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 2017

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.

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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 2017, 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 2017

	NOTES	**2017** *HK$'000*	2016 *HK$'000*
Turnover	*3*	**185,633**	155,451
Cost of sales		**(138,499)**	(131,633)
Gross profit		**47,134**	23,818
Other income	*5*	**12,456**	4,203
Other gain and (loss), net	*6*	**923**	3,412
Operating and administrative expenses		**(70,811)**	(34,975)
Increase/(decrease) in fair value of investment properties		**4,350**	(9,880)
Change in fair value of call option		**–**	(1,641)
Gain on disposal of property, plant and equipment		**853**	81
Gain on disposal of a subsidiary		**2,309**	202
Loss on write-off of property, plant and equipment		**(1,592)**	(8)
Finance costs	*7*	**(5,232)**	(2,230)
Share of results of associates		**176**	206
Loss before taxation		**(9,434)**	(16,812)
Taxation	*8*	**(5,211)**	(5,689)
Loss for the year	*9*	**(14,645)**	(22,501)
(Loss)/income for the year attributable to:			
Equity holders of the Company		**(15,954)**	(18,197)
Non-controlling interests		**1,309**	(4,304)
		(14,645)	(22,501)
Loss per share – basic and diluted	*11*	**(HK0.125 cent)**	(HK0.225 cent)

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

For the year ended 30 April 2017

	2017	2016
	HK$'000	*HK$'000*
Loss for the year	**(14,645)**	(22,501)
Other comprehensive (loss)/income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translation of financial statements of overseas associate	**13**	(13)
Change in fair value of available-for-sale investments	**702**	16,352
Other comprehensive income for the year, net of tax	**715**	16,339
Total comprehensive loss for the year	**(13,930)**	(6,162)
Total comprehensive (loss)/income for the year attributable to:		
Equity holders of the Company	**(15,239)**	(1,858)
Non-controlling interests	**1,309**	(4,304)
	(13,930)	(6,162)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 April 2017

	NOTES	**2017** **HK$'000**	2016 *HK$'000*
Non-current assets			
Investment properties		**44,570**	40,220
Property, plant and equipment		**30,142**	36,019
Deferred tax assets		**102**	4,335
Interests in associates		**–**	17,502
Other deposit		**705**	–
Loan and interest receivables	*13*	**72,190**	–
Available-for-sale investments		**90,633**	45,361
		238,342	143,437
Current assets			
Financial assets at fair value through profit or loss		**90,240**	59,902
Trade receivables	*12*	**64,140**	50,232
Retention monies receivables		**1,504**	2,396
Loan and interest receivables	*13*	**354,663**	374,081
Amounts due from customers for contract work		**7,705**	18,998
Inventories		**299**	355
Prepayments, deposits and other current assets		**5,452**	2,853
Current tax recoverable		**13**	29
Bank balances and cash – trust account		**136**	–
Bank balances and cash – general accounts		**190,217**	230,005
		714,369	738,851
Current liabilities			
Amounts due to customers for contract work		**8,488**	2,546
Trade and other payables	*14*	**40,716**	16,148
Retention monies payables		**1,156**	1,186
Obligations under finance leases – current portion		**714**	180
Current tax payable		**3,239**	–
Bank loans		**32,229**	34,424
Other loan – secured		**20,000**	20,000
Bank overdrafts		**7,365**	8,361
		113,907	82,845
Net current assets		**600,462**	656,006
Total assets less current liabilities		**838,804**	799,443

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 30 April 2017

	2017	2016
	HK$'000	*HK$'000*
Non-current liabilities		
Obligations under finance leases		
– non-current portion	**2,173**	653
Deferred tax liabilities	**374**	2,603
Other borrowing	**54,000**	–
	56,547	3,256
Net assets	**782,257**	796,187
Capital and reserves		
Share capital	**127,670**	127,670
Reserves	**658,456**	673,695
Equity attributable to equity holders of the Company	**786,126**	801,365
Non-controlling interests	**(3,869)**	(5,178)
Total equity	**782,257**	796,187

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2017

	Attributable to equity holders of the Company										
	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000* *(Note 1)*	Merger reserve *HK$'000* *(Note 2)*	Share option reserve *HK$'000* *(Note 3)*	Exchange reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
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	(120,819)	–	120,819	–	–	–	–	–	–	–	–
Expenses on capital reorganisation	–	–	(210)	–	–	–	–	–	(210)	–	(210)
Amounts transferred to set off against accumulated losses	–	–	(42,318)	–	–	–	–	42,318	–	–	–
Issue of bonus shares	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

	Attributable to equity holders of the Company										
	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000* *(Note 1)*	Merger reserve *HK$'000* *(Note 2)*	Share option reserve *HK$'000* *(Note 3)*	Exchange reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total equity *HK$'000*
At 1 May 2016	**127,670**	**507,430**	**191,087**	**2,222**	**2,364**	**(13)**	**16,352**	**(45,747)**	**801,365**	**(5,178)**	**796,187**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(15,954)**	**(15,954)**	**1,309**	**(14,645)**
Other comprehensive (loss)/income	**–**	**–**	**–**	**–**	**–**	**13**	**702**	**–**	**715**	**–**	**715**
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**–**	**13**	**702**	**(15,954)**	**(15,239)**	**1,309**	**(13,930)**
Share options expired during the year	**–**	**–**	**–**	**–**	**(2,364)**	**–**	**–**	**2,364**	**–**	**–**	**–**
At 30 April 2017	**127,670**	**507,430**	**191,087**	**2,222**	**–**	**–**	**17,054**	**(59,337)**	**786,126**	**(3,869)**	**782,257**

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. All the share options were expired during the year ended 30 April 2017. The whole amount of share option reserve was realised in accumulated losses.

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 GEM. 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, securities brokerage and margin financing 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 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. 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 realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

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

In addition, for financial reporting purposes, fair value measurements are categorised 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 2017 are consistent with those adopted in the preparation of the consolidated financial statements for the year ended 30 April 2016, 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 HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle
HKFRS 14	Regulatory Deferral Accounts
Amendments to HKAS 27	Separate Financial Statements

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[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advances Consideration[1]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transaction[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[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 HKAS 7	Disclosure initiative[3]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[3]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after 1 January 2017.
4 Effective for annual periods beginning on or after a date to be determined.
5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

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 Fair Value Through Other Comprehensive Income (“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 (“FVTPL”), 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 FVTPL 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.

Application of HKFRS 9 in the future may have an impact on the classification and measurement of the Group’s financial assets. The Group’s available-for-sale (“AFS”) investments, including those currently stated at cost less impairment, will either be measured as FVTPL or be designated as FVTOCI (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost.

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.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

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.

HKFRS 16 – Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 30 April 2017, the Group has non-cancellable operating lease commitments of HK$6,577,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

Other than the above, the directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the Group's consolidated financial statements.

3. TURNOVER

	2017	2016
	HK$'000	*HK$'000*
Contract revenue in respect of construction and buildings work for the provision of		
– scaffolding services	**87,974**	84,782
– fitting out services	**63,677**	55,235
Gondolas, parapet railings and access equipment installation and maintenance services	**2,150**	3,730
Loan interest income	**31,816**	11,704
Securities brokerage and margin financing	**16**	–
	185,633	155,451

4. SEGMENT INFORMATION

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 2017, the Group has seven 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, (vi) securities brokerage and margin financing and (vii) 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 2017 and 2016 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 brokerage and margin financing	Securities investment business	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 30 April 2017									
TURNOVER									
External sales	**87,974**	**63,677**	**–**	**2,150**	**31,816**	**16**	**–**	**–**	**185,633**
Other gain and (loss), net	**–**	**–**	**–**	**–**	**–**	**–**	**923**	**–**	**923**
Other income	**600**	**–**	**–**	**97**	**–**	**–**	**10,761**	**641**	**12,099**
Total	**88,574**	**63,677**	**–**	**2,247**	**31,816**	**16**	**11,684**	**641**	**198,655**
Segment result	**(27,555)**	**(216)**	**(554)**	**(2,205)**	**13,562**	**(2,521)**	**11,445**	**(2,611)**	**(10,655)**
Other income									**357**
Increase in fair value of investment properties									**4,350**
Gain on disposal of property, plant and equipment									**853**
Gain on disposal of a subsidiary									**2,309**
Loss on write-off of property, plant and equipment									**(1,592)**
Finance costs									**(5,232)**
Share of results of associates									**176**
Loss before taxation									**(9,434)**
Taxation									**(5,211)**
Loss for the year									**(14,645)**
At 30 April 2017									
ASSETS									
Segment assets	**54,923**	**37,830**	**539**	**3,537**	**459,261**	**48,276**	**180,873**	**167,472**	**952,711**
LIABILITIES									
Segment liabilities	**61,137**	**29,668**	**19**	**348**	**57,508**	**857**	**318**	**20,599**	**170,454**

Other Segment Information

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than investment properties, deferred tax assets, certain property, plant and equipment, certain prepayments and deposits and bank balances and cash; and

- all liabilities including tax payables are allocated to operating segments other than certain other payables, certain accrual charges, certain bank loans and certain bank overdraft.

	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$'000*	Securities brokerage and margin financing *HK$'000*	Securities investment business *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
For the year ended 30 April 2017									
Capital expenditure	**(5,710)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,710)**
Depreciation	**(8,468)**	**(142)**	**–**	**(735)**	**–**	**(63)**	**–**	**(572)**	**(9,980)**
Allowance for bad and doubtful debts on trade receivables and retention monies receivables	**(2,191)**	**(2,005)**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,196)**
Increase in fair value of investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,350**	**4,350**
Fair value gain in financial assets at fair value through profit or loss	**–**	**–**	**–**	**–**	**–**	**–**	**6,899**	**–**	**6,899**
Gain on disposal of property, plant and equipment	**633**	**–**	**–**	**220**	**–**	**–**	**–**	**–**	**853**
Loss on write-off of property, plant and equipment	**(1,592)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,592)**
Write-off of trade receivables	**(19,453)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(19,453)**
Impairment of available-for-sale investment	**–**	**–**	**–**	**–**	**–**	**–**	**(5,976)**	**–**	**(5,976)**

	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								
TURNOVER								
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)**
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**

	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)**

Geographical segments

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

	Revenue		Specified Non-current assets	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**185,633**	155,451	**74,712**	76,239

Information on major customers

During the year, the Group had transactions with one (2016: 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:

	2017	2016
	HK$'000	*HK$'000*
Revenue earned from scaffolding services for construction and buildings work:		
Customer 1	**60,635**	68,554

5. OTHER INCOME

	Group 2017 *HK$'000*	2016 *HK$'000*
Foreign exchange gains, net	**3**	2
Interest income	**38**	21
Rental income	**641**	1,938
Sundry income	**455**	445
Reversal of allowance for bad and doubtful debts	**558**	1,797
Dividend income	**10,761**	–
	12,456	4,203

6. OTHER GAIN AND (LOSS), NET

	2017 *HK$'000*	2016 *HK$'000*
Fair value gain on financial assets at fair value through profit or loss	**6,899**	15,091
Impairment of available-for-sale investments	**(5,976)**	(11,679)
	923	3,412

7. FINANCE COSTS

	2017 *HK$'000*	2016 *HK$'000*
Interest on bank loans	**2,012**	2,040
Interest on other loan	**1,729**	169
Interest on other borrowing	**1,367**	–
Interest on obligations under finance leases	**124**	21
	5,232	2,230

8. TAXATION

	2017 *HK$'000*	2016 *HK$'000*
Taxation comprises:		
Hong Kong Profits Tax		
Current year	**3,207**	200
Deferred tax		
Current year	**2,004**	5,489
	5,211	5,689

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 (2016: 16.5%).

9. LOSS FOR THE YEAR

	2017	2016
	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	**4,196**	921
Write-off of trade receivables	**19,453**	232
Auditor's remuneration	**710**	680
Cost of inventories recognised as an expense	**6,060**	5,914
Fair value loss/(gain) on financial assets at FVTPL		
– Held for trading	**13,501**	(15,091)
– Designated as FVTPL	**(20,400)**	–
	(6,899)	(15,091)
Dividend income from AFS investments	**(10,761)**	–
Depreciation	**9,980**	9,592
Less: Amount capitalised in construction contracts	**(8,702)**	(8,467)
	1,278	1,125
Gain on disposal of property, plant and equipment	**(853)**	(81)
Loss on write-off of property, plant and equipment	**1,592**	8
Minimum lease payments for operating leases		
in respect of land and buildings	**4,490**	2,547
Less: Amount capitalised in construction contracts	**(1,958)**	(1,752)
	2,532	795
Staff costs including directors' emoluments		
– Basic salaries, bonus, other benefits		
and retirement benefit scheme contributions	**36,889**	38,723
Less: Amount capitalised in construction contracts	**(15,325)**	(15,247)
	21,564	23,476

10. DIVIDEND

No dividend has been proposed by the Directors for the year ended 30 April 2017 (2016: 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$15,954,000 (2016: HK$18,197,000) for the year ended 30 April 2017 and on the weighted average number of 12,767,101,072 (2016: 8,074,937,000) ordinary shares outstanding during the year ended 30 April 2017.

The weighted average numbers of ordinary shares for the purpose of calculating basic loss per share for the year ended 30 April 2016 have been retrospectively adjusted to reflect the bonus issue completed on 3 July 2015.

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

	2017	2016
	HK$'000	*HK$'000*
Trade receivables from		
– Margin clients *(Note)*	**227**	–
– Others	**67,509**	50,584
	67,736	50,584
Less: Allowance for bad and doubtful debts	**(3,596)**	(352)
	64,140	50,232

Note: The settlement terms of the trade receivables are two days after trade date.

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:

	2017	2016
	HK$'000	*HK$'000*
Within 90 days	**43,514**	25,822
91 to 180 days	**12,749**	1,075
181 to 365 days	**6,709**	2,128
Above 1 year	**1,168**	21,207
	64,140	50,232

13. LOAN AND INTEREST RECEIVABLES

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

	2017	2016
	HK$'000	*HK$'000*
Amounts secured with guarantor	**18,694**	31,216
Amounts secured with securities *(Note)*	**298,882**	227,879
Amounts secured with guarantor and securities *(Note)*	**15,351**	15,217
Amounts unsecured	**93,926**	99,769
	426,853	374,081

Note: The securities are the ordinary shares of companies listed in Hong Kong.

14. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of approximately HK$6,903,000 (2016: HK$7,021,000) with an aged analysis as follows:

	2017	2016
	HK$'000	*HK$'000*
Trade payables from		
– Cash clients *(Note)*	**136**	–
– Clearing houses *(Note)*	**490**	–
– Others	**6,277**	7,021
Total trade payables	**6,903**	7,021
Other payables	**29,116**	4,952
Accruals	**4,697**	4,175
Total trade and other payables	**40,716**	16,148

Note: The settlement terms of the trade payables are two days after trade date.

The following is an aged analysis of trade payables based on the invoice date:

	2017	2016
	HK$'000	*HK$'000*
Within 90 days	**5,434**	4,556
91 to 180 days	**917**	952
181 to 365 days	**552**	1,513
	6,903	7,021

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 (2016: Nil).

16. EVENTS AFTER THE REPORTING PERIOD

On 28 June 2017, the Group disposed one of the available-for-sales investments. The Group would recognise a material realised loss upon the disposal. Further details of such disposal are set out in the announcement of the Company dated 3 July 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 30 April 2017 ("Year"), the Group had actively expanded its financial business operations and received satisfactory returns, leading to stable growth of the Group's total revenue to approximately HK$185,633,000 (2016: approximately HK$155,451,000), representing an increase of approximately 19.4% compared to the year ended 30 April 2016 ("Last Year"). Net loss attributable to equity holders of the Company for the reporting period was approximately HK$15,954,000, representing a decrease of approximately 12.3% as compared with Last Year. During the Year, the Group's money lending business and fitting out services business continued to outperform all sectors of the Group and served as the biggest drivers of the Group's revenue growth.

Scaffolding Services

The Group's scaffolding services represent the principal business of the Group, which has been a pioneer in the industry for over 65 years. Apart from scaffolding services, the Group also delivers world-class specialist construction and building solutions ranging from fitting-out services to gondolas, parapet railings, access equipment installation and maintenance services.

According to data from the Rating and Valuation Department of the Hong Kong Special Administrative Region ("HKSAR"), in 2016, the total number of completed private residential housing projects reached 14,600 units, representing a nearly 30% increase compared with the previous year's total. As a scaffolding services provider serving the residential housing projects of its major clients, the Group has benefited from the strong demand for residential housing construction in Hong Kong. During the Year, six projects were completed on schedule and an additional 26 projects were secured, which generated revenue amounting to approximately HK$87,974,000, marking a steady growth trend compared with Last Year.

In response to the challenges of labour shortage and intense competition in the local market, which are the key factors leading to low profit margins of construction projects, the Group took the lead to ease the pressure of high labour costs via its in-house created "Pik-Lik" scaffolding system. After several years of active promotion, the Group is glad to see that the system has now been widely adopted in the industry.

Project Portfolio of Scaffolding Division (As of 30 April 2017)

- Victoria Harbour
- Property Development at West Rail Nam Cheong Station (T6-T8)
- Park Vista 1A
- PARK YOHO Genova
- PARK YOHO Sicilia
- PARK YOHO Venezia
- 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 T.M.T.L. 509, Leung Tak Street, Tuen Mun
- Proposed Hotel Development at I.L.9020, North Point
- Proposed Hotel Development at S.T.T.L. No. 248 Siu Lek Yuen, Shatin
- Detached house in Ma Wan Park – Hostels Area
- Centre of Excellence in Paediatrics (Tower B)
- French International School of Hong Kong – Tseung Kwan O Campus
- Refurbishment of external walls of Shun Tak Centre
- Proposed New Data Centre at TKO TL 122
- Proposed Commercial Development at 33 Tseuk Luk Street, San Po Kong
- Pak Tin Community Complex Redevelopment at Pak Tin Estate, Phase 9
- Commercial Industrial Building Development at 680 Castle Peak Road, Cheung Sha Wan
- Refurbishment of Chelsea Heights Shopping Mall, Phase 2
- Refurbishment of East Point City
- Refurbishment of Metroplaza Shopping Mall, Kwai Fong
- Refurbishment of Luen Tai Industrial Building at KCTL 131
- Refurbishment of Apec Plaza, 8 Hoi Yuen Road, Kwun Tong
- Refurbishment of 26 Nathan Road, Tsim Sha Tsui
- Refurbishment at Level 1-3 Tai Po Mega Mall, Tai Po
- Refurbishment of Valid Industrial Centre, 13-15 Wing Kei Road, Kwai Chung
- Fanling Golf Club
- Footbridge at Kwai Foo Road, Kwai Fong
- Lift Shaft Scaffolds at Public Housing Development at Site A & B, Anderson Road, Phase 1 & 2
- Event Centre in Ma Wan Park

Fitting-out Services

For the fitting-out services division, the Group has extended the scope of its services to include ceiling works, a new business that received widespread positive feedback from clients. The Group's revenue from fitting-out services for the Year has increased to approximately HK$63,677,000, representing an increase of approximately 15.3% compared with the Last Year.

Gondolas, Parapet Railings and Access Equipment Installation and Maintenance Services

The Group has been actively cultivating its gondola rental services business over the past several years and has gained positive 'worth-of-mouth' in the market. This has enabled the Group to secure a stable number of new contracts and enjoy steady growth in revenue despite the competitive local market. During the Year, revenue from this sector reached approximately HK$2,150,000.

Money Lending Business

During the the Year, the soaring local stock market has stimulated financing activities, which has been beneficial to the Group's newly developed money lending business. During the Year, the Group has been focusing on short-term and long-term loans with relatively high interest returns.

Leveraging on the management's extensive network, several short-term and long-term loan agreements have been secured during the Year. The Group recorded a turnover of approximately HK$31,816,000 with substantial growth of approximately 171.8% compared with Last Year. The principal amounts of the loans ranged from HK$6.2 million to HK$40 million with interest rates ranging from 3% to 12% per annum.

Securities Investment Business

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

The Group recorded a net gain of approximately HK$0.9 million on its investment portfolios during the Year.

Securities Brokerage and Margin Financing

During the Year, the Securities and Futures Commission of Hong Kong ("SFC") has granted approval to OX Financial Securities Limited ("OX Financial"), an indirect wholly-owned subsidiary of the Company, to conduct type 1 (dealing in securities) regulated activity as a licensed corporation with effect from 15 December 2016. OX Financial began business operations in mid-March 2017 and was principally engaged in securities brokerage and margin financing business.

In recent years, in order to diversify overall business portfolio and revenue streams, the Group has placed greater efforts and resources on developing businesses in the financial services sector. In view of the recent success in the money lending field, the Group considers financial services to be a major profit driver and strives to further expand this segment with an aim to maximise shareholder's returns.

Business Outlook

Based on the HKSAR's land supply forecast, a total of 460,000 residential units are expected to be added to the market over the next 10 years, generating a great deal of future construction projects. As one of the market leaders with a solid reputation in the local scaffolding industry, the Group is confident about acquiring more contracts. However, continuing high labour costs and fierce competition are expected to remain due to the ongoing problem of inadequate labour supply.

Given this scenario, the Group has been actively seeking profitable projects over the past several years in order to diversify its business portfolio and eventually mitigate risks from today's competitive construction market. After a few years of serious efforts to develop its financial services operations, Gold Medal Hong Kong Limited ("Gold Medal"), an indirect wholly-owned subsidiary of the Group and a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), generated satisfactory returns and profit margins for the Year.

The Group mainly targets listed companies, those medium to large-sized enterprises and individuals that can provide corporate guarantees or securities in order to ensure the relatively low bad debt levels. The current loan portfolio has reached approximately HK$427 million and is expected to increase to between HK$440 million and HK$450 million.

In March 2017, the Group tapped into the securities brokerage and margin financing business through its indirect, wholly-owned subsidiary OX Financial. The Group is proud to have Mr. Lin King Ham, Kingston, a renowned stock commentator and former securities division general manager of AMTD to join the Group and serve as chief executive officer of OX Financial during the Year. Under his leadership, OX Financial has been running smoothly and receiving positive feedback during its soft opening period. OX Financial is exploring other financial services including asset management for further expansion.

Although there remain uncertainties affecting the global economy in 2017, including the US's anticipated rate hikes and reduction of its balance sheet, as well as the repercussions of Brexit, the Group remains optimistic about the Asian stock markets backed by China's economic growth and improving exports to other Asian markets. Looking ahead, the Group will focus on the development of its securities brokerage and margin financing operations, which is considered by the Group as a future profit driver. Meanwhile, the Group will continue to strictly adhere to its cost control policy, and swiftly adjust business strategies for the scaffolding business in response to ever-changing market dynamics in order to generate better financial returns for its shareholders.

FINANCIAL REVIEW AND ANALYSIS

During the Year, the Group recorded a turnover of approximately HK$185,633,000 (2016: approximately HK$155,451,000), representing an increase of approximately 19.4% as compared with that of Last Year. The Company recorded a net loss attributable to its equity holders of approximately HK$15,954,000 during the Year (2016: approximately HK$18,197,000).

The increase in turnover was mainly attributable to the contribution from the outperformance of the money lending business, the satisfactory performance of the fitting out services business and the increase in contract income generated from the scaffolding services for construction and buildings work business during the Year.

Gross profit of the Group increased by approximately 97.9% to approximately HK$47,134,000 as compared with Last Year (2016: approximately HK$23,818,000) whilst gross profit margin increased to approximately 25.4% during the Year. Gross profit margin of the Group increased mainly because the higher profit margin generated from money lending business.

During the Year, operating and administrative expenses increased by approximately 102.5% as compared to the Last Year. The increase was mainly due to (i) legal and professional fees of approximately HK$6.3 million incurred for the proposed very substantial acquisition of the Company involving pre-conditional voluntary conditional securities exchange and cash offers by VBG Capital Limited on behalf of Favourite Number Limited to acquire all the issued shares of L&A International Holdings Limited; (ii) increase in write-off of trade receivables, and allowance for bad and doubtful debts on trade receivables and retention monies receivables for scaffolding services business by approximately HK$19.2 million and approximately HK$3.3 million, respectively; and (iii) increase in general operating costs of the Group's businesses by approximately HK$7 million 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, finance leases provided by banks and finance companies, loan from a financial institution and proceeds from issue of coupon bonds.

As at 30 April 2017, the Group's consolidated shareholders' funds, current assets, net current assets and total assets were approximately HK$786,126,000 (2016: approximately HK$801,365,000), approximately HK$714,369,000 (2016: approximately HK$738,851,000), approximately HK$600,462,000 (2016: approximately HK$656,006,000) and approximately HK$952,711,000 (2016: approximately HK$882,288,000) respectively.

As at 30 April 2017, the Group's consolidated bank overdrafts and bank loans were approximately HK$7,365,000 (2016: approximately HK$8,361,000) and approximately HK$32,229,000 (2016: approximately HK$34,424,000) respectively. As at 30 April 2017, the Group's other loan was approximately HK$20,000,000 (2016: HK$20,000,000). As at 30 April 2017, obligations under finance leases amounted to approximately HK$2,887,000 (2016: approximately HK$833,000). As at 30 April 2017, the Group's other borrowing, representing the 4% coupon bonds issued by Gold Medal, an indirect wholly-owned subsidiary of the Company, on 12 September 2016, amounted to HK$54,000,000 (2016: Nil).

As at 30 April 2017, the Group's bank and cash balances in general accounts amounted to approximately HK$190,217,000 (2016: approximately HK$230,005,000). As at 30 April 2017, the Group's gearing ratio (total borrowings and obligations under finance leases divided by shareholders' fund) was approximately 15% (2016: approximately 8%).

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 on demand or within one year. Obligations under finance leases have an average lease term of four years and all such leases have interest rates fixed at the contract date and fixed repayment bases. The other loan bears an interest rate of 10.5% (2016: 8.5%) per annum for the Year and is repayable within one year. The coupon bonds bears interest at 4% per annum and will be matured in two years from the issue date.

CAPITAL STRUCTURE

The Company did not issue any shares or debentures during the Year. Gold Medal, an indirect wholly-owned subsidiary of the Company, issued 4% coupon bonds at nominal amount of HK$54,000,000 on 12 September 2016.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

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.

During the Year, Favourite Number Limited ("Offeror"), a company owned as to 47% by the Group and 53% by Mr. Hue Kwok Chu Raymond, an independent third party had made a voluntary conditional offer to acquire all the issued shares and outstanding share options of L & A International Holdings Limited ("L&A") (a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8195)) ("Offers").

The Offers were subject to satisfaction of the pre-condition and were on the following basis:

For every 400 L&A shares	57 new shares of the Company and HK$5.60 in cash
For cancellation of every 100 outstanding L&A options	8 new shares of the Company and HK$0.7775 in cash

The transactions contemplated under the Offers constituted a very substantial acquisition for the Company under Chapter 19 of the GEM Listing Rules and were subject to the Company's shareholders' approval. The special general meeting ("SGM") of the Company was held on 17 October 2016 and the resolution of the SGM was not passed by the Company's shareholders. As a result, the pre-condition of the Offers was not fulfilled, the Offers did not proceed and the offer period in respect of the Offers ended on 17 October 2016.

Details of the Offers (including the original and amended terms of the Offers) are set out in the Company's announcements dated 22 July 2016, 9 August 2016, 18 August 2016, 1 September 2016, 2 September 2016, 12 September 2016, 28 September 2016 and 17 October 2016, and the Company's circular dated 28 September 2016, respectively.

Save as disclosed above, the Group had no other material acquisitions or disposals of subsidiaries and associate companies during the Year.

SIGNIFICANT INVESTMENTS

As at 30 April 2017, the available-for-sale investments of the Group amounted to approximately HK$90.63 million and financial assets at fair value through profit or loss ("FVTPL") of the Group amounted to approximately HK$90.24 million. Given that securities investment is one of the Group's ordinary principal businesses, the Directors consider that (i) investments with a carrying amount that account for more than 5% of the Group's audited net assets as at 30 April 2017; or (ii) investments held by the Group contributed realised or unrealised gain/(loss) or impairments of over HK$3 million during the Year as significant investments.

Description of investments	Notes	Carrying amount as at 1 May 2016	Acquired during the Year	Increase/ (decrease) in investment revaluation reserve	Impairments	Fair value gain/(loss)	Carrying amount as at 30 April 2017	Percentage to the Group's audited net assets as at 30 April 2017	Percentage to the Group's audited total assets as at 30 April 2017	Percentage to the Group's total securities investments as at 30 April 2017
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*			
Available-for-sale investments										
Capital VC Limited ("Capital VC") (stock code: 2324)	*(a)*	–	18,676	–	(3,455)	–	15,221	1.95%	1.60%	8.42%
Equity securities listed in Hong Kong	*(b)*	35,040	31,870	(158)	(2,521)	–	64,231	8.21%	6.74%	35.51%
Unlisted investment funds, at cost		8,321	–	860	–	–	9,181	1.17%	0.96%	5.08%
Unlisted investment, at cost		2,000	–	–	–	–	2,000	0.26%	0.21%	1.10%
		45,361	50,546	702	(5,976)	–	90,633	11.59%	9.51%	50.11%
Financial assets at FVTPL										
Convertible bonds ("CB") of China e-Wallet Payment Group Limited (formerly known as RCG Holdings Limited) ("China e-Wallet") (stock code: 802)	*(c)*	–	15,000	–	–	20,400	35,400	4.53%	3.72%	19.57%
China Investment and Finance Group Limited ("CIFL") (stock code: 1226)	*(d)*	33,580	–	–	–	(9,200)	24,380	3.12%	2.56%	13.48%
Hao Wen Holdings Limited ("Hao Wen") (stock code: 8019)	*(e)*	19,687	–	–	–	(3,325)	16,362	2.09%	1.72%	9.05%
Equity securities listed in Hong Kong	*(f)*	6,635	8,439	–	–	(976)	14,098	1.80%	1.48%	7.79%
		59,902	23,439	–	–	6,899	90,240	11.54%	9.48%	49.89%
Total securities investments of the Group		105,263	73,985	702	(5,976)	6,899	180,873	23.13%	18.99%	100.00%

Notes:

(a) Capital VC and its subsidiaries (collectively referred to as the "Capital VC Group") were principally engaged in investing in listed and unlisted companies mainly.

As at 30 April 2017, the Group held 93,380,000 shares of Capital VC, which represented approximately 3.39% of total issued share capital of Capital VC at the same date.

As disclosed in the interim report of Capital VC for the six months ended 31 March 2017, Capital VC expected that (i) the investment environment in the US and other advance economies will be relatively stable; (ii) the anticipated mild and slow interest rate normalisation will not cause significant influence of global investment market; and (iii) in the East, as the China economy is maturing and a more sustainable development is desired, slower future growth levels are to be expected. Accordingly, the directors of Capital VC will continue to adopt cautious measures to manage the Capital VC Group's investment portfolio.

(b) As at 30 April 2017, equity securities listed in Hong Kong under the category of available-for-sale investments represented the Group's investments in four companies whose shares are listed on the Main Board or the GEM of the Stock Exchange. Each of such investments has a carrying amount that account for less than 5% of the Group's audited net assets as at 30 April 2017 and each of such investments does not contribute over HK$3 million of impairments during the Year.

(c) This investment represented the subscription of CB of China e-Wallet in total amount of HK$15,000,000 with interest rate of 2.5% per annum on the principal amounts and the conversion price is HK$0.25 per conversion share. The maturity date of the CB is the date falling 36 months from the issuing date. As at 30 April 2017, the fair value of the CB subscribed by the Group was approximately HK$35,400,000 which was based on the valuation report prepared by a professional valuer.

China e-Wallet and its subsidiaries (collectively referred to as the "China e-Wallet Group") were principally engaged in the provision of biometric and radio frequency identification products and solution services, internet and mobile application and related services.

As disclosed in the annual report of China e-Wallet for the year ended 31 December 2016, China e-Wallet Group had continued the efforts to consolidate and realign its businesses to enable the China e-Wallet Group to achieve improvements in its financial position. China e-Wallet Group will continue to work towards, attaining a stable platform for sustainability and basis for continuous growth.

(d) CIFL and its subsidiaries (collectively referred to as the "CIFL Group") were principally engaged in securities trading and investment holding.

As at 30 April 2017, the Group held 92,000,000 shares of CIFL, which represented approximately 4.08% of total issued share capital of CIFL at the same date.

As disclosed in the results announcement of CIFL for the year ended 31 March 2017, CIFL expected that (i) the global market will continue to face greater challenges and full of uncertainty, developed economies are beginning to have signs of recovery, but the developing economies also have trends of adjustment and (ii) meanwhile, China is also facing a slowdown in economic growth, economic structure has undergone significant changes during the transition from medium to long term, crisis and opportunities coexist. Accordingly, the directors of CIFL will continue to take a prudent approach in managing the CIFL Group's investment portfolio and develop the investment strategies. Given the increasing influence of China against the global economy, the CIFL Group will still be based mainly on Chinese economy, the CIFL Group will continue to look for investment opportunities which offer outstanding returns under the acceptable risk in the portfolio of the CIFL Group.

(e) Hao Wen and its subsidiaries (collectively referred to as the "Hao Wen Group") were principally engaged in money lending business, trading of electronic parts and trading and manufacturing of biomass fuel.

As at 30 April 2017, the Group held 87,500,000 shares of Hao Wen, which represented approximately 4.08% of total issued share capital of Hao Wen at the same date.

As disclosed in the annual report of Hao Wen for the year ended 31 December 2016, Hao Wen expected that (i) a changing domestic and external environment of Hong Kong and Mainland China will remain in the financial year 2017 as the United States Federal Reserve is expected to normalise its monetary policy with more frequent federal funds target interest rate hikes and the changes in policies after the appointment of new Chief Executive in Hong Kong; (ii) the Monetary Authority will continue to impose stringent policy and prudential measures on the local landed property mortgage loans provided by authorised financial institutions in Hong Kong and these measures and tight controls have created extra hurdles for the general public who may look for mortgages to satisfy their financial needs which, resulted to further opportunities to expand the Hao Wen Group's mortgage loan business; (iii) with the net proceeds raised from the rights issue and placing specific for the development of money lending business, the Hao Wen Group will continue on the development of its mortgage loan business; and (iv) great potential in trading of electronic parts emerges from people's pursuit of efficiency of which the directors of Hao Wen consider as one of the growth engine in the foreseeable future.

(f) Equity securities listed in Hong Kong under the category of financial assets at FVTPL represented the Group's investments in three companies whose shares are listed on the GEM of the Stock Exchange. Each of such investments has a carrying amount that account for less than 5% of the Group's audited net assets as at 30 April 2017 and each of such investments does not contribute over HK$3 million of realised or unrealised gain/(loss) during the Year.

The Directors expect that the stock market in Hong Kong remains to be volatile in 2017 which may affect the performance of the Group's securities investments. Looking forward, the Board believes that the performance of the securities investments of the Group will be dependent on the financial and operating performance of investee companies and market sentiment which are affected by factors such as interest rate movements and performance of the macro economy. In order to mitigate the associated risk, the Group will continuously remain cautious in the allocation of resources and the identification and capture of appropriate securities investment opportunities. It will review its investment strategy regularly and take appropriate actions whenever necessary in response to changes in the market.

DETAILS OF FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Except as disclosed in the paragraph headed "Business Outlook" above, the Group 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:

	2017	2016
	HK$'000	*HK$'000*
Investment properties	**44,570**	40,220
Leasehold land and buildings	**7,409**	7,129
Trade receivables	**16,540**	17,065
Retention monies receivables	**38**	1,103

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. The Group did not use any financial instrument for hedging purpose during the Year, and did not have any outstanding hedging instrument as at 30 April 2017. 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 2017, the Group did not have any material contingent liabilities (2016: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2017, the total number of full-time employees of the Group was 118 (30 April 2016: 98). The remuneration paid to employees (including Directors' emoluments) amounted to HK$36,889,000 for the Year (2016: HK$38,723,000). 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 PRACTICES

The corporate governance principles of the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Company believes that its accountability and transparency will be improved thereby instilling confidence to the shareholders of the Company 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 deviations 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.

Rules 5.05(1) and 5.05A of the GEM Listing Rules requires every board of directors to include at least three independent non-executive directors, representing at least one-third of the board. Rule 5.28 of the GEM Listing Rules requires every audit committee of a board to, among other matters, comprise a minimum of three members, with at least one of whom being an independent non-executive director with appropriate professional qualifications of accounting or related financial management expertise. During the Year, following the resignation of Mr. Ong Chi King as an independent non-executive Director and a member of each of the audit committee ("Audit Committee"), the nomination committee ("Nomination Committee") and the remuneration committee ("Remuneration Committee") of the Board on 29 March 2017, the Company had only two independent non-executive Directors and two Audit Committee members, which fell below the minimum numbers required under the Rules 5.05(1), 5.05A and 5.28 of the GEM Listing Rules. With the Board's endeavors in identifying a suitable candidate to fill the vacancies, Ms. Lam Wai Yu was appointed as an independent non-executive Director and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee on 27 June 2017, thereby complying with Rules 5.05(1), 5.05A and 5.28 of the GEM Listing Rules.

The Board has continued to monitor and review the Company's progress in respect of corporate governance practices to ensure compliance with the CG Code. 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 the Audit Committee with written terms of reference that clearly establish the Audit Committee's authority and duties. The Audit Committee comprised three independent non-executive Directors as at the date of this announcement, namely Mr. Law Man Sang, Mr. Chan Ngai Sang, Kenny and Ms. Lam Wai Yu.

The primary duties of the Audit Committee are to review the Company's annual reports and accounts, interim reports 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 risk management and internal control systems of the Group.

Four Audit Committee meetings were held during the Year.

The Audit Committee 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.

EVENTS AFTER THE REPORTING PERIOD

On 28 June 2017, the Group disposed of an aggregate of 88,397,000 shares of QPL International Holdings Limited (Stock Code: 243), whose shares are listed on the Main Board of the Stock Exchange, on the market through the Stock Exchange for an aggregate consideration of HK$18,281,185 (excluding stamp duty and related expenses). Further details of such disposal are set out in the announcement of the Company dated 3 July 2017.

On behalf of the Board
WLS Holdings Limited
So Yu Shing
Chairman

Hong Kong, 26 July 2017

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 Ms. Lam Wai Yu (Independent Non-executive Director).

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