WLS Holdings Limited
滙隆控股有限公司*

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8021)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED ("STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors ("Directors") of WLS Holdings Limited ("Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules ("GEM Listing Rules") Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purpose only*

ANNUAL RESULTS

The board of Directors ("Board") of the Company announces the consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 30 April 2016, together with comparative audited figures for the preceding financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2016

		2016	2015
	NOTES	***HK$'000***	*HK$'000*
Turnover	*3*	**155,451**	136,641
Cost of sales		**(131,633)**	(118,885)
Gross profit		**23,818**	17,756
Other income	*5*	**4,203**	1,956
Other gain and (loss), net	*6*	**3,412**	–
Operating and administrative expenses		**(34,975)**	(28,099)
(Decrease)/increase in fair value of investment properties		**(9,880)**	5,071
Change in fair value of call option		**(1,641)**	1,610
Gain on disposal of property, plant and equipment		**81**	418
Gain on disposal of a subsidiary		**202**	–
Loss on early redemption of convertible bonds		**–**	(743)
Loss on write-off of property, plant and equipment		**(8)**	(1,237)
Finance costs	*7*	**(2,230)**	(5,575)
Share of results of associates		**206**	1,315
Loss before taxation		**(16,812)**	(7,528)
Taxation	*8*	**(5,689)**	(206)
Loss for the year	*9*	**(22,501)**	(7,734)
(Loss)/income for the year attributable to:			
Equity holders of the Company		**(18,197)**	(9,655)
Non-controlling interests		**(4,304)**	1,921
		(22,501)	(7,734)
Loss per share – basic and diluted	*11*	**(HK0.225 cent)**	(HK0.9 cent)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the year ended 30 April 2016

	2016	2015
	HK$'000	*HK$'000*
Loss for the year	**(22,501)**	(7,734)
Other comprehensive (loss)/income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of financial statement of overseas associate	**(13)**	–
Fair value gain on available-for-sale investment	**16,352**	–
Other comprehensive income for the year, net of tax	**16,339**	–
Total comprehensive (loss)/income for the year	**(6,162)**	(7,734)
Total comprehensive (loss)/income for the year attributable to:		
Equity holders of the Company	**(1,858)**	(9,655)
Non-controlling interests	**(4,304)**	1,921
	(6,162)	(7,734)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 April 2016

	NOTES	**2016**	2015
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**40,220**	84,100
Property, plant and equipment		**36,019**	42,566
Deferred tax assets		**4,335**	7,335
Interests in associates		**17,502**	17,309
Available-for-sale investments		**45,361**	–
		143,437	151,310
Current assets			
Other financial assets		**–**	1,641
Financial assets at fair value through profit or loss		**59,902**	–
Trade receivables	*12*	**50,232**	49,099
Retention monies receivables		**2,396**	5,276
Loan and interest receivables	*13*	**374,081**	–
Amounts due from customers for contract work		**18,998**	34,115
Inventories		**355**	313
Prepayments, deposits and other current assets		**2,853**	3,072
Current tax recoverable		**29**	29
Bank balances and cash		**230,005**	129,009
		738,851	222,554
Current liabilities			
Amounts due to customers for contract work		**2,546**	772
Trade and other payables	*14*	**16,148**	23,617
Retention monies payables		**1,186**	2,361
Obligations under finance leases – current portion		**180**	519
Current tax payable		**–**	582
Bank loans		**34,424**	35,603
Other loan – secured		**20,000**	–
Bank overdrafts		**8,361**	12,062
		82,845	75,516
Net current assets		**656,006**	147,038
Total assets less current liabilities		**799,443**	298,348

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 30 April 2016

	2016	2015
	HK$'000	*HK$'000*
Non-current liabilities		
Obligations under finance leases		
– non-current portion	**653**	8
Deferred tax liabilities	**2,603**	114
	3,256	122
Net assets	**796,187**	298,226
Capital and reserves		
Share capital	**127,670**	127,177
Reserves	**673,695**	154,733
Equity attributable to equity holders of the Company	**801,365**	281,910
Non-controlling interests	**(5,178)**	16,316
Total equity	**796,187**	298,226

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2016

	Attributable to equity holders of the Company												
	Share capital	Share premium	Contributed surplus	Merger reserve	Share option reserve	Warrant reserve	Equity component of convertible bonds	Exchange reserve	Investment revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(Note 1)	*(Note 2)*	*(Note 3)*								
At 1 May 2014	13,843	143,393	–	2,222	1,644	200	–	–	–	(61,679)	99,623	(6,454)	93,169
(Loss)/income and total comprehensive (loss)/ income for the year	–	–	–	–	–	–	–	–	–	(9,655)	(9,655)	1,921	(7,734)
Grant of share options	–	–	–	–	1,723	–	–	–	–	–	1,723	–	1,723
Exercise of warrants	2,000	13,000	–	–	–	–	–	–	–	–	15,000	–	15,000
Exercise of share options	138	941	–	–	–	–	–	–	–	–	1,079	–	1,079
Subscription of shares	3,196	10,946	–	–	–	–	–	–	–	–	14,142	–	14,142
Expenses on subscription of shares	–	(125)	–	–	–	–	–	–	–	–	(125)	–	(125)
Issue of convertible bonds	–	–	–	–	–	–	1,615	–	–	–	1,615	–	1,615
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	20,849	20,849
Transfer to contributed surplus	–	(157,334)	157,334	–	–	–	–	–	–	–	–	–	–
Placing of shares	108,000	54,000	–	–	–	–	–	–	–	–	162,000	–	162,000
Expenses on placing of shares	–	(2,140)	–	–	–	–	–	–	–	–	(2,140)	–	(2,140)
Share options lapsed during the year	–	–	–	–	(1,003)	–	–	–	–	1,003	–	–	–
Expenses on redemption of convertible bonds	–	–	–	–	–	–	(1)	–	–	–	(1)	–	(1)
Equity component of convertible bonds written back on redemption	–	–	–	–	–	–	(1,351)	–	–	–	(1,351)	–	(1,351)
Transfer to accumulated losses upon:													
– Exercise of warrants	–	–	–	–	–	(200)	–	–	–	200	–	–	–
– Redemption of convertible bonds	–	–	–	–	–	–	(263)	–	–	263	–	–	–
At 30 April 2015	127,177	62,681	157,334	2,222	2,364	–	–	–	–	(69,868)	281,910	16,316	298,226

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the year ended 30 April 2016

	Attributable to equity holders of the Company												
	Share capital	Share premium	Contributed surplus	Merger reserve	Share option reserve	Warrant reserve	Equity component of convertible bonds	Exchange reserve	Investment revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(Note 1)	*(Note 2)*	*(Note 3)*								
At 1 May 2015	127,177	62,681	157,334	2,222	2,364	–	–	–	–	(69,868)	281,910	16,316	298,226
Loss for the year	-	-	-	-	-	-	-	-	-	(18,197)	(18,197)	(4,304)	(22,501)
Other comprehensive (loss)/income	-	-	-	-	-	-	-	(13)	16,352	-	16,339	-	16,339
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	-	(13)	16,352	(18,197)	(1,858)	(4,304)	(6,162)
Capital reduction *(Note 4)*	(120,819)	-	120,819	-	-	-	-	-	-	-	-	-	-
Expenses on capital reorganisation	-	-	(210)	-	-	-	-	-	-	-	(210)	-	(210)
Amounts transferred to set off against accumulated losses *(Note 5)*	-	-	(42,318)	-	-	-	-	-	-	42,318	-	-	-
Issue of bonus shares *(Note 6)*	44,512	-	(44,512)	-	-	-	-	-	-	-	-	-	-
Expenses on issue of bonus shares	-	-	(26)	-	-	-	-	-	-	-	(26)	-	(26)
Placing of shares	76,800	451,200	-	-	-	-	-	-	-	-	528,000	-	528,000
Expenses on placing shares	-	(6,451)	-	-	-	-	-	-	-	-	(6,451)	-	(6,451)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(16,945)	(16,945)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(245)	(245)
At 30 April 2016	127,670	507,430	191,087	2,222	2,364	-	-	(13)	16,352	(45,747)	801,365	(5,178)	796,187

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the year ended 30 April 2016

Notes:

1. The contributed surplus of the Group represents the amount transferred from share premium amount upon the cancellation of the entire amount standing to the credit of the share premium account as at 28 August 2014 pursuant to a special resolution passed by the shareholders at an extraordinary general meeting held on that date.

2. The merger reserve of the Group represents the difference between the nominal amount of the share capital issued by the Company in exchange for the nominal value for the issued share capital of the subsidiaries acquired pursuant to the Group's reorganisation on 23 November 2001.

3. The share option reserve of the Group represents the fair value of share options granted to the directors and employees of the Company at the relevant grant dates.

4. On 15 May 2015, the Board proposed to implement the capital reorganisation ("Capital Reorganisation") which involved the following:

    (a) the issued share capital of the Company would be reduced through a cancellation of the paid up capital to the extent of HK$0.19 on each of the then issued shares of HK$0.20 each ("Old Shares") such that the nominal value of each Old Share would be reduced from HK$0.20 to HK$0.01 ("Capital Reduction");

    (b) immediately following the Capital Reduction, each of the authorised but unissued Old Shares of HK$0.20 each be subdivided into twenty (20) new shares of HK$0.01 each ("Shares"); and

    (c) the credits arising in the books of the Company from the Capital Reduction of approximately HK$120,819,000 would be credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (as amended).

    The shareholders of the Company approved the Capital Reorganisation at the special general meeting of the Company held on 18 June 2015. Immediately following the Capital Reorganisation which become effective on 19 June 2015, the authorised share capital of the Company was HK$400,000,000 divided into 40,000,000,000 Shares of HK$0.01 each, of which 635,887,634 Shares were in issue.

5. Immediately following the Capital Reorganisation becoming effective on 19 June 2015, the credit balance in the contributed surplus account of the Company had been transferred to set off against the accumulated loss of approximately HK$42,318,000 of the Company as at that date.

6. On 15 May 2015, the Board proposed, subject to the Capital Reorganisation becoming effective, a bonus issue ("Bonus Issue") of Shares on the basis of seven (7) bonus shares for every one (1) Share held by the shareholders of the Company whose names appear on the register of members of the Company on 26 June 2015, being the record date for the purpose of determination of entitlement to the Bonus Issue. The shareholders of the Company approved the Bonus Issue at the special general meeting of the Company held on 18 June 2015. The Bonus Issue was completed on 3 July 2015, immediately after which the number of Shares in issue increased to 5,087,101,072.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company and continued in Bermuda with limited liability and its shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and the principal place of business of the Company in Hong Kong is located at Rooms 1001 – 1006, 10th Floor, Tower A, Southmark, No.11 Yip Hing Street, Wong Chuk Hang Aberdeen, Hong Kong.

The principal activities of the Group are the provision of scaffolding and fitting out services, management contracting services, and other services for construction and buildings work, money lending business and securities investment business.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The final results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 30 April 2016 but are extracted therefrom.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance which for this financial year and the comparative period, as permitted by the GEM of the Stock Exchange ("GEM Listing Rules"), continue to be those of the predecessor Companies Ordinance (Cap. 32). The consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

(b) Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The significant accounting policies and methods of computation used in the preparation of the consolidated financial statements for the year ended 30 April 2016 are consistent with those adopted in the preparation of the consolidated financial statements for the year ended 30 April 2015, except for the adoption of the new and revised HKFRSs as explained below.

(c) Application of amendment of HKFRSs

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle

The application of the amendment to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

(d) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[1]
HKFRS 15	Revenue from Contracts with Customers[3]
HKFRS 16	Leases[5]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 7	Disclosure Initiative[2]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealized Losses[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle[1]

1 Effective for annual periods beginning on or after 1st January 2016, with earlier application permitted.

2 Effective for annual period beginning on or after 1st January 2017, with earlier application permitted.

3 Effective for annual periods beginning on or after 1st January 2018, with earlier application permitted.

4 Effective for annual periods beginning on or after a date to be determined.

5 Effective for annual periods beginning on or after 1st January 2019, with earlier application permitted.

HKFRS 9 — Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification, measurement and derecognition of financial liabilities, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9:

- all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have an impact on amounts reported in respect of the Group's available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 — Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company do not anticipate that the application of other new and revised HKFRSs will have a material effect on the amounts recognised in the Group's consolidated financial statements.

3. TURNOVER

	2016	2015
	HK$'000	*HK$'000*
Contract revenue in respect of construction and buildings work for the provision of		
– scaffolding services	**84,782**	105,671
– fitting out services	**55,235**	18,733
Management contracting services	**–**	2,753
Gondolas, parapet railings and access equipment installation and maintenance services	**3,730**	9,484
Loan interest income	**11,704**	–
	155,451	136,641

4. OPERATING SEGMENTS

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used for resources allocation and assessment of performance focuses specifically on the revenue analysis by principal categories of the Group's business and the profit of the Group as a whole. For the year ended 30 April 2016, the Group has six reportable segments – (i) scaffolding services for construction and buildings work, (ii) fitting out services for construction and buildings work, (iii) management contracting services for construction and buildings work, (iv) gondolas, parapet railings and access equipment installation and maintenance services, (v) money lending business, and (vi) securities investment business. These segments are managed separately as they belong to different industries and require different operating systems and strategies. There are no sales or other transactions between these reportable segments. An analysis of the Group's segment information for the years ended 30 April 2016 and 2015 is presented below:

	Scaffolding services for construction and buildings work	Fitting out services for construction and buildings work	Management contracting services for construction and buildings work	Gondolas, parapet railings and access equipment installation and maintenance services	Money lending business	Securities investment business	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 30 April 2016								
REVENUE								
External sales	**84,782**	**55,235**	**–**	**3,730**	**11,704**	**–**	**–**	**155,451**
Other gain and (loss), net	–	–	–	–	–	3,412	–	3,412
Other income	1,797	–	–	–	–	–	1,938	3,735
Total	**86,579**	**55,235**	**–**	**3,730**	**11,704**	**3,412**	**1,938**	**162,598**
Segment result	**(3,085)**	**1,075**	**(241)**	**(3,110)**	**7,241**	**3,124**	**(9,014)**	**(4,010)**
Other income								468
Decrease in fair value of investment properties								(9,880)
Change in fair value of call option								(1,641)
Gain on disposal of property, plant and equipment								81
Gain on disposal of a subsidiary								202
Loss on write-off of property, plant and equipment								(8)
Finance costs								(2,230)
Share of results of associates								206
Loss before taxation								(16,812)
Taxation								(5,689)
Loss for the year								**(22,501)**

	Scaffolding services for construction and buildings work *HK$'000*	Fitting out services for construction and buildings work *HK$'000*	Management contracting services for construction and buildings work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Money lending business *HK$'000*	Securities investment business *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
At 30 April 2016								
ASSETS								
Segment assets	**73,401**	**13,057**	**15,675**	**3,408**	**409,260**	**105,263**	**262,224**	**882,288**
LIABILITIES								
Segment liabilities	**55,641**	**4,646**	**–**	**1,300**	**30**	**–**	**24,484**	**86,101**

OTHER SEGMENT INFORMATION

	Scaffolding services for construction and buildings work *HK$'000*	Fitting out services for construction and buildings work *HK$'000*	Management contracting services for construction and buildings work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Money lending business *HK$'000*	Securities investment business *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
For the year ended 30 April 2016								
Capital expenditure	**(1,862)**	**(329)**	**–**	**(130)**	**–**	**–**	**–**	**(2,321)**
Depreciation	**(8,643)**	**(106)**	**–**	**(443)**	**–**	**–**	**(400)**	**(9,592)**
Allowance for bad and doubtful debts on trade receivables and retention monies receivables	**(586)**	**–**	**–**	**(335)**	**–**	**–**	**–**	**(921)**
Decrease in fair value of investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**(9,880)**	**(9,880)**
Change in fair value of call option	**–**	**–**	**–**	**–**	**–**	**–**	**(1,641)**	**(1,641)**
Fair value gain in financial assets at fair value through profit or loss	**–**	**–**	**–**	**–**	**–**	**15,091**	**–**	**15,091**
Impairment of available-for-sale investment	**–**	**–**	**–**	**–**	**–**	**(11,679)**	**–**	**(11,679)**
Gain on disposal of property, plant and equipment	**81**	**–**	**–**	**–**	**–**	**–**	**–**	**81**
Loss on write-off of property, plant and equipment	**(8)**	**–**	**–**	**–**	**–**	**–**	**–**	**(8)**

	Scaffolding services for construction and buildings work	Fitting out services for construction and buildings work	Management contracting services for construction and buildings work	Gondolas, parapet railings and access equipment installation and maintenance services	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 30 April 2015						
REVENUE						
External sales	105,671	18,733	2,753	9,484	–	136,641
Other income	–	–	–	–	1,617	1,617
Total	105,671	18,733	2,753	9,484	1,617	138,258
Segment result	(489)	602	(280)	(1,179)	(7,380)	(8,726)
Other income						339
Increase in fair value of investment properties						5,071
Change in fair value of call option						1,610
Gain on disposal of property, plant and equipment						418
Loss on early redemption of convertible bonds						(743)
Loss on write-off of property, plant and equipment						(1,237)
Finance costs						(5,575)
Share of results of associates						1,315
Loss before taxation						(7,528)
Taxation						(206)
Loss for the year						(7,734)
At 30 April 2015						
ASSETS						
Segment assets	103,913	11,021	14,855	4,654	239,421	373,864
LIABILITIES						
Segment liabilities	69,514	4,097	54	561	1,412	75,638

OTHER SEGMENT INFORMATION

	Scaffolding services for construction and buildings work *HK$'000*	Fitting out services for construction and buildings work *HK$'000*	Management contracting services for construction and buildings work *HK$'000*	Gondolas, parapet railings and access equipment installation and maintenance services *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
For the year ended 30 April 2015						
Capital expenditure	(14,603)	(495)	–	(372)	(444)	(15,914)
Depreciation	(5,042)	(14)	–	(431)	(400)	(5,887)
Allowance for bad and doubtful debts on trade receivables and retention monies receivables	(1,780)	(497)	–	(232)	–	(2,509)
Increase in fair value of investment properties	–	–	–	–	5,071	5,071
Change in fair value of call option	–	–	–	–	1,610	1,610
Gain/(loss) on disposal of property, plant and equipment	430	–	–	–	(12)	418
Loss on early redemption of convertible bonds	–	–	–	–	(743)	(743)
Loss on write-off of property, plant and equipment	(1,237)	–	–	–	–	(1,237)

Geographical segments

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specific non-current assets is based on the physical location of the asset.

	Revenue		**Non-current assets**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**155,451**	136,619	**93,741**	151,310
Macau	**–**	22	**–**	–
	155,451	136,641	**93,741**	151,310

Information on major customers

During the year, the Group had transactions with one (2015: one) customer who contributed to over 10% of the Group's total revenue for the year. A summary of revenue earned from this major customer is set out below:

	2016	2015
	HK$'000	HK$'000
Revenue earned from scaffolding services for construction and buildings work:		
Customer 1	**68,554**	100,449

5. OTHER INCOME

	Group	
	2016	2015
	HK$'000	*HK$'000*
Foreign exchange gains, net	**2**	–
Interest income	**21**	1
Rental income	**1,938**	1,617
Sundry income	**445**	338
Reversal of allowance for bad and doubtful debts	**1,797**	–
	4,203	1,956

6. OTHER GAIN AND (LOSS), NET

	2016	2015
	HK$'000	*HK$'000*
Fair value gain on financial assets at fair value through profit or loss	**15,091**	–
Impairment of available-for-sale investment	**(11,679)**	–
	3,412	–

7. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on bank loans	**2,040**	2,213
Interest on other loans	**169**	507
Interest on obligations under finance leases	**21**	63
Interest on convertible bonds	**–**	2,792
	2,230	5,575

8. TAXATION

	2016	2015
	HK$'000	*HK$'000*
Taxation comprises:		
Hong Kong Profits Tax		
Current year	**200**	711
Over-provision in prior years	**–**	(1,029)
	200	(318)
Deferred tax		
Current year	**5,489**	524
	5,689	206

Provision for Hong Kong Profits Tax has been made at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year (2015: 16.5%).

No Macau Complementary Tax has been provided as the Group had no assessable profits subject to such tax during the year (2015: Nil).

9. LOSS FOR THE YEAR

	2016	2015
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging/(crediting):		
Allowance for bad and doubtful debts		
on trade receivables and retention monies receivables	**921**	2,509
Loss on early redemption of convertible bonds	**–**	743
Write-off of prepayments, deposits and other current assets	**–**	2,874
Auditor's remuneration	**680**	583
Cost of inventories recognised as an expense	**5,914**	13,558
Depreciation	**9,592**	5,887
Less: Amount capitalised in construction contracts	**(8,467)**	(4,484)
	1,125	1,403
Gain on disposal of property, plant and equipment	**(81)**	(418)
Loss on write-off of property, plant and equipment	**8**	1,237
Minimum lease payments for operating leases in respect of land and buildings	**2,547**	2,668
Less: Amount capitalised in construction contracts	**(1,752)**	(1,728)
	795	940
Staff costs including directors' emoluments		
– Equity-settled share option expenses	**–**	1,723
– Settled by other means	**38,723**	31,485
	38,723	33,208
Less: Amount capitalised in construction contracts	**(15,247)**	(15,089)
	23,476	18,119

10. DIVIDEND

No dividend has been proposed by the Directors for the year ended 30 April 2016 (2015: Nil).

11. LOSS PER SHARE

Basic loss per share

The calculation of the basic loss per share is based on the loss attributable to the equity holders of the Company totaling approximately HK$18,197,000 (2015: HK$9,655,000) for the year ended 30 April 2016 and on the weighted average number of 8,074,937,000 (2015: 1,105,318,000) ordinary shares outstanding during the year ended 30 April 2016.

The weighted average numbers of ordinary shares for the purpose of calculating basic earnings per share have been retrospectively adjusted to reflect the share consolidation with effect from 21 August 2014, the share consolidation with effect from 6 March 2015 and the bonus issue completed on 3 July 2015.

During the year ended 30 April 2016, the computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options because the exercise price of those share options was higher than the average market price for shares for the year.

Diluted loss per share

No adjustment has been made to the loss per share amount presented for the year as the impact on the share options has an anti-dilutive effect on the loss per share amount presented.

12. TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**50,584**	51,128
Less: Allowance for bad and doubtful debts	**(352)**	(2,029)
	50,232	49,099

Movements in allowance for bad and doubtful debts during the year were as follows:

	2016	2015
	HK$'000	*HK$'000*
At beginning of the year	**2,029**	248
Allowance for bad and doubtful debts	**352**	2,029
Amounts written off as uncollectible	**(232)**	(248)
Reversal of allowance for bad and doubtful debts	**(1,797)**	–
At end of the year end	**352**	2,029

Included in the above allowances for impairment of trade receivables of the Group are allowances for individually impaired trade receivables of approximately HK$352,000 (2015: approximately HK$2,029,000). The individually impaired receivables relate to customers that were in default and only a portion of the receivables is expected to be recovered.

The credit terms given to each individual customer were in accordance with the payment terms stipulated in the relevant tenders or contracts. The aged analysis of trade receivables as at the end of the reporting period, based on the invoice date and net of impairment is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 90 days	**25,822**	25,121
91 to 180 days	**1,075**	2,148
181 to 365 days	**2,128**	709
Above 1 year	**21,207**	21,121
	50,232	49,099

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

13. LOAN AND INTEREST RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Amount due within one year	**374,081**	–

The following is an aged analysis for the loans and receivables to finance customers at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
Current	**374,081**	–

At the reporting date, loan and interest receivables consisted of:

	2016	2015
	HK$'000	*HK$'000*
Amounts secured with guarantor	**31,216**	–
Amounts secured with securities	**227,879**	–
Amounts secured with guarantor and securities	**15,217**	–
Amounts secured without guarantor or securities	**99,769**	–
	374,081	–

The table below summarises its credit quality (gross balances net of impairment allowances):

	2016	2015
	HK$'000	*HK$'000*
Credit quality		
Neither past due nor individually impaired	**374,081**	–

The Group seeks to maintain strict control over its outstanding loan and interest receivables so as to minimise credit risk. The granting of loans is subject to approval by the management, whilst overdue balances are reviewed regularly for recoverability. Loan and interest receivables are charging on effective interest rate mutually agreed with the contracting parties, ranging from 8% to 12% (2015: Nil) per annum.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. All loan and interest receivables that are neither past due nor impaired have no default payment history.

14. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK$11,664,000 (2015: HK$18,991,000) with an aged analysis as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 90 days	**9,199**	15,058
91 to 180 days	**952**	3,326
181 to 365 days	**1,513**	243
Above 1 year	**–**	364
Total trade payables	**11,664**	18,991
Other payables	**309**	477
Accruals	**4,175**	4,149
Total trade and other payables	**16,148**	23,617

The credit period on sub-contracting services ranged from 30 days to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

15. CAPITAL COMMITMENT

The Group did not have any capital commitment at the end of the reporting period (2015: Nil).

16. COMMITMENTS

Operating lease commitments and arrangements

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2016	2015
	HK$'000	*HK$'000*
Within one year	**702**	1,934

Operating lease payments represent rentals payable for certain of its warehouse quarters. Leases are negotiated for terms of one year to two years and rentals are fixed during the lease terms.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2016	2015
	HK$'000	*HK$'000*
Within one year	**441**	1,204
In the second and fifth years inclusive	**–**	624
	441	1,828

17. EVENTS AFTER THE REPORTING PERIOD

On 26 May 2016, the Company entered into a sale and purchase agreement ("SP Agreement") with Red Metro Limited ("Red Metro"), pursuant to which Red Metro conditionally agreed to purchase, and the Company conditionally agree to sell, 2,000 shares of Estate Sun Global Limited ("Estate Sun") ("Sale Shares"), a wholly-owned subsidiary of the Company, at a consideration of HK$20,000,000. The Sale Shares represented 100% of issued share capital of Estate Sun. Estate Sun held 20% of issued share capital of AP Assets, which together with its subsidiaries, is engaged in real estate agency business especially the sale of properties in Australia, Malaysia and the United Kingdom. Such SP Agreement was completed on 1 June 2016.

Details refer to the announcement published by the Company on 26 May 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 30 April 2016 ("Year"), the Group recorded revenue of approximately HK$155,451,000 (2015: HK$136,641,000), representing an increase of approximately 13.8% compared to the year ended 30 April 2015 ("Last Year"). Net loss attributable to equity holders of the Company for the reporting period was approximately HK$18,197,000, which increased approximately 88.5% against the same period in 2015. The increase of the turnover was mainly contributed by the revenue from fitting out services and money lending operations. Given the beneficial financial environment in Hong Kong, the Group sees great potential in the money lending sector and will put more effort and resources for its development. The Group completed the issue of new shares and raised approximately HK$520.38 million in December 2015, which enhanced its cash position for the development and facilitated expansion of the Group's money lending business operations.

Scaffolding services

During the Year, the Hong Kong government was called on to increase residential use land supply, which resulted in continuous demand in the construction industry. According to research from the Hong Kong Trade Development Council, in the second quarter of 2015, Hong Kong's gross value of construction work performed by main contractors went up by 15% to HK$55.2 billion. In addition, ten mega infrastructure projects first announced in 2007, were being rolled out in phases as scheduled, boosting Hong Kong's construction market. The Group has benefited from the related policies of the obviously growing real estate supply and encouraging greater infrastructure construction. During the Year, the Group had successfully secured 10 new contracts.

However, labour shortages still remain a key factor leading to low profit margins in spite of the moderately growing construction environment. Leveraging the strong relationships we have nurtured with clients and the widespread recognition of our quality of services, we were able to maintain relatively sound performance amidst competitive environments. During the period under review, we provided scaffolding services for 26 ongoing projects, 12 of which were completed on schedule.

The Group's patented scaffolding system, known as "Pik-Lik", played a remarkable role in saving manpower hours and achieving higher efficiency. We have been actively looking for opportunities to expand our scaffolding services business throughout the Asia Pacific market and participated in an industry conference in Japan to promote the use of "Pik Lik" brand scaffolding systems, during the Year under review.

Project Portfolio of Scaffolding Division (As of 30 April 2016)

- Park Yoho
- Residential Development at Sha Po North (Phase 1B-1)
- Residential Development Sha Po North (Phase 1B-2), Kam Tin
- Victoria Harbour
- Residential Development at 97 Belcher's Street, Hong Kong
- Residential Development at S.T.L 566, area 56A, Kau To Shan, Shatin
- Residential Development at Area 36, Tung Chung
- Residential Development at 1 Serenity Path, Silverstand, Sai Kung
- Public Housing Development at Anderson Road, Site D
- Public Housing Development at Lai Yue Mun, Phase 3
- Proposed Hotel Development at I.L.9020, North Point
- Proposed New Data Centre at TKO TKOTL122
- Contract 904, Lei Tung Station and South Horizons Station of MTRC
- Detached house in Ma Wan Park-Hostels Area
- Proposed Commercial Development at 33 Tseuk Luk Street
- Commercial Industrial Building Development 680 Castle Peak Road, Cheung Sha Wan, Kowloon
- Podium of residential development at Area 66D2, T.K.O.T.L. 118, Tseung Kwan O
- Refurbishment of Valid Industrial Centre, 13-15 Wing Kei Road, Kwai Chung
- Refurbishment of Metroplaza, Kwai Fong
- Refurbishment of Luen Tai Industrial Building at KCTL 131
- Refurbishment of 26 Nathan Road, Tsim Sha Tsui
- Refurbishment at Level 1-3, Tai Po Mega Mall, Tai Po, N.T.
- Refurbishment at Apec Plaza, No. 8 Hoi Yuen Road, Kwun Tong

Fitting out services

The fitting out services division's operating results remained stable and satisfactory with revenue amounting to approximately HK$55,235,000 along with 25 new contracts secured during the Year, representing a substantial growth of approximately 194.9%.

Sense Key Design Holdings Limited ("Sense Key"), the Group's 51% owned subsidiary, which provides fitting out services targeted at commercial institutions and luxury residence end-users, continued to see substantial revenue growth for the Group with high profit margins. During the Year, the Group also extended its scope of services to ceiling works and had received encouraging feedback from clients.

Gondolas, parapet railings, access equipment installation and maintenance services

During the Year under review, turnover from the Group's temporary gondola fleet business was mainly generated by rental income. The Group recorded decreasing results in its access equipment division with revenue of approximately HK$3,730,000, a significant year-on-year decrease of approximately 60.7%. 10 new projects were secured during the Year.

Management contracting services

Since the completion of the contract for the supply of glass reinforced concrete panels and barriers along the MTR Corporation Express Link in Shek Kong, the Group had been prudently seeking business opportunities in the management contracting field, thus explaining the reason for no revenue recorded during the Year (Last Year: HK$2,753,000). The management of the Group would continue to actively approach prospective clients in this field with prudent optimism.

Real estate agency business

In May 2016, the Group entered into a sale and purchase agreement for the disposal of the entire equity interest of Estate Sun Global Limited, a wholly-owned subsidiary of the Company, which held 20% of the shares of AP Assets Limited, specialising in overseas real estate agency business operations, at a total consideration of HK$20,000,000. The Group considers the disposal is a timely and appropriate decision to realise returns on the investment and an opportunity to redeploy resources and working capital into other business areas with more growth potential.

Money lending business

Thanks to the management's extensive network, the Group secured several short-term loan agreements during the reporting year and recorded turnover of approximately HK$11,704,000, which contributed approximately 7.5% of the Group's turnover. The principal amount of the loan ranged from HK$2 million to HK$94 million with interest rates ranging from 8% to 12% per annum during the Year.

The Group considers money lending business a profit catalyst and intends to further develop into other related fields.

Securities investment business

In order to capture possible returns from the financial market, the Group had formed an investment committee and began investing in Hong Kong-listed securities during the Year. Due diligence was conducted on every possible investment and each was taken into serious consideration to ensure quality risk control and to maximise shareholders' benefits.

Business outlook

Looking ahead, the Group has a cautiously optimistic view on the local construction market given that considerable demand from infrastructure projects is expected. Nevertheless, the Group will inevitably be affected by severe competition in the construction market and the ongoing problem of inadequate labour supply, which drags down profit margin. To mitigate the adverse impact from traditional scaffolding business the Group feels that there is a need to diversify its business portfolio and therefore is putting more effort into the development of new financial businesses.

In September 2014, Gold Medal Hong Kong Limited ("Gold Medal"), an indirect wholly-owned subsidiary of the Group, was granted a money lender's license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and began operations in the Year. The target customers were mainly individuals, those medium-to-large-sized enterprises and listed companies which can provide personal guarantees or security, which enabled the Group to maintain a relatively low bad debt level compared with the market as a whole, as well as a more effective internal debt control. In the near future, the Group aims to maintain its loan portfolio between HK$400 to HK$500 million.

In addition, the Group focuses on short-term loans with a term ranging from 3 months to 1 year which allows a higher turnover rate yet more profitable returns. The Group is confident in the rapidly growing money lending business to move further into the financial markets.

As for scaffolding operations, the Group intends to promote its self-invented "Pik-Lik" scaffolding system abroad. With the positive feedback from the Japan industry conference we participated in the Year, we believe that the system will become one of the highlights of the industry due to its manpower saving advantages. This has instilled confidence in the Group in establishing overseas clientele over the long term.

Another key revenue driver, the fitting out services business sector, is expected to contribute steady revenue for the Group as well.

Although keen competition is expected and will last for an uncertain period of time, as a leading company in the scaffolding industry, the Group will stay positive in acquiring new contracts, leveraging its solid experience and quality services widely recognised by the industry. Meanwhile, the Group will swiftly adjust its business strategies in response to the ever-changing construction market as necessary, and will continue to seek a heathier and stronger financial position via different fund raising activities to support the Group's future development as well as generate greater satisfactory financial results.

FINANCIAL REVIEW AND ANALYSIS

During the Year, the Group recorded a turnover of approximately HK$155,451,000 (2015: approximately HK$136,641,000), representing an increase of approximately 13.8% as compared with that of Last Year. The Company recorded a net loss attributable to its equity holders of approximately HK$18,197,000 during the Year (2015: approximately HK$9,655,000).

The increase in turnover was mainly due to the contribution from the newly started money lending business segment and satisfactory performance of fitting out services business segment during the Year, which was offset by the decrease in contract income generated from scaffolding services for construction and building work business segment during the Year.

Gross profit of the Group increased by approximately 34.1% to approximately HK$23,818,000 as compared with Last Year (2015: approximately HK$17,756,000) whilst gross profit margin increased by approximately 2.3% during the Year. Gross profit margin of the Group increased mainly because contracts with higher profit margins were awarded to the fitting out services business segment and the profit margin generated from money lending business segment increased.

During the Year, operating and administrative expenses increased by approximately 24.5% as compared to the Last Year. The increase was mainly due to increase in legal and professional fees for corporate exercises by approximately HK$0.9 million and the increase in operating administrative expenses for Sense Key and Gold Medal by approximately HK$2 million and HK$3.7 million respectively, since Gold Medal started operation during the Year. Management of the Group continues to adopt a policy of vigilant cost monitoring and operation streamlining in an effort to minimise cost and optimise efficiency.

LIQUIDITY, FINANCIAL RESOURCES, AND GEARING RATIO

During the Year, the Group financed its operations by banking facilities and finance leases provided by banks and finance companies, and proceeds raised from issue of new shares of the Company.

As at 30 April 2016, the Group's consolidated shareholders' funds, current assets, net current assets and total assets were approximately HK$801,365,000 (2015: approximately HK$281,910,000), approximately HK$738,851,000 (2015: approximately HK$222,554,000), approximately HK$656,006,000 (2015: approximately HK$147,038,000) and approximately HK$882,288,000 (2015: approximately HK$373,864,000) respectively.

As at 30 April 2016, the Group's consolidated bank overdrafts and bank loans were approximately HK$8,361,000 (2015: approximately HK$12,062,000) and approximately HK$34,424,000 (2015: approximately HK$35,603,000) respectively. As at 30 April 2016, the Group's other loan was approximately HK$20,000,000 (2015: Nil). As at 30 April 2016, obligations under finance leases amounted to approximately HK$833,000 (2015: approximately HK$527,000).

As at 30 April 2016, the Group's bank and cash balances amounted to approximately HK$230,005,000 (2015: approximately HK$129,009,000). As at 30 April 2016, the Group's gearing ratio (total borrowings and obligations under finance leases divided by shareholders' fund) was approximately 8% (2015: approximately 17%).

Most of the Group's bank and cash balances, bank and other borrowings, and obligations under finance leases are denominated in Hong Kong dollars. Most of the bank borrowings bear interest at market rates and are repayable by instalments over a period of 3 months to 8 years. Obligations under finance leases have an average lease term of 4 years. All such leases have interest rates fixed at the contract date and fixed repayment bases.

CAPITAL STRUCTURE

1. Capital Reorganisation

On 15 May 2015, the Board proposed to implement the capital reorganisation ("Capital Reorganisation") which involved the following:

(a) the issued share capital of the Company would be reduced through a cancellation of the paid up capital to the extent of HK$0.19 on each of the then issued shares of HK$0.20 each ("Old Shares") such that the nominal value of each Old Share would be reduced from HK$0.20 to HK$0.01 ("Capital Reduction");

(b) immediately following the Capital Reduction, each of the authorised but unissued Old Share of HK$0.20 each be subdivided into twenty (20) new shares of HK$0.01 each ("Shares"); and

(c) the credits arising in the books of the Company from the Capital Reduction of approximately HK$120,819,000 would be credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (as amended).

The shareholders of the Company approved the Capital Reorganisation at the special general meeting of the Company held on 18 June 2015. Immediately following the Capital Reorganisation which become effective on 19 June 2015, the authorised share capital of the Company was HK$400,000,000 divided into 40,000,000,000 Shares of HK$0.01 each, of which 635,887,634 Shares were in issue.

2. Bonus Issue

On 15 May 2015, the Board proposed, subject to the Capital Reorganisation becoming effective, a bonus issue ("Bonus Issue") of Shares on the basis of seven (7) bonus shares for every one (1) Share held by the shareholders of the Company whose names appear on the register of members of the Company on 26 June 2015, being the record date for the purpose of determination of entitlement to the Bonus Issue. The shareholders of the Company approved the Bonus Issue at the special general meeting of the Company held on 18 June 2015. The Bonus Issue was completed on 3 July 2015, immediately after which the number of Shares in issue increased to 5,087,101,072.

The Directors believed that the Bonus Issue would enhance the liquidity of the Shares in the market.

MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENT HELD

On 29 March 2016, Talent Gain International Limited (a wholly-owned subsidiary of the Company), as vendor, and Lucky Famous Limited, as Purchaser, entered into a sale and purchase agreement pursuant to which Talent Gain International Limited agreed to sell, and Lucky Famous Limited agreed to acquire, 51 ordinary shares of Dragon Oriental Investment Limited ("Dragon Oriental") of US$1.00 each, representing 51% of its issued share capital free from all encumbrances, and together with all rights and benefits attaching thereto at the consideration of HK$17.34 million. The principal asset of Dragon Oriental was a property which was valued at approximately HK$34.00 million as at 22 March 2016 by an independent professional property valuer. Such sale and purchase was completed on 31 March 2016 and the Group had no more interests in Dragon Oriental.

Subsequent to the end of the reporting period, on 26 May 2016, the Company entered into a sale and purchase agreement with Red Metro Limited ("Red Metro"), pursuant to which Red Metro conditionally agreed to purchase, and the Company conditionally agree to sell, 200 shares of Estate Sun Global Limited ("Estate Sun") ("Sale Shares"), a wholly-owned subsidiary of the Company, at a consideration of HK$20,000,000. The Sale Shares represented 100% of issued share capital of Estate Sun at completion. Estate Sun held 20% of issued share capital of AP Assets Limited, which together with its subsidiaries, was engaged in real estate agency business especially the sale of properties in Australia, Malaysia and the United Kingdom. Such sale and purchase was completed on 1 June 2016.

Save as disclosed in this announcement, the Group had no other material acquisitions or disposals of subsidiaries and associates companies during the Year.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Except as disclosed in the paragraph headed "Business outlook" above, the Company does not have any future plans for material investments or capital assets as at the date of this announcement.

PLEDGE ON ASSETS

At the end of the reporting period, the Group has pledged the following assets against general banking facilities granted to the Group:

	2016	2015
	HK$'000	*HK$'000*
Investment properties	**40,220**	40,200
Leasehold land and buildings	**7,129**	7,358
Trade receivables	**17,065**	17,134
Retention monies receivables	**1,103**	2,678

TREASURY POLICY

The Group consistently employed a prudent treasury policy during its development and generally financed its operations and business development with internally generated resources and equity and/or debt financing activities. The Group also adopted flexible and prudent fiscal policies to effectively manage the Group's assets and liabilities and strengthen the Group's financial position.

FOREIGN EXCHANGE AND INTEREST RATE EXPOSURE

Most of the assets and liabilities of the Group are denominated in Hong Kong dollars. When appropriate and at times of interest rate or exchange rate uncertainties or volatility, the use of hedging instruments including interest rate swaps and foreign currency forwards contract will be considered by the Group in the management of exposure affecting interest rates and foreign exchange rate fluctuations as appropriate.

CONTINGENT LIABILITIES

At 30 April 2016, the Group did not have any material contingent liabilities or guarantees (30 April 2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2016, the total number of full-time employees of the Group was 98 (2015: 100). The total remuneration paid to employees (including Directors' emoluments) amounted to HK$38,723,000 in the Year (2015: HK$33,208,000). Employees are remunerated according to their performance and working experience. In addition to basic salaries and participation in the mandatory provident fund scheme, staff benefits include performance bonus, medical scheme, share options and training.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

CORPORATE GOVERNANCE

The corporate governance principles of the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigourous corporate governance practices, the Company believes that its accountability and transparency will be improved thereby instilling confidence to shareholders and the public. Throughout the Year, the Company has complied with the code provisions in the Corporate Governance Code ("CG Code") set out in Appendix 15 of the GEM Listing Rules except for the deviation as disclosed below:

Code Provision of A.2.7 of the CG Code requires the chairman of the Board to hold meetings at least annually with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. As Dr. So Yu Shing, the chairman of the Board, is also an executive Director, the Company has deviated from this code provision as it is not applicable. The Board has continued to monitor and review the Company's progress in respect of corporate governance practices to ensure compliance. Meetings were held throughout the Year and where appropriate, circulars and other guidance notes were issued to Directors and senior management of the Company to ensure awareness to issues regarding corporate governance practices.

AUDIT COMMITTEE

The Company established an audit committee of the Board ("Audit Committee") with written terms of reference that clearly establish the Audit Committee's authority and duties. The Audit Committee currently comprises 3 independent non-executive Directors, namely Mr. Law Man Sang, Mr. Chan Ngai Sang, Kenny and Mr. Ong Chi King.

The primary duties of the Audit Committee are to review the Company's annual report and accounts, half-year report and quarterly reports and provide advice and comments thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group.

Four Audit Committee meetings were held since 1 May 2015 up to the date of this announcement.

The Audit Committee of the Company has reviewed the consolidated financial statements of the Group for the Year.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, Cheng & Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Cheng & Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Cheng & Cheng Limited on the preliminary announcement.

AUDITORS

On 17 February 2015, Moore Stephens resigned as auditor of the Company and Cheng & Cheng Limited was appointed as auditor of the Company on the same date. Save as disclosed, there had been no change in auditors of the Company in the preceding three years of this announcement.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 17 to the consolidated financial statements in this announcement, no significant events affecting the Group occurred since the end of the reporting period.

On behalf of the Board
WLS HOLDINGS LIMITED
So Yu Shing
Chairman

Hong Kong, 22 July 2016

As at the date of this announcement, the Board comprises Dr. So Yu Shing (Chairman and Executive Director), Mr. Kong Kam Wang (Executive Director and Chief Executive Officer), Ms. Lai Yuen Mei Rebecca (Executive Director), Mr. So Wang Chun, Edmond (Executive Director), Mr. Ng Tang (Executive Director), Mr. Yuen Chun Fai (Executive Director), Mr. Law Man Sang (Independent Non- executive Director), Mr. Chan Ngai Sang, Kenny (Independent Non-executive Director) and Mr. Ong Chi King (Independent Non-executive Director).

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.wls.com.hk.