000 up to the date of approval of the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Group's Business Overview

The Group is principally engaged in the development and retailing of a diversified range of footwear products under its own brands, namely, ACUPUNCTURE, ARTEMIS, COUBER.G, FORLERIA, A+A2, TRU-NARI, and WALACI, through its self-managed retail shops (“**Self-managed Shops**”), concession points in department stores (“**Concession Points**”) and franchised stores (“**Franchised Stores**”). The Group is also engaged in the retailing of footwear products under its own brands, MORTTO and MY WALKER through its online stores operated under various major e-shopping channels, such as Tmall and VIP.com. The Group possesses an extensive sales network across the regions of the PRC, Hong Kong and Taiwan.

As at 31 March 2017, the Group operated a total of 38 Self-managed Shops (6 in the PRC and 32 in Hong Kong), 368 Concession Points (358 in the PRC, 1 in Hong Kong and 9 in Taiwan) and 60 Franchised Stores in the PRC. During the Year, the Group had a net decrease of 5 Self-managed Shops, 178 Concession Points and 51 Franchised Stores. The following table summarizes the number and distribution of Self-managed Shops, Concession Points and Franchised Stores (collectively, “**Retail Points**”) in terms of geographical regions as at 31 March 2017 as compared to last year.

As at 31 March

Region	2017				2016			
	Self-managed Shops	Concession Points	Franchised Stores	Total	Self-managed Shops	Concession Points	Franchised Stores	Total
The PRC								
Beijing	5	83	3	91	4	95	—	99
Eastern China	—	74	2	76	—	113	7	120
Southern China	1	44	—	45	1	67	—	68
Western China	—	51	6	57	—	81	11	92
Central China	—	59	25	84	—	85	50	135
Northern China	—	47	24	71	—	90	43	133
Sub-total	<u>6</u>	<u>358</u>	<u>60</u>	<u>424</u>	<u>5</u>	<u>531</u>	<u>111</u>	<u>647</u>
Hong Kong	32	1	—	33	38	3	—	41
Taiwan	—	9	—	9	—	12	—	12
Total	<u>38</u>	<u>368</u>	<u>60</u>	<u>466</u>	<u>43</u>	<u>546</u>	<u>111</u>	<u>700</u>

MARKET REVIEW

In 2016, the effect of the United Kingdom to leave the European Union is still in uncertainty and the decelerating China's economic growth continued to influence the global economy, causing prudent consumption. Japan and South Korea easing for the application of tourist visa to the PRC tourists in recent years coupled with the factors of low local exchange rate to attract the PRC residents to go shopping overseas hardest hit the retail market in China and Hong Kong. In addition, the inflationary operational costs continued to have a negative impact on the Group's performance.

BUSINESS REVIEW

For the Year, the Group recorded a decrease of 33.2% in its consolidated revenue to approximately HK\$562 million (2016: HK\$841 million). Revenue from the PRC, Hong Kong and Taiwan markets decreased by 32.8%, 34.8% and 30.3% respectively. The overall same store sales of the Group dropped by approximately 17.3% and the overall gross profit margin of the Group decreased by 6.1 percentage points to 51.4%. The Group's overall operating expenses as a percentage of turnover increased by 15 percentage points. Loss attributable to the equity holders was approximately HK\$210 million (2016: HK\$156 million). Loss per share amounted to approximately HK\$31.96 cents (2016: HK\$24.74 cents).

The three geographical market segments, namely the PRC, Hong Kong and Taiwan accounted for 78%, 21% and 1% of the Group's total revenue respectively (2016: 77%, 22% and 1%).

Various measures on inventory management were taken during the Year in order to clear excessive stocks and maintain a healthy inventory level. As at 31 March 2017, the Group's inventory balance (net) was HK\$133 million, down 40.7% from HK\$223 million as at 31 March 2016.

The PRC

During the Year, the revenue generated in the PRC was approximately HK\$434 million (2016: HK\$646 million), representing a decrease of 32.8% as compared to the previous year. The operation in the PRC incurred a loss of HK\$51 million for the Year (2016: HK\$32 million).

Same store sales dropped by approximately 17.9% and operating deficit to revenue ratio increased by 6.8 percentage points as compared to last year.

Hong Kong

During the Year, the revenue generated in Hong Kong was approximately HK\$119 million (2016: HK\$183 million), representing a decrease of 34.8% as compared to the previous year. The operating loss in Hong Kong enlarged by HK\$8 million, representing an increase of 28.5% as compared to last year. Same store sales dropped by approximately 15.3% while operating deficit to revenue ratio increased by 15.4 percentage points to 31.2% as compared to last year.

Taiwan

During the Year, the revenue generated in Taiwan was approximately HK\$8 million (2016: HK\$11 million), representing a decrease of 30.3% as compared to last year. The operating loss in Taiwan decreased by HK\$0.5 million, representing an decrease of 52.9% as compared to last year. Same store sales decreased by approximately 8.6% while operating deficit to revenue ratio decreased by 2.5 percentage points to 5.2% as compared to last year.

Acquisitions

During the Year, the Company acquired the entire issued share capital of the China Consume in a total consideration of HK\$178,700,000. China Consume is principally engaged in E-Commerce and E-Payment business, and the acquisition enables the Group to explore new business opportunity in the E-Commerce and E-Payment industries. The acquisition was completed on 8 February 2017.

Save as disclosed above, the Group had no significant investment or acquisition or disposal of subsidiaries or associated companies during the Year.

FINANCIAL REVIEW

Financial Position

The Group maintained a stable financial position throughout the Year. It financed its operations with internal funding, issuing the bonds and bank borrowings and adopted a prudent approach in managing its financial needs.

As at 31 March 2017, the Group had cash and cash equivalents amounting to HK\$33 million (2016: HK\$41 million) and outstanding bank borrowings bearing a fixed interest rate of HK\$5 million (2016: HK\$5 million) and a floating interest rate of HK\$67 million (2016: HK\$40 million) with a maturity of less than one year. The bank loans were denominated in Hong Kong dollars and New Taiwan dollars. Current and non-current convertible bonds were approximately HK\$18 million and HK\$134 million respectively. As at 31 March 2017, the current ratio stood at 1.0 times (2016: 2.0 times) and the gearing ratio stood at 35.5% (2016: 10.7%).

As at 31 March 2017, the Group had aggregate banking facilities of approximately HK\$112 million for overdrafts, bank loans for trade financing and bank guarantees for rental deposit (2016: HK\$113 million) of which HK\$79 million was used for trade financing and bank guarantees for rental deposit as at 31 March 2017 (2016: HK\$55 million). As at 31 March 2017, the Group had a charge on its assets to secure its banking facilities.

During the Year, inventory turnover days remains in approximately 238 days (2016: 238 days). As at 31 March 2017, inventory amounted to approximately HK\$133 million (2016: HK\$223 million).

Operation

During the Year, the Group recorded a decrease of 33.2% in its consolidated revenue to approximately HK\$562 million (2016: HK\$841 million). Loss before income tax for the year recorded an increase of 34.5% to approximately HK\$210 million (2016: HK\$156 million).

The Group's performance on sales on footwear, fashion wears and accessories was adversely affected by various macro-economic headwinds and market challenges in the Group's major operating areas principally in the PRC and Hong Kong. The Group, however, keeps taking initiative to undergo a series of business restructuring to enhance its performance and thus related operational expenses were increased during the Year.

During the Year, the Group recorded a one-off staff cost of approximately HK\$12 million for the marketing experts through acquisition of Design Management Hong Kong Limited and approximately HK\$5 million staff cost on its re-branding, design and development activities was recorded.

During the Year, the Company issued two convertible bonds in a principal amount of HK\$30 million ("**First Bonds**") and HK\$150 million ("**Second Bonds**") to enhance its working capital and strengthen its capital base and financial position for the possible future investments of the Group. In relation to the Second Bonds, the Group reported a fair value gain of approximately HK\$23 million. Finance costs of approximately HK\$3 million and HK\$9 million were recorded for the First Bonds and Second Bonds respectively.

During the Year, a total of 41 million share options were granted under the Share Option Scheme. The Group thus recorded a total of HK\$7 million employee share options expenses for the Year.

Capital Expenditure

During the Year, the Group's capital expenditure amounted to HK\$10 million (2016: HK\$12 million), comprising principally the purchase of leasehold improvements, computer equipment and computer software.

The Group believes that its current cash holding, cash flow from operations and available banking facilities will be sufficient to fulfil its working capital requirements and its financial position remains sound for continuous operation and expansion.

Foreign Exchange Management

The Group operates principally in the PRC and Hong Kong and its transactions are mainly denominated in Renminbi or Hong Kong dollars. The Group does not expect any significant foreign currency risk and did not enter into any forward contract to hedge its foreign exchange risk during the Year.

Convertible Bonds

During the Year, the Company issued two convertible bonds to two subscribers in principal amount of HK\$30,000,000 on 5 July 2016 (“**First Bonds**”) and HK\$150,000,000 on 24 August 2016 (“**Second Bonds**”) respectively. For the First Bonds, it may be converted into 16,574,585 Shares based on the initial conversion price of HK\$1.81 per Share and the bonds bear coupon interest at the rate of 6% per annum and due 2020. For the Second Bonds, it may be converted into 81,300,813 Shares based on the initial conversion price of HK\$1.845 per Share and the bonds bear coupon interest at the rate of 10.5% per annum and due 2019. The Board believes that raising funds by issuing the First Bonds and the Second Bonds is an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position for the possible future investments of the Group.

Loan Agreements

During the Year, the Company entered into three loan agreements with three independent third parties (“**Borrowers**”) on 7 September 2016, 21 September 2016 and 28 September 2016 respectively (collectively “**Loan Agreements**”), to advance an aggregate amount of up to RMB48,000,000 to the Borrowers. The Borrowers have repaid the loan including interest during the year to the Company. The Borrowers are principally engaged in E-Commerce and E-Payment business and the loan made to the Borrowers will help facilitate the development of their business.

Pledge of Assets

As at 31 March 2017, the Group pledged some of its land and building and assets held for sale to secure banking facilities granted to the Group with an aggregate carrying value of approximately HK\$119 million (2016: HK\$32 million).

Contingent Liabilities

As at 31 March 2017, the Group had no material contingent liabilities or off-balance sheet obligations (2016: Nil).

Group Structure

During the Year, the Group incorporated two companies, namely Carlyon Investment Holding Limited (“**Carlyon Investment**”) and Silver Summit Ventures Limited (“**Silver Summit**”), intend to commence the new business in finance, securities and assets management operated by Carlyon Investment and the E-Commerce and E-Payment business operated by Silver Summit through the acquisition of China Consume.

Human Resources

As at 31 March 2017, the Group had a total of 1,622 employees (2016: 2,463 employees) and the total staff cost for the Year was HK\$207 million (2016: HK\$217 million), representing 36.8% of the Group's total revenue. The Group offers competitive remuneration packages to its employees, including mandatory retirement funds, insurance, medical coverage and purchase discounts. In addition, incentive share options and performance-based discretionary bonus on an annual basis may be granted to employees subject to the Group's and individual performance. The Group also provides regular trainings and workshops to its frontline and back office staff on sales techniques, product knowledge and team building.

Principal risks and uncertainties

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

- (i) Increases in rental and concession fees or non-renewal of tenancy and concession agreements;
- (ii) Reliance on key management personnel;
- (iii) Reliance on major manufacturers and suppliers;
- (iv) Potential infringement of intellectual property rights;
- (v) Changing conditions in the PRC footwear retail industry;
- (vi) Competition in footwear market in Hong Kong and the PRC; and
- (vii) Economic downturn in the PRC and Hong Kong.

Outlook

Looking ahead, the Group will continue to strengthen its brand business and will continue to explore the new business opportunity to expand its diversified business. In response to the uncertain market situation in coming year, the Group actively pursues the following measures to face the challenges in 2017:

— *Product design and development*

The Group intends to continue investing more resources in product design and its development team aiming to offer customers with fashionable and comfortable premier footwear at an affordable price. The product design and development team of the Group will continue to attend major footwear trade fairs and exhibitions to keep closely of the latest footwear trends. The team will also continue to collaborate with the Group's supplying manufacturers on applying new materials and technologies to enhance the quality and functions of the Group's products.

— *E-commerce business*

Riding on the business potentials of the fast-growing e-commerce market in the PRC, this segment will remain our focus this year. In order to expand its e-commerce business, the Group continues to invest resources to its existing advanced logistics and warehousing infrastructure in Guangzhou to improve customer services and speed up of product flow. Meanwhile, through the e-commerce platform to clear up the Group's inventory. The Group expects that the revenue from e-commerce will see a satisfactory growth in the coming future.

— *Business diversification*

In order to open up new income source, the Group actively explored the new business opportunity and has preliminarily implemented the new business during this year. In February 2017, the Group acquired the China Consume which principally engaged in E-Commerce and E-Payment business, it enables the Group to develop the new business in E-Commerce and E-Payment business industry.

Last but not least, on behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our shareholders, customers and suppliers for their long-standing support and recognition. I would also like to express my appreciation to the management team and the staff for their dedicated contribution and unwavering commitment to delivering the best services during the Year. With all of us working together, we look forward to a better performance for the rest of the year and beyond.

FINAL DIVIDEND

The Board resolved not to declare a final dividend for the Year (2016: nil).

CORPORATE GOVERNANCE

The Board is committed to establishing and maintaining good corporate governance practices within the Group to have better transparency and protection of shareholders' interest in general. We believe that a well-balanced corporate governance structure will definitely enable better management of its business risks and thereby ensure the Group is operated in the best interests of its shareholders and other stakeholders.

The Board as a whole is responsible for performing the corporate governance functions set out in the code provision D.3.1 of the "Corporate Governance Code and Corporate Governance Report" ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities ("**Listing Rules**") on the Stock Exchange. These functions included:

- to develop and review the Company's policies and practices on corporate governance;

- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company’s compliance with the CG Code and disclosure in the Corporate Governance Report.

Currently, there are three board committees under the Board, namely Audit Committee, Nomination Committee and Remuneration Committee. All these committees perform their distinct roles in accordance with their respective terms of reference which have been posted on the websites of the Company and the Stock Exchange. These committees report directly to the Board on their works and make recommendations on matter where appropriate.

Under code provision A.6.7 of the CG Code, the independent non-executive Directors and the non-executive Directors should attend the general meeting of the Company. However, Mr. CHEN Mingzhong, a non-executive Director, Mr. CHEN Jianzhong, Dr. HE Chengying and Mr. HU Jinxing, the independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 12 August 2016 for conflicts of time with other important engagements. This was in deviation from code provision A.6.7 of the CG Code.

According to Rule 3.10(1) and 3.21 of the Listing Rules and code provision A.5.1 of CG Code, the Board is required at least three independent non-executive Directors and the audit committee of the Board (“**Audit Committee**”) must comprise a minimum of three members and the nomination committee of the Board (“**Nomination Committee**”) should comprises a majority of independent non-executive Directors. Following the resignation of Mr. HU Jinxing as the independent non-executive Director and ceased to be the member of both Audit Committee and Nomination Committee with effect from 15 November 2016, the Board has two independent non-executive Directors. The Audit Committee comprises only two members and the Nomination Committee comprises the chairman of the Board and one independent non-executive Director. This was in deviation from Rules 3.10(1) and 3.21 of the Listing Rules and code provision A.5.1 of CG Code.

However, following the appointment of Mr. CHAU Wai Hing as an independent non-executive Director with effect from 1 February 2017, the Company has three independent non-executive Directors, the Audit Committee comprises three members and the Nomination Committee comprises a majority of independent non-executive Directors in compliance with the requirements under Rules 3.10(1) and 3.21 of the Listing Rules and code provision A.5.1 of Corporate Governance Code contained in Appendix 14 of the Listing Rules.

Throughout the Year and saved as disclosed above, the Company had applied principles of and had complied with all the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules on the Stock Exchange.

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” contained in Appendix 10 to the Listing Rules (“**Model Code**”) as its code of conduct regarding Directors’ securities transactions. Having made specific enquiries with all Directors, they have confirmed their compliance with the Model Code throughout the Year. On June 2013, the Company adopted written guidelines on terms no less exacting than the Model Code for relevant employees in respect of the dealings in the Company’s securities.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed with the management the Group’s consolidated financial statements for the Year and the accounting principles and practices adopted by the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities during the Year.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The below sections set out an extract of the report by PricewaterhouseCoopers, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended 31 March 2017.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw your attention to Note 2.1.1 to the consolidated financial statements which indicates that the Group reported a net loss of HK\$210,196,000 during the year ended 31 March 2017 and had net cash outflow from operating activities of HK\$129,865,000. As at 31 March 2017, the Group's cash and cash equivalents amounted to HK\$32,839,000. These conditions, along with other matters as set forth in Note 2.1.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PUBLICATION OF THE ANNUAL REPORT

The annual report for the Year will be despatched to shareholders of the Company and published on the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.vestategroup.com in due course.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 July 2017 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 14 July 2017.

By Order of the Board
Vestate Group Holdings Limited
ZHU Xiaojun
Chairman

Hong Kong, 13 July 2017

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. ZHU Xiaojun
Mr. KANG Jianming
Ms. CAI Jiaying
Mr. YIN Wansun

Independent Non-executive Directors:

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho