宇业控股
U-HOME HOLDINGS

U-HOME GROUP HOLDINGS LIMITED
宇業集團控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 2327)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

On behalf of the board of directors (the "Board") of U-Home Group Holdings Limited ("U-Home Holdings" or the "Company"), I am pleased to present the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2014 (the "Year" or the "Period").

RESULTS

During the period, profit attributable to owners of the Company amounted to HK$89,219,000 (including non-recurring profit of HK$60,611,000). Excluding the net gain on disposal of subsidiary of HK$60,611,000, derived from the gain on disposal of HK$100,069,000 less the hold-back amount for PRC capital gain tax of HK$32,000,000 and the related legal and professional fee of HK$7,458,000, profit attributable to owners of the Company amounted to HK$28,608,000, representing an increase of 57.0% from the same period last year of HK$18,225,000.

DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2014.

BUSINESS REVIEW AND PROSPECTS

On 23 August 2013, U-Home Group International Limited and U-Home Group Investment Limited ("U-Home Group") acquired approximately 71.53% shares of the Company, and became the ultimate controlling shareholder of the Company. The new board of directors of the Company has been committed to seek new opportunities for business and performance growth, and timely expand the Company's scopes of business and investment, with the aims of improving the Company's business operation and financial position, and enhancing the Company's shareholders' return.

Trading Business

During the Period, turnover from the trading business was HK$33,072,000, representing a decrease of 7.2% from the previous year; the segment loss amounted to HK$6,957,000, primarily as a result of lower gross profit margin. In 2014/15, the Company will endeavour to improve the loss-making situation. Trading products managed by the Company mainly include import prescription drugs sold indirectly to KJP via an authorized and independent import and export company, and a small portion of health care products manufactured in the PRC.

R&D and Project Management

The Group has commenced joint chemical and biological researches with an R&D institution in Hong Kong since 2007. During the Period, segment results amounted to HK$1,735,000. The management is optimistic about this business, actively promotes the existing projects and continues to identify R&D projects with potentials.

During the Period, one of the Group's R&D projects of pharmaceutical products has attained phasal achievement. On 23 July 2012, the Group entered into a technology transfer agreement with YJB, pursuant to which an aggregate consideration of RMB111,000,000 was payable by YJB upon satisfaction of the pre-condition stipulated for each of the three phases of construction, production and registration.

At phase 1, the Group shall transfer the technical documents of the product technology to YJB within six months upon signing the technology transfer agreement; at phase 2, the Group shall assist YJB to construct a production plant with its ancillary facilities for the production of the pharmaceutical bulk materials products to be qualified by the Group and YJB within a prescribed construction budget, and the construction of the plant is expected to be completed in July 2014; and at phase 3, the Group shall assist YJB to (i) commence full scale production of such pharmaceutical bulk materials products at a designated production capacity and ensure that the production cost of such bulk materials shall not exceed the prescribed unit cost, and (ii) obtain the registration certificates of such products as well as the certification of "Good Manufacturing Practice" issued by the State Food and Drug Administration of the PRC by no later than 31 March 2015.

According to the technology transfer agreement, invoices of RMB40,000,000, RMB20,000,000 and RMB51,000,000 shall be issued upon satisfaction of the pre-conditions set for phase 1, phase 2 and phase 3 respectively as mentioned above. The above payment schedule may be extended by mutual agreement between the parties to the technology transfer agreement, while the maximum consideration shall be subject to adjustment(s) if certain of the above terms and conditions cannot be fulfilled in full.

Investment and Treasury Function

During the Period, segment results amounted to HK$1,136,000, which was mainly derived from gain from treasury products and rental income from investment commercial buildings. The Group has also disposed of all its treasury products, and will continue to look for opportunities to invest in treasury products that yield higher returns under limited risk exposure.

Consultancy and Agency Business

During the Period, segment results amounted to HK$978,000, which was mainly derived from service income from property consultation in Mainland China. The Group will continue to seek opportunities for development in property sales and consultation business in Mainland China.

Completion of Disposal of 49% Equity Interest in Kunming Jida Group

On 23 August 2013, the Group completed the disposal of its subsidiary, Jiwa Pharmaceuticals Limited ("Jiwa Pharm"), which directly held a 49% equity interest in Kunming Jida Pharmaceutical Company Limited and its subsidiaries ("Kunming Jida Group"). The Group recorded a gain on disposal of Jiwa Pharm of HK$100,069,000.

FUTURE DEVELOPMENT

Property Development

By the end of 2013, the Company intended to cooperate with U-Home Group to develop a residential project located in Chizhou City, Anhui Province, the PRC. The land to be developed is located in the Guichi High-Tech Development Zone, Chizhou City, Anhui Province, which is a key location in the Guichi Administrative New District. Anhui Province is located in Eastern China, which lies in the central Yangtze River Delta region, one of the fastest developing economic areas in the PRC. On the east side of Anhui Province lies Jiangsu Province and Zhejiang Province, and on its north is Shandong Province, another frontline region undergoing economic growth. Chizhou City is located in the south-west area of Anhui Province with convenient transportation system. The land acquired is located in the Guichi High-Tech Development Zone, which is a key location in the Guichi Administrative New District. The land will be developed for both commercial and residential uses. On the west side of the land is the Guichi District Committee and the District Government, which were completed and put into use in 2011. Amenities in the nearby area include Chizhou No.2 People's Hospital (East Region), Provincial Demonstrative High School Chizhou City No.8 High School and City Key Primary School of Guichi Binhu Experimental Primary School. The land is also less than 2 kilometres away from the Guichi University town, train station and high-speed rail station. Situated next to Chizhou Pingtian Lake Scenic Spot, the environment surrounding the land is relaxing and enjoyable.

In view of the good prospects for development in Anhui Province and potential for development of local property market, the Board considers that the Chizhou project represents a strategic opportunity for the Company to venture into property development sector, and will become an important operating segment and source of business growth of the Company.

Property Sales and Consultancy Service

In March 2014, 南京拓宇置業管理有限公司 (Nanjing Tuoyu Property Management Co., Ltd.*) ("Nanjing Tuoyu"), a wholly-owned subsidiary of the Company, submitted a tender to U-Home Group, to bid for the contract for the provision of property sales and consultancy service to U-Home Group and its associates. In May 2014, Nanjing Tuoyu entered into a framework cooperation agreement with U-Home Group. Such business is expected to generate revenue of not more than HK$112,500,000 to the Company in the three financial years ending 2014 to 2016.

The board of directors and management of the Company will continue to explore new strategic development opportunities, strengthen corporate governance and optimize business portfolio, in order to enhance the corporate value of the Company.

FINANCIAL REVIEW

Liquidity

As at 31 March 2014, cash and cash equivalents of the Group totalled to approximately HK$45,011,000 (2013: approximately HK$94,058,000), of which approximately 98.7% are denominated in Hong Kong dollars, 0.9% in RMB, 0.3% in US dollars, and 0.1% in Euro. The decrease in cash and cash equivalents are mainly due to the payment of special dividends and the repayment of bank loans.

As at 31 March 2014, the Group had aggregate banking facilities of approximately HK$100,000,000 (2013: approximately HK$548,069,000) of which approximately HK$99,992,000 was utilized (2013: approximately HK$181,153,000). This comprised of HK$99,992,000 in short term bank loans. The decrease in total bank borrowings are mainly due to the decrease in the bank borrowings against pledged treasury products.

Interest rate risk

The Group's bank borrowings was mainly denominated in HK dollar in order to minimize currency risk. As at 31 March 2014, the gearing ratio was approximately 48% (2013: approximately 21%), calculated based on the Group's total bank borrowings of approximately HK$99,992,000 (2013: approximately HK$178,545,000) over the Group's total assets of approximately HK$207,420,000 (2013: approximately HK$872,449,000).

Foreign currency risk

The Group is subject to foreign currency risk as certain bills payable arising from import of purchases from European countries are denominated in EUROs. Management had hedged with EURO forward contracts to minimize the foreign currency risk.

Credit risk

The Group has a pragmatic approach towards credit risk management. New customers are usually not allowed to purchase on credit and the payment conduct of clients are monitored both to facilitate the determination of credit limit as well as a control over whether new sale deliveries should be made. The Group's sale staff and marketing agents pay regular visits to customers to promote the Group's products and at the same time would update information on the clients' credit worthiness. The remuneration of sales staff and marketing agents are structured so that there is goal congruence in maintaining a robust credit risk management system.

Capital Commitments

At 31 March 2014, the Company had no outstanding capital commitment (2013:Nil) and no capital commitment (2013: Nil).

Charge on Group assets

As at 31 March 2014, the Group had no bank loan (2013: HK$9,585,000) which was secured by the investment property (2013: investment property) of the Group having a net book value approximately HK$33,000,000 (2013: HK$33,000,000). In addition, bank loans amounting to HK$99,992,000 (2013: HK$79,960,000) were secured by the Group's pledged bank deposits amounting to HK$106,214,000 (2013: HK$76,652,000). The Group had no bank loan (2013: HK$89,000,000) which was secured by the Group's treasury products (2013: HK$100,888,000).

Contingent Liabilities

As at 31 March 2014, the Group has not issued corporate guarantees to banks (2013: HK$217,000,000) with respect to bank borrowings of the associates of the Group.

The Group was not liable to any material legal proceedings of which provision for contingent liabilities was required.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
Revenue	4	**35,079**	35,648
Cost of sales		**(29,599)**	(27,720)
Gross profit		**5,480**	7,928
Other income	6	**7,772**	6,278
Selling expenses		**(25)**	—
Administrative expenses		**(10,042)**	(12,891)
Other operating expenses		**(9,877)**	(4,476)
Other gains and losses	7	**2,408**	19,557
Gain on disposal of a subsidiary	16(a)	**100,069**	—
Operating profit		**95,785**	16,396
Finance costs		**(1,401)**	(4,435)
Share of results of associates		**27,135**	35,352
Profit before income tax	8	**121,519**	47,313
Income tax expense	9	**(32,302)**	(5,559)
Profit for the year		**89,217**	41,754
Other comprehensive income, after tax			
Item that may be reclassified subsequently to profit or loss:			
Release of translation reserve upon disposal of a subsidiary		**—**	(1,002)
Exchange loss on translation of financial statements of foreign operations		**(40)**	—
Total comprehensive income for the year		**89,177**	40,752
Profit for the year attributable to:			
Owners of the Company		**89,219**	41,754
Non-controlling interests		**(2)**	—
Profit for the year		**89,217**	41,754
Total comprehensive income attributable to:			
Owners of the Company		**89,179**	40,752
Non-controlling interests		**(2)**	—
		89,177	40,752
Earnings per share	11		
Basic (HK cents)		**5.44**	2.57
Diluted (HK cents)		**5.44**	2.56

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**64**	373
Investment properties		**33,000**	55,000
Interests in associates		**—**	443,816
Deposits		**8,883**	—
		41,947	499,189
Current assets			
Inventories		**387**	—
Accounts receivable	*13*	**9,594**	8,282
Deposits, prepayments and other receivables		**3,363**	10,634
Amounts due from associates		**—**	81,873
Treasury products at fair value through profit or loss		**—**	100,888
Tax recoverable		**904**	873
Pledged bank deposits		**106,214**	76,652
Cash and cash equivalents		**45,011**	94,058
		165,473	373,260
Current liabilities			
Bank borrowings		**99,992**	178,545
Accounts and bills payable	*14*	**8,506**	7,727
Accrued expenses and other payables		**3,129**	2,283
Tax payables		**362**	1,832
Derivative financial liabilities	*15*	**—**	64,523
		111,989	254,910
Net current assets		**53,484**	118,350
Total assets less current liabilities		**95,431**	617,539
Non-current liabilities			
Deferred tax liabilities		**217**	1,602
Net assets		**95,214**	615,937
EQUITY			
Share capital		**16,400**	16,250
Reserves		**78,822**	599,693
Equity attributable to owners of the Company		**95,222**	615,943
Non-controlling interests		**(8)**	(6)
Total equity		**95,214**	615,937

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

1. GENERAL INFORMATION

U-Home Group Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is Unit 01, 12th Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Pursuant to a special resolution passed at the extraordinary general meeting of the Company held on 4 November 2013 and with the approval of the Registrar of Companies on 13 November 2013, the name of the Company has been changed from "Jiwa Bio-Pharm Holdings Limited 積華生物醫藥控股有限公司" to "U-Home Group Holdings Limited 宇業集團控股有限公司".

The Company and its subsidiaries are collectively referred to as the "Group".

The Company is principally engaged in investment holding. The principal activities of its subsidiaries include trading of pharmaceutical and health care products, research and development of chemical and biological products and investment and treasury function. During the year, the Group has diversified its business into consultancy and agency business.

On 12 March 2013, the Company through Jiwa Development Company Limited, a wholly owned subsidiary of the Company, entered into a conditional sale and purchase agreement (the "Disposal Agreement") with Goldvault Limited ("Goldvault"), a company which is wholly owned by Mr. Lau Yau Bor, Madam Chan Hing Ming and Mr. Lau Kin Tung (collectively referred to as "Lau's Family"), ex-directors and ex-shareholders of the Company, to dispose its entire 100% equity interests in a subsidiary of the Group, namely Jiwa Pharmaceuticals Limited ("JPL") which held 49% direct equity interest in Kunming Jida Pharmaceutical Company Limited ("KJP"), for a cash consideration of Hong Kong Dollars ("HK$")512,000,000. KJP has four wholly owned subsidiaries in the People's Republic of China (the "PRC") or Hong Kong, namely Wuxi Jida Pharmaceutical Company Limited ("JJRP"), Kunming Jida Pharmaceutical Distribution Company Ltd. ("YJPL"), Yunnan Jida Biotech Limited ("YJB") and Jida Pharm (HK) Trading Co., Limited ("Jida Pharm (HK)") (collectively referred to as the "KJP Group"). The disposal has been completed on 23 August 2013.

The directors consider the immediate holding company is U-Home Group International Limited and the ultimate parent is Shunda Investment Limited, both companies are incorporated in British Virgin Islands ("BVI") with limited liability.

The financial statements for the year ended 31 March 2014 were approved for issue by the board of directors on 10 June 2014.

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial statements have been prepared under historical cost basis except for investment properties, treasury products at fair value through profit or loss and certain derivative financial instruments, which are stated at fair value.

The accounting policies used in preparing the consolidated financial statements are consistent with those followed in the Group's annual financial statements for the year ended 31 March 2013 with the addition of certain standards and interpretations of HKFRSs issued and which became effective in the current year as described below.

3. ADOPTION OF HKFRSs

(a) Adoption of new/revised HKFRSs — effective 1 April 2013

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2013:

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurements
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures

Except as explained below, the adoption of these amendments has no material impact on the Group's financial statements.

HKFRSs (Amendments) — Annual Improvements 2010-2012 Cycle

The Basis of Conclusions for HKFRS 13 Fair Value Measurement was amended to clarify that short-term receivables and payables with no stated interest rate can be measured at their invoice amounts without discounting, if the effect of discounting is immaterial. This is consistent with the Group's existing accounting policy.

Amendments to HKAS1 (Revised) — Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis.

The Group has adopted the amendments retrospectively for the financial year ended 31 March 2014. Items of other comprehensive income that may and may not be reclassified to profit and loss in the future have been presented separately in the consolidated statement of profit or loss and other comprehensive income. The comparative information has been restated to comply with the amendments. As the amendments affect presentation only, there are no effects on the Group's financial position or performance.

Amendments to HKFRS 7 — Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

The adoption of the amendments has no impact on these financial statements as the Group has not offset financial instruments, nor has it entered into a master netting agreement or a similar arrangement.

HKFRS 10 — Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them.

The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The accounting requirements in HKAS 27 (2008) on other consolidation related matters are carried forward unchanged. The Group has changed its accounting policy in determining whether it has control of an investee and therefore is required to consolidate that interest (see note 3.2). The adoption does not change any of the control conclusion reached by the Group in respect of its involvement with other entities as at 1 April 2013.

HKFRS 12 — Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

As the new standard affects only disclosure, there is no effect on the Group's financial position and performance.

HKFRS 13 — Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as 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 (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance. The standard requires additional disclosures about fair value measurements. Comparative disclosures have not been presented in accordance with the transitional provisions of the standard.

(b) New/Revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
HKFRS 9	Financial Instruments

[1] Effective for annual periods beginning on or after 1 January 2014

Amendments to HKAS 32 — Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

HKFRS 9 — Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

4. REVENUE

Turnover of the Group is the revenue derived from its principal activities.

	2014	2013
	HK$'000	*HK$'000*
Trading of pharmaceutical and health care products	**33,072**	35,648
Sale of technical know-how	**1,000**	—
Consultancy services fee income	**1,007**	—
	35,079	35,648

5. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors. The executive directors based on their decisions about resources allocation to the Group's business components and for their review of the performance of those components on these reports. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

For the year ended 31 March 2014, the Group has four reportable segments, the following summary describes the operations in each of the Group's reportable segments:

(i) Trading of pharmaceutical and health care products — Trading of pharmaceutical and health care products

(ii) Research and development — Research and development of chemical and biological products

(iii) Investment and treasury function — Investment holding and treasury function

(iv) Consultancy and agency business — Provision for property agency and consultancy service

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that:

— expenses related to share-based payments
— fair value gain or loss on put options
— impairment of/reversal of impairment for other receivables
— share of profit or loss of associates accounted for using the equity method
— finance costs incurred on corporate borrowings
— income tax
— corporate income and expenses which are not directly attributable to the business activities of any operating segment

are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but exclude interests in associates and tax recoverable. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment and the Group's headquarters.

Segment liabilities exclude derivative financial liabilities in relation to put options. In addition, corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, these include tax payable and deferred tax liabilities.

No asymmetrical allocations have been applied to reportable segments.

Segment revenue, segment results, segment assets and segment liabilities

Information regarding the Group's reportable segments including the reconciliations to revenue, profit before income tax, total assets, total liabilities and other segment information are as follows:

	Trading of pharmaceutical and health care products *HK$'000*	Research and development *HK$'000*	Investment and treasury function *HK$'000*	Consultancy and agency business *HK$'000*	Total *HK$'000*
Year ended 31 March 2014					
Reportable segment revenue	**33,072**	**1,000**	**—**	**1,007**	**35,079**
Reportable segment (loss)/profit	**(6,957)**	**1,735**	**1,136**	**978**	**(3,108)**
Waiver of amount due to associates and a former subsidiary					**5,127**
Financial guarantee fee income					**606**
Exchange gain, net					**2,616**
Share of results of associates					**27,135**
Gain on disposal of a subsidiary					**100,069**
Secretary fee					**(1,205)**
Legal and professional fees					**(7,515)**
Unallocated corporate income					**311**
Unallocated corporate expenses					**(2,517)**
Profit before income tax					**121,519**

	Trading of pharmaceutical and health care products *HK$'000*	Research and development *HK$'000*	Investment and treasury function *HK$'000*	Consultancy and agency business *HK$'000*	Corporate *HK$'000*	Total *HK$'000*
Other information						
Interest income						
— Bank deposits and loans to associates	**16**	**12**	**615**	**1**	**2**	**646**
— Bank deposits subject to interest rate swap contracts	**—**	**—**	**354**	**—**	**—**	**354**
Finance costs	**—**	**—**	**(1,401)**	**—**	**—**	**(1,401)**
Depreciation of property, plant and equipment	**(93)**	**—**	**—**	**—**	**—**	**(93)**
Fair value gain on other derivative financial instruments not qualifying as hedges, net	**—**	**—**	**644**	**—**	**—**	**644**
Fair value loss on treasury products at fair value through profit or loss	**—**	**—**	**(2,697)**	**—**	**—**	**(2,697)**
Additions to specified non-current assets#	**68**	**—**	**—**	**—**	**—**	**68**

	Trading of pharmaceutical and health care products *HK$'000*	Research and development *HK$'000*	Investment and treasury function *HK$'000*	Consultancy and agency business *HK$'000*	Total *HK$'000*
As at 31 March 2014					
Reportable segment assets	**50,690**	**3,088**	**139,249**	**12,453**	**205,480**
Tax recoverable					**904**
Cash and cash equivalents					**1,034**
Other corporate assets					**2**
Consolidated total assets					**207,420**
As at 31 March 2014					
Reportable segment liabilities	**10,034**	**—**	**99,992**	**—**	**110,026**
Tax payables					**362**
Deferred tax liabilities					**217**
Accrued expenses and other payables					**1,601**
Consolidated total liabilities					**112,206**

	Trading of pharmaceutical and health care products *HK$'000* (restated*)	Research and development *HK$'000*	Investment and treasury function *HK$'000* (restated*)	Total *HK$'000* (restated*)
Year ended 31 March 2013				
Reportable segment revenue	35,648	—	—	35,648
Reportable segment profit	2,038	21,739	3,445	27,222
Financial guarantee fee income				1,707
Fair value loss on put option				(10,356)
Share base payment				(2,027)
Impairment of other receivables				(12,013)
Write back of other receivables				7,500
Finance costs on corporate borrowings				(1,439)
Share of results of associates				35,352
Unallocated corporate income				6,769
Unallocated corporate expenses				(5,402)
Profit before income tax				47,313

	Trading of pharmaceutical and health care products HK$'000	Research and development HK$'000	Investment and treasury function HK$'000	Corporate HK$'000	Total HK$'000
Other information					
Interest income					
— Bank deposits and loans to associates	45	4	—	2	51
— Bank deposits subject to interest rate swap contracts	—	—	2,150	—	2,150
— Overdue receivables	—	—	—	216	216
Finance costs	—	—	(2,996)	(1,439)	(4,435)
Depreciation of property, plant and equipment	(224)	(248)	—	—	(472)
Fair value loss on other derivative financial instruments not qualifying as hedges, net	—	—	(6,218)	—	(6,218)
Fair value gain on treasury products at fair value through profit or loss	—	—	2,893	—	2,893
Gain on disposal of a subsidiary and intangible assets	—	23,529	—	—	23,529
Additions to specified non-current asset#	21,028	15,472	—	—	36,500

	Trading of pharmaceutical and health care products HK$'000 (restated*)	Research and development HK$'000	Investment and treasury function HK$'000 (restated*)	Total HK$'000
As at 31 March 2013				
Reportable segment assets	108,384	27,655	232,596	368,635
Interests in associates				443,816
Tax recoverable				873
Other corporate assets				59,125
Consolidated total assets				872,449
As at 31 March 2013				
Reportable segment liabilities	9,687	—	80,741	90,428
Derivative financial liabilities — put option				64,060
Tax payables				1,832
Deferred tax liabilities				1,602
Other corporate liabilities				98,590
Consolidated total liabilities				256,512

Including the Group's property, plant and equipment, investment properties and interests in associates but excluding deferred tax assets

* Investment properties held by the Group and the corresponding income and expenses were included in the segment of "Trading of pharmaceutical and healthcare products" in last years. Management considered that the inclusion of these items in the segment of "Investment and treasury function" is a better presentation in this year, accordingly, the comparative figures have been restated.

Geographical information

An analysis of the Group's property, plant and equipment, investment properties and interest in associates (i.e. specified non-current assets) by geographical locations, determined based on physical location of the assets or location of operations in case of interests in associates, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**33,000**	55,373
The PRC (excluding Hong Kong)	**—**	443,816
	33,000	499,189

The Group's revenue is predominantly derived from the PRC. The geographic location of customers is based on the location at which the goods were delivered or services were rendered.

Information about major customers

Revenue for the current year from three (2013: three) customers of the Group's trading of pharmaceutical and health care products segment amounted to HK$17,152,000, HK$9,239,000 and HK$5,800,000 (2013: HK$22,951,000, HK$8,637,000 and HK$4,060,000), which represent 49%, 26% and 17% (2013: 64%, 24% and 12%) of the Group's revenue respectively.

As at 31 March 2014, amount due from the largest customer accounted for 87% (2013: 25%) of the Group's total accounts receivable balances.

6. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
Interest income on bank deposits	**1,000**	2,201
Interest income on overdue receivables	**—**	216
Rental income	**973**	1,091
Waiver of amount due to associates and a former subsidiary	**5,127**	—
Others	**672**	2,770
	7,772	6,278

7. OTHER GAINS AND LOSSES

	2014	2013
	HK$'000	*HK$'000*
Exchange gain, net	**4,461**	9,170
Fair value gain on investment properties *(note 12)*	—	4,972
Fair value loss on put option *(note 15(a))*	—	(10,356)
Fair value (loss)/gain on treasury products at fair value through profit or loss, net	**(2,697)**	2,893
Fair value gain/(loss) on derivative financial instruments not qualifying as hedges, net *(note 15(b))*	**644**	(6,218)
Gain on disposal of a subsidiary and intangible assets *(note 16(b))*	—	23,529
Gain on disposal of property, plant and equipment	—	80
Impairment on other receivables *(note (a))*	—	(12,013)
Write back of impairment on other receivables *(note (b))*	—	7,500
	2,408	19,557

Notes:

(a) The balance related to the provision for the consideration receivable was in relation to disposal of equity interests in Longchang Industrial Co. Ltd.（山西繁峙縣龍昌實業有限責任公司）("Longchang") in previous year.

(b) Write back of impairment included HK$5,000,000 settled by the shareholder of Leader Forever Limited ("Leader Forever"), the Group's former associate, and HK$2,500,000 settled by the shareholder of Vital Element Investments Limited ("Vital Element"), the Group's former associate, during the year ended 31 March 2013. These amounts were the considerations received by the Group from exercising the put options pursuant to the shareholders' agreement of Leader Forever and Vital Element but were written off in 2012.

As at 31 March 2013 and 2014, the Group held 500 shares, i.e. 12.5% of equity interests, in Vital Element. The net carrying amount of these 500 shares was nil, representing initial investment cost of HK$5,000,000, less the accumulated amount of share of losses of Vital Element up to 31 March 2012. There was no further share of loss of Vital Element recognised by the Group at the reporting date as the net carrying amount of the Group's interests in Vital Element is nil as at 31 March 2014.

8. PROFIT BEFORE INCOME TAX

	2014	2013
	HK$'000	*HK$'000*
Profit before income tax is arrived at after charging:		
Auditor's remuneration	**480**	750
Amortisation of land use rights	**—**	247
Cost of inventories recognised as expense	**29,599**	27,720
Depreciation of property, plant and equipment *(note (a))*	**93**	472
Employee benefit expenses (including directors' emoluments)	**4,983**	8,613
Operating lease charges in respect of premises	**1,599**	3,339
Write off of prepayments	**—**	39
Research and development costs *(note (a))*	**—**	780

Note:

(a) These are included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2014 and 2013.

9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits for the year.

Enterprise Income Tax ("EIT") has been provided on the estimated assessable profits of subsidiary operating in PRC at 25% (2013: 25%).

	2014	2013
	HK$'000	*HK$'000*
Current tax		
— Hong Kong		
Tax for the year	**129**	170
Over-provision in respect of prior years	**(209)**	(1,026)
	(80)	(856)
— PRC		
EIT for the year	**382**	996
Capital gain tax provided for disposal of a subsidiary *(note 16(a)(ii))*	**32,000**	—
Tax provided for selling of technical know-how	**—**	5,009
	32,382	6,005
Deferred tax		
Current year	**—**	410
	32,302	5,559

10. DIVIDENDS

(a) Dividends attributable to the year

	2014	2013
	HK$'000	*HK$'000*
Special interim dividends in respect of current financial year of HK$0.375 per share (2013: Nil)	**615,000**	—

On 23 May 2013, a special interim dividends amounted to HK$615,000,000 (HK$0.375 per share) was conditionally proposed, subject to (i) the completion of the disposal of JPL, (ii) the completion of disposal of an investment property of the Group and (iii) approval by the shareholders of the Company. These conditions were subsequently fulfilled and as at 23 August 2013, the special interim dividend became unconditional and was recorded as liabilities of the Group. Such dividend was paid on 30 August 2013.

Included in the dividend payable of HK$615,000,000, HK$439,910,000 (note 16(a)(i)) was settled against the consideration receivable in connection with the disposal of JPL.

(b) Dividends attributable to the previous financial year, approved and paid during the year

	2014	2013
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year of HK$0.021 per share	**—**	34,125

11. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share attributable to owners of the Company are based on the following data:

	2014	2013
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company	**89,219**	41,754
	'000	*'000*
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,639,014**	1,622,616
Effect of dilutive potential ordinary shares — Share options	**434**	7,631
Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,639,448**	1,630,247

12. INVESTMENT PROPERTIES

	2014	2013
	HK$'000	*HK$'000*
Fair value		
At 1 April	**55,000**	29,000
Additions	**—**	21,028
Disposals	**(22,000)**	—
Increase in fair value *(note 7)*	**—**	4,972
At 31 March	**33,000**	55,000

The carrying amount of the Group's investment properties is analysed as follows:

	2014	2013
	HK$'000	*HK$'000*
Land in Hong Kong:		
— Long lease	**33,000**	55,000

The fair value of investment property is a level 2 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is provided below.

	2014
	HK$'000
Opening balance (level 2 recurring fair value)	55,000
Disposals	(22,000)
Closing balance (level 2 recurring fair value)	33,000

The fair value of the Group's properties as at 31 March 2014 and 2013 have been arrived at on market value basis carried out by Roma Appraisals Limited ("Roma"), an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

The valuation of the investment property as at 31 March 2014 is determined using direct comparison approach assuming sale of the property in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

As at 31 March 2013, one of these properties with a fair value of HK$22,000,000 was pledged to secure the Group's bank borrowings. The property was disposed during the current year to a company, which is incorporated in Hong Kong and wholly owned by Lau's Family, at a consideration of HK$22,000,000, which was equal to its fair value as at the date of disposal.

13. ACCOUNTS RECEIVABLE

The directors of the Company consider that the fair values of accounts receivable are not materially different from their carrying amounts because these amounts have short maturity periods at their inception.

The Group generally allows a credit period of 30 days to 180 days (2013: 30 days to 180 days) to its trade customers. Based on invoice date, ageing analysis of the Group's accounts receivable is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 3 months	**1,207**	8,282
Over 3 months but less than 6 months	**8,387**	—
	9,594	8,282

At each reporting date, the Group first assesses whether objective evidence of impairment exists individually for its accounts receivable that are individually significant, and individually or collectively for accounts receivable that are not individually significant. The Group also assesses collectively for accounts receivable with similar credit risk characteristics for impairment. The impaired receivables, if any, are determined based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment provision is recognised if the amount is determined to be irrecoverable. Based on impairment assessment, no impairment loss was recognised for the Group's accounts receivable for the year ended 31 March 2014 and 2013.

The Group did not hold any collateral as security or other credit enhancements over the accounts receivable, whether determined on an individual or collective basis.

As at 31 March 2014, accounts receivable of HK$9,594,000 (2013: HK$8,282,000) were neither past due nor impaired. These related to a number of customers from whom there was no recent history of default.

14. ACCOUNTS AND BILLS PAYABLE

Ageing analysis of accounts and bills payable is as follows:

	2014	2013
	HK$'000	*HK$'000*
Accounts payable		
Within 3 months	**3,548**	5,119
Over 3 months but less than 6 months	**4,958**	—
	8,506	5,119
Bills payable	**—**	2,608
	8,506	7,727

Accounts and bills payable are non-interest bearing and are all expected to be settled within one year.

The fair values of the Group's accounts and bills payable at 31 March 2014 and 2013 approximated to their corresponding carrying amounts due to their short-term maturities.

15. DERIVATIVE FINANCIAL LIABILITIES

	2014	2013
	HK$'000	*HK$'000*
Fair value of put option *(note (a))*	—	64,060
Fair value of interest rate swap and foreign currency forward contracts *(note (b))*	—	463
	—	64,523

Notes:

(a) Pursuant to the terms of the capital injection (the "Capital Injection") in relation to the disposal of subsidiaries during the year ended 31 March 2011, the Group and the subscribers entered into agreements, pursuant to which put options were granted to the subscribers. The Group had obligations to purchase the equity interests from the subscribers upon exercise of the options by the subscribers if KJP does not obtain a listing on a stock exchange within 48 months from the completion date of Capital Injection, each of the subscribers may, within 6 months from the expiry of such 48 months, request the Group to purchase the subscribers' interest in KJP, plus a compound interest of 10% per annum thereon.The put option was valued by an independent valuer, Roma, using Black-Scholes Option Pricing Model. As at 31 March 2013, the fair value of the put option is HK$64,060,000 and the Group recognised the change in fair value amounted to HK$10,356,000 in profit or loss under "Other gains and losses" (note 7) for the year ended 31 March 2013.

On 2 July 2013, the Company has entered into a novation agreement with Goldvault, in which the Group was released from its obligation over the put option.

(b) During the year ended 31 March 2014, all interest rate swap and foreign currency forward contracts were matured and settled, fair value gain of HK$644,000 (2013: loss of HK$6,218,000) (note 7) was recognised in profit or loss under "Other gains and losses".

16. DISPOSAL OF A SUBSIDIARY/INTANGIBLE ASSETS

(a) On 23 August 2013, the Group disposed of its subsidiary, JPL which held 49% direct equity interest in KJP Group.

The carrying amount of the net assets of JPL at the disposal date of 23 August 2013 were as follows:

	Notes	***HK$'000***
Cash and cash equivalents		**3,135**
Tax recoverable		**863**
Amounts due from associates		**1,971**
Amount due from related companies		**12,775**
Other payables		**(7)**
Dividend payables		**(12,312)**
Deferred tax liabilities		**(1,385)**
Fair value of put option		**(64,060)**
Carrying value of interests in associates		**470,951**
Net assets disposed of		**411,931**
Gain on disposal of JPL		**100,069**
Total		**512,000**
Satisfied by:		
Cash consideration		**40,090**
Non-cash consideration		
— Consideration settled by offsetting with special dividend	*(i)*	**439,910**
— Estimated amount for PRC capital gain tax	*(ii)*	**32,000**
		512,000
Net cash inflow arising on disposal		
Cash consideration		**40,090**
Cash and cash equivalents disposed of		**(3,135)**
Net inflow of cash and cash equivalents		**36,955**
Aggregate amount of the gains on disposal of JPL		**100,069**

Notes:

(i) Part of the consideration amounted to HK$439,910,000 (note 10(a)) in connection with the disposal of JPL was settled by the special interim dividends payable to Lau's Family, which is the shareholder of Goldvault, the acquirer of JPL.

(ii) The hold-back amount of HK$32,000,000 (note 9) represented an estimated tax payable in connection with the disposal of JPL and statutory filings provided for the PRC withholding tax.

(b) On 24 September 2012, the Group disposed of its subsidiary, YJB. In addition, the Key Product Technology was disposed to YJB on 28 September 2012. The transactions were considered as linked transactions as they were entered into in close proximity in time to one another and these transactions have the same business purpose of producing the key product, the gains on the disposal of YJB and the intangible assets therefore were accounted for together.

The carrying amount of the net assets of YJB and the carrying amount of the intangible assets at the disposal dates were as follows:

	Notes	*HK$'000*
Property, plant and equipment		1,919
Land use rights		16,060
Construction in progress		2,152
Other receivables		2,990
Cash and cash equivalents		1,233
Amount due to related companies		(1,852)
Net assets disposed of		22,502
Release of translation reserve upon disposal		(1,002)
Gain on disposal of YJB		1,670
Intangible assets disposed of		29,994
Gain on disposal of intangible assets	*(iii)*	21,859
Total		75,023
Satisfied by:		
Cash consideration		48,108
Deferred consideration	*(iv)*	26,915
		75,023
Net cash outflow arising on disposal		
Cash consideration		48,108
Cash and cash equivalents disposed of		(1,233)
Net inflow of cash and cash equivalents		46,875
Aggregate amount of the gains on disposal of YJB and intangible assets	*7*	23,529

Notes:

(iii) At the date of disposal of the intangible assets, the fair value and the carrying amount of the intangible assets was amounted to HK$51,853,000 and HK$29,994,000 respectively which resulted in a gain on disposal of HK$21,859,000.

(iv) The deferred consideration will be settled in cash, of which, HK$23,843,000 was received by the Group on 6 June 2013.

EMPLOYMENT REMUNERATION POLICY

As at 31 March 2014, the Group had approximately 7 employees. The Group's remuneration policies are in line with prevailing market practice and formulated on the basis of the performance and experience of individual employees. Apart from basic salaries, other staff benefits included provident funds and medical schemes.

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

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

CORPORATE GOVERNANCE PRACTICES

The Board considers that good corporate governance practices are crucial to the effective management of the Group. The Company is committed to the transparency, accountability and independence highlighted by the principles of the Code Provisions in accordance with the "Code on Corporate Governance Practices" and the revised version of it which takes effect from 1 April 2012 (the "CG Code") as set out in Appendix 14 of the Listing Rules to protect the rights of shareholders and stakeholders, enhance shareholder value and ensure proper management of corporate assets.

The Board is of the opinion that during the financial year ended 31 March 2014, the Company had applied the CG Code as set out in the Listing Rules.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code of Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors. On specific enquiries made, all directors have confirmed that, for the year ended 31 March 2014, they have complied with the required standard set out in the Model Code and the Own Code.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the management, the consolidated statements for the year ended 31 March 2014 including the accounting principles and practices adopted by the Group.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2014 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO 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 BDO Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

The 2014 Annual General Meeting of the Company will be held at 11:30 a.m. on 29 July 2014 (Tuesday) at Room 3, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong and a notice of annual general meeting will be published and dispatched in due course.

APPRECIATION

On behalf of the Board, I would like to express my deepest appreciation for all staff of the Group for their excellent contribution, thank our shareholders for their trust and acknowledge our business partners for their support.

By Order of the Board
U-Home Group Holdings Limited
Zhou Wen Chuan
Executive Director and Chief Executive Officer

Hong Kong, 10 June 2014

As at the date of this announcement, the Board comprises Mr. Zhou Xuzhou, Mr. Liu Lailin and Ms. Zhou Wen Chuan as executive Directors, Mr. Chen Xuejun as non-executive Director and Mr. Gao Guanjiang, Professor Wilton Chi Wai Chau and Mr. Lee Cheuk Yin, Dannis as independent non-executive Directors.