HENRY GROUP HOLDINGS LIMITED

鎮科集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 859)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

The board ("Board") of directors (the "Directors") of Henry Group Holdings Limited (the "Company") is pleased to announce the audited annual results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2015, together with the comparative audited figures for the year ended 31 March 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Turnover		**51,270**	53,555
Other income and gains	4	**20,450**	7,817
Net gain/(loss) in fair value of investment properties		**488,000**	(22,367)
Staff costs	5	**(32,489)**	(48,739)
Depreciation for property, plant and equipment	5	**(141)**	(386)
Loss on disposal of available-for-sale financial assets		**—**	(3)
Gain on disposal of subsidiaries		**—**	297,739
Other operating expenses		**(13,159)**	(20,586)
Profit from operations	5	**513,931**	267,030
Finance costs	6	**(26,070)**	(32,457)
Profit before taxation		**487,861**	234,573
Taxation	7	**(1,692)**	3,431
Profit for the year		**486,169**	238,004

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Other comprehensive income			
Items that maybe reclassified subsequently to profit or loss:			
Recognition of hedge reserve of derivative financial instruments		—	4,203
Exchange differences arising on translating foreign operations		—	8,767
Other comprehensive income for the year		—	12,970
Total comprehensive income for the year		**486,169**	250,974
Profit for the year attributable to:			
Owners of the Company		**486,169**	123,600
Non-controlling interests		—	114,404
		486,169	238,004
Total comprehensive income attributable to:			
Owners of the Company		**486,169**	130,433
Non-controlling interests		—	120,541
		486,169	250,974
			(Restated)
Earnings per share			
— Basic (in HK cents)	8	**56.52**	16.99
— Diluted (in HK cents)	8	**55.93**	16.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
ASSETS AND LIABILITIES			
NON-CURRENT ASSETS			
Property, plant and equipment		**128**	267
Investment properties		**2,494,800**	2,006,800
Deferred tax assets		**1,027**	1,137
		2,495,955	2,008,204
CURRENT ASSETS			
Trade and other receivables	10	**4,939**	4,067
Available-for-sale financial assets		**74**	74
Pledged bank deposits		**15,004**	15,004
Cash and bank balances		**1,146,096**	964,792
		1,166,113	983,937
CURRENT LIABILITIES			
Other payables, rental deposits received and accruals, current portion	11	**11,016**	6,843
Bank borrowings, current portion (secured)		**26,750**	26,750
Derivative financial instruments, current portion		**1,732**	—
Tax payable		**640**	600
		40,138	34,193
NET CURRENT ASSETS		**1,125,975**	949,744
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,621,930**	2,957,948

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT LIABILITIES			
Other payables and rental deposits received, non-current portion	11	**9,933**	10,207
Bank borrowings, non-current portion (secured)		**981,374**	973,124
Derivative financial instruments, non-current portion		—	4,883
Deferred tax liabilities		**11,531**	10,296
		1,002,838	998,510
NET ASSETS		**2,619,092**	1,959,438
CAPITAL AND RESERVES			
Share capital		**95,088**	74,302
Reserves		**2,524,004**	1,885,136
TOTAL EQUITY		**2,619,092**	1,959,438

Notes:

1. **Basis of Preparation**

   (a) Statement of compliance

   These consolidated financial statements have been prepared in accordance with all applicable HKFRSs, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

   (b) Basis of preparation

   The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of investment properties and certain financial instruments which are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

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

   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 liability, the Group takes into account the 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, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

   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 entirely, 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.

2. **Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")**

   In the current year, the Group has adopted all the new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods on or after 1 April 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC)-Int 21	Levies

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied the amendments to HKFRS 10, HKIFRS 12 and HKAS 27 Investment Entities for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 April 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurement.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC)-Int 21 Levies

The Group has applied HK(IFRIC)-Int 21 Levies for the first time in the current year. HK(IFRIC)-Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC)-Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised HKFRSs in issue not yet effective

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

HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosure[1]
HKFRS 9	Financial Instruments[1]
HKFRS 10 (Amendments), HKFRS 12 (Amendments) and HKAS 28 (Amendments)	Investment Entitles: Applying the Consolidation Exception[5]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interest in Joint Operations[5]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
HKAS 1 (Amendments)	Presentation of Financial Statements — Disclosure Initiative[5]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants[5]
HKAS 19 (2011) (Amendments)	Defined Benefit Plans: Employee Contributions[6]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[5]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle[6]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle[4]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with early application permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
6 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

HKFRS 9 Financial Instruments

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

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are 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 reporting 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 of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. 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 irrecoverable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was 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. However, 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 effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2018 and that the application of new standard may have a significant impact on amounts reported in respect of Group's financial assets. However, it is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKFRS 11 will have a material impact on the Group's consolidated financial statements.

HKFRS 14 Regulatory Deferral Accounts

HKFRS 14 Regulatory Deferral Accounts, describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with HKFRS 14 because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate regulated goods or services.

The amendments to HKFRS 14 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to HKFRS 14 will have a material impact on the Group's consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

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

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

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

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

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Method of Depreciation and Amortisation

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation for its property, plant and equipment. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The directors of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to HKAS 19 (2011) Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 (2011) clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments to HKAS 19 (2011) will have a significant impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statement:

- At cost

- In accordance with HKFRS 9 Financial Instruments (or HKAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted HKFRS 9), or

- Using the equity method as described in HKAS 28 Investments in Associates and Joint Ventures.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 Consolidated Financial Statements and to HKFRS 1 First time Adoption of Hong Kong Financial Reporting Standards.

The directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.
- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 2010–2012 Cycle

The Annual Improvements to HKFRSs 2010–2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel service to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 2011–2013 Cycle

The Annual Improvements to HKFRSs 2011–2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

a) the property meets the definition of investment property in terms of HKAS 40; and

b) the transaction meets the definition of business combination under HKFRS 3.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 2012–2014 Cycle

The Annual Improvements to HKFRSs 2012–2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 Disclosure — Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for postemployment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

3. Segment information

The segmentations are based on the information about the operation of the Group that management uses to make decisions and regularly review by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. For the year ended 31 March 2015 and 2014, the Group only engaged operating segment in property leasing and development. No analysis of the Group's results, assets and liabilities of other reportable segment is presented.

Geographical information

As all of the Group's turnover are derived from Hong Kong and all the Group's identifiable assets and liabilities are located in Hong Kong, no geographical segment information is presented in accordance with HKFRS 8 Operating Segments.

Information about major customers

Turnover for the year ended 31 March 2015 and 2014 represented gross income from leasing of investment properties. Included in turnover of approximately HK$51,270,000 (2014: HK$53,555,000) are turnover of approximately HK$12,967,000 (2014: HK$16,689,000) which arose from the Group's largest two (2014: two) customers with whom transactions in aggregate have exceeded 10% of the Group's turnover during the year.

Revenue from major customers, each of them amounted to 10% or more of the Group's revenue, are set out below:

	2015	2014
	HKD'000	*HKD'000*
Customer A	**7,740**	8,801
Customer B	**5,227**	7,888

4. Other income and gains

	2015 *HK$'000*	2014 *HK$'000*
Bank interest income	**15,662**	5,694
Fair value gain of derivative financial instruments	**3,151**	—
Imputed interest income	**—**	1,981
Net exchange gain	**1,290**	—
Sundry income	**347**	142
	20,450	7,817

5. Profit from operations

	2015 *HK$'000*	2014 *HK$'000*
Profit from operations is arrived at after charging/(crediting):		
Directors' emoluments	**24,334**	34,449
Other staff costs		
Salaries and allowances	**3,573**	10,639
Retirement benefit scheme contributions	**95**	106
Social security contributions	**—**	306
Other benefits in kind	**4,487**	3,239
	8,155	14,290
Total staff costs	**32,489**	48,739
Net exchange (gain)/loss	**(1,290)**	1,779
Auditors' remuneration	**650**	650
Depreciation for property, plant and equipment	**141**	386
Share-based payment expenses	**11,535**	8,695
Written-off of property, plant and equipment	**4**	—
Fair value (gain)/loss of derivative financial instruments	**(3,151)**	4,883
Gross rental income from investment properties	**(51,270)**	(53,555)
Less: Direct operating expenses from investment properties that generated rental income during the year	**2,351**	1,640
	(48,919)	(51,915)

6. Finance costs

	2015 *HK$'000*	2014 *HK$'000*
Interest on bank borrowings		
— wholly repayable within five years	**9,612**	40,432
— wholly repayable after five years	**16,458**	16,561
Interest on loans from shareholders	**—**	262
Interest on loan from a related party	**—**	1,195
Imputed interest on interest-free loan from a related party	**—**	2,662
	26,070	61,112
Less: Amounts capitalised into investment properties under construction	**—**	(28,655)
Total	**26,070**	32,457

7. Taxation

	2015	2014
	HK$'000	*HK$'000*
Current tax — Hong Kong		
— Provision for the year	**902**	795
— (Over)/under provision in prior years	**(555)**	99
	347	894
Deferred taxation		
— Charged/(credited) to the consolidated statement of profit or loss and other comprehensive income	**1,345**	(4,325)
	1,692	(3,431)

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the year ended 31 March 2015.

Pursuant to the income tax rules and regulation of the People's Republic of China (the "PRC"), provision for the PRC Enterprise Income Tax is calculated based on a statutory rate of 25% on the assessable profits of the PRC subsidiary. No provision for the PRC Enterprise Income Tax for the year ended 31 March 2014 has been made as the PRC subsidiary incurred a loss during the year ended 31 March 2014. For the year ended 31 March 2015, the Group did not have any PRC subsidiary.

8. Earnings per share

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

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share	**486,169**	123,600

	2015	2014
	'000	*'000*
		(Restated)
Number of ordinary shares *(Note)*		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**860,109**	727,332
Effect of dilutive potential ordinary shares:		
Share options	**9,061**	44,809
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**869,170**	772,141

Note: The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share for the year ended 31 March 2015 and 2014 has been adjusted to reflect the open offer completed during the year ended 31 March 2015.

9. Dividend

On 31 March 2015, the Board of Directors has resolved to make the distribution of an aggregate payment of approximately HK$550,000,000 to the shareholders ("Distribution"). The Distribution was approved by the shareholders of the Company at a special general meeting held on 13 May 2015 and it was paid in cash out of the credit standing in the contributed surplus account of the Company on 27 May 2015.

Save as the above, no dividend was paid or proposed during the year ended 31 March 2015, nor has any dividend been proposed since the end of the reporting period (2014: Nil).

10. Trade and other receivables

Included in trade and other receivables were trade receivables of approximately HK$1,773,000 (net of provisions) (2014: HK$2,077,000). The trade receivables represented rental receivables. The aging analysis of the Group's trade receivables based on the respective revenue recognition dates at the end of the reporting period (net of provisions) is as follows:

	2015	2014
	HK$'000	*HK$'000*
Up to 30 days	**1,773**	1,907
31–60 days	**—**	1
61–90 days	**—**	110
More than 90 days	**—**	59
	1,773	2,077

The Group maintains a defined and restricted credit policy to assess the credit quality of each counterparty or tenant. The collection is closely monitored to minimise any credit risk associated with these trade receivables. The trade receivables mainly consist of rental receivables. The rental receivables are payable in advance by tenants.

11. Other payables, rental deposits received and accruals

	2015	2014
	HK$'000	*HK$'000*
Rental deposits received	**16,532**	14,581
Accruals and other payables	**3,950**	1,325
	20,482	15,906
Advanced rental received	**467**	1,144
	20,949	17,050
Less: Other payables and rental deposits received-non-current portion	**(9,933)**	(10,207)
	11,016	6,843

12. Comparative financial information

Certain comparative figures have been restated to conform with current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

During the financial year 2014/15, the Hong Kong economy maintained only a moderate growth rate of 2.3% amidst a still-unsteady external environment (including but not limited to the US economy for its part grew much slower than expected, the Eurozone launched quantitative easing measures, the Greek debt issue reemerged and Central Banks rapidly adjusted their monetary policies). In face of the uneven and moderate global economic expansion, anaemic regional trade flows and a stronger US dollar, Hong Kong's exports only managed to record mild improvement. Retail sales performance declined 0.2% amid weaker spending by both tourists and locals compounded by the short term "Occupy Movement." Sales of luxury goods continued to be a drag on headline growth as China's relentless crackdown on corruption, changing spending pattern to affordable mid-priced items and slowdown in the domestic economic growth. On the other hand, domestic demand was relatively steady and fared comparatively better, providing solid support to the overall economic growth. The labour market was broadly stable and remained at a state of full employment. In terms of asset markets, the local stock market generally trended upward during the second half of the year, despite some market tubulance caused by concerns about the prospective US interest rate increases, Greece's debt negotiations and the geopolitical risks surrounding Eastern Europe and the Middle East. The residential property market saw further signs of rising in the second half of financial year 2014/2015. The Hong Kong Monetary Authority's introduction of new financial measures through tightening mortgage loans merely cooled down trading volume in the first quarter by 2% from the preceding quarter as residential property prices continued showing notable increases. Also flat and shop rentals both rose by 2% in the first quarter of 2015.

Henry Group has been responsive to the developments in the market and Hong Kong business environment. We have refined our retail portfolio, starting with strengthening of the brand's, e.g., "Jardine Center" has been re-launched as the brand "Jardine 50" to suit changes in consumption trends. We also continue to actively adjust our tenant mix while leveraging Henry Group' s experience in Gin-za-i-za-tion — *the rising trend of retail businesses to operate from above the ground floor level of buildings to maintain an effective presence in the CBD of a city*. Our business strategy pursuit of supporting the development of domestic service-based retailers' businesses and provide them a competitive geographical advantage by offering prime vertical retailing space with more competitive leases than rents for street-level shops and shopping malls. To differentiate us from the typical Ginza-building player, Henry Group is dedicated to create a unique Gin-za-i-za-tion layout to provide our clientele and their customers a distinctive and satisfying experience.

- Duplex — Among our two Ginza-style commercial properties, L'hart's special attractive characteristic — a duplex floor plate to give our clients an opportunity to truly personalise business space and reinforce the distinctive personality of their unique business style and brand;

- Balanced Portfolio — We strive to create a diverse, complementary and distinct mix of tenants to cater for the needs of all for every occasion. We have also taken into account the monitoring of visitor traffic flows across each of our properties in order to avoid heavy visitor traffic during lunch hour should all of our tenants be simultaneously dining. We strategically allocate an even distribution of our clientele across our properties — food and beverage businesses account for around one-third of the leased area and are primarily located at the lower level; entertainment businesses account for one-third of the leased area generally at the middle level and the remaining one third of available area is leased to fitness & beauty businesses at higher levels. We have observed Hong Kong people's growing appreciation of a healthier lifestyle, and our portfolio has been expanded to include a number of personal care and beauty tenants.

- Caring for visitors — We strive to provide our clientele as well as those who come to our premises an enthralling personal interactivity experience. Our premises incorporate a configuration to stir the five senses, including Sight, Smell, Touch, Taste and Hearing. By means of a leading-edge eye-catching 360 degree liquid-crystal display (LCD) display panel for broadcasting promotions of tenants, visitors can select their own preferred lifestyle services retailer at a glance. Our lobby and elevators on our premises welcome our visitors with a hint of enticing fragrances and a bird song serenade releasing their stress

- Promotion — We have also launched a brand new user-friendly state-of-the-art website *http://www.ginza.hk* where our tenants can more effectively manage their promotion activities and interactively communicate with their customers online. The website is designed to attract visitors and enable them to browse our client's services and product offerings through a few touches on their mobile devices.

In September 2014, the Company successfully completed a capital funding exercise by way of open offer on the basis of one offer share for every five existing shares held on the record date at a subscription price of HK$0.85 per offer share ("Open Offer"). Pursuant to the Open Offer, the Company allotted and issued 148,603,879 offer shares and accordingly the issued share capital of the Company has been enlarged to 891,623,278 ordinary shares. The Board believes that the Open Offer is in the best interest of the Company and its shareholders as a whole as it offers all of its shareholders the opportunity to participate in the enlargement of its capital base and future development and to maintain a proportional interests. The net proceeds of the Open Offer amounted to approximately HK$123.6 million, which is intended to be used for property investment and development.

On 31 March 2015, the Group entered into the first sale and purchase agreement whereby Joyfield Global Holdings Limited, an indirect wholly-owned subsidiary of the Company has agreed to acquire entire issued share capital of South Shine Limited in turn acquire a residential property located at House No. 12, Villa Bel-Air, Bel-Air on The Peak, Island South, Hong Kong ("First Agreement") and Crystal City Global Limited, an indirect wholly-owned subsidiary of the Company also entered into the second sale and purchase agreement whereby it shall acquire entire issued share capital of Pioneer Delight Limited in turn purchase a commercial property located at Shop No.1 on Ground Floor, Nos. 119, 121 and 125 Caine Road, Hong Kong ("Second Agreement") (collectively "Acquisitions"). The Acquisitions are in line with the Group's strategy to invest in properties with stable income and potential for appreciation of value and it will also enlarge and diversify the property investment portfolio of the Group. The Acquisitions have been duly approved by independent shareholders of the Company at a special general meeting held on 13 May 2015. Details of the Acquisitions are contained in Company's circular dated 20 April 2015 and announcements dated 31 March 2015 and 13 May 2015.

On 31 March 2015, the Board proposed to make the distribution of an aggregate of approximately HK$550 million to the shareholders to be paid in cash out of the credit standing in the contributed surplus account of the Company ("Distribution") and the Board also proposed a share premium reduction to reduce the entire amount standing to the credit of the share premium account of the Company of approximately HK$720.6 million and wholly transfer the credit arising from the said reduction to the contributed surplus account of the Company to facilitate the payment of the Distribution ("Share Premium Reduction"). Both Distribution and Share Premium Reduction were duly approved by the shareholders of the Company at a special general meeting held on 13 May

2015. The Share Premium Reduction became effective on 14 May 2015 and the credit transferred to the contributed surplus account of the Company was then partially applied to pay the Distribution on 27 May 2015. Details of the Share Premium Reduction and the Distribution are contained in Company's circular dated 20 April 2015 and announcements dated 31 March 2015, 13 May 2015 and 19 May 2015.

Business Performance

The Group's turnover for the year was approximately HK$51.3 million, representing a modest decline of 4.3% from approximately HK$53.6 million in 2014. Profit for the year attributable to the owners of the Company was approximately HK$486.2 million (2014: HK$123.6 million), reflecting a substantial fair value gain on the Group's investment properties valuation of approximately HK$488.0 million recorded this year. As of 31 March 2015, the external valuation of the Group's investment properties increased by 24.3% to approximately HK$2,494.8 million (2014: HK$2,006.8 million). Earnings per shares were HK$56.52 cents per share (2014: HK$16.99 cents (restated)).

Prospects

The Group will ride on the opportunities afforded by the present stable economic growth and buoyant local spending in the retail market. In fact, official published retail sales figures only reflect the performance of merchandise retailers and exclude the sales of service-based retailers which include education, entertainment, personal care and food & beverage. The service-based retailers typically cater to niche target local consumers — a market segment with continued support through a tight domestic labour market, low unemployment and a buoyant property market. Thus it is noted that not all retailers are suffering from weak retail sales. We believe that our business strategy positions us well to capture current market opportunities which include attracting services-based retailers to the upper floors of the Group's properties to overcome the high rental cost of street-level shops in the prime shopping district in Causeway Bay. Looking ahead, the Group continues to closely monitor market changes and implement solid business strategies to strengthen our property rental business with a view to provide long term and stable profit and generate returns for shareholders.

FINANCIAL REVIEW

Turnover

The Group's turnover for the year was approximately HK$51.3 million (2014: HK$53.6 million), which represented rental income derived from investment properties. The decline in rental income was driven by a decrease in occupancy levels that resulted from stagnant retail leasing market.

Other income and gains

Other income and gains for the year was approximately HK$20.5 million (2014: HK$7.8 million). The increase was due to an increase in bank deposits interest income.

Other operating expenses

Other operating expenses for the year was approximately HK$13.2 million (2014: HK$20.6 million). The decrease was due to deconsolidation of subsidiaries disposed in October 2013.

Finance costs

Finance costs for the year was approximately HK$26.1 million (2014: HK$32.5 million). The decrease was due to (i) the reduction in bank borrowings; and (ii) fully discharge and repaid of entire loans from related parties.

Profit for the year attributable to owners of the Company

Profit for the year attributable to owners of the Company was approximately HK$486.2 million, representing a substantial increase of approximately 293.3% from approximately HK$123.6 million recorded in the corresponding year in 2014. The increase was mainly attributable to the gain in fair value of investment properties of approximately HK$488.0 million.

Liquidity and financial resources

The Group mainly finances its business operations with its internal resources and bank borrowings. As at 31 March 2015, the Group had cash and bank balances of approximately HK$1,146.0 million (2014: HK$964.7 million). The increase in cash and bank balances was mainly due to (i) net proceeds of the Open Offer approximately HK$123.6 million; and (ii) cash proceeds from exercise of share options approximately HK$38.4 million. As of 31 March 2015, the Group has a undrawn revolving credit facility of approximately HK$100 million for unanticipated and non-recurring extraordinary needs of business operation. Accordingly the Board considered that the Group has maintained adequate financial resources to satisfy its working capital requirements and to meet its financial obligations when they fall due in the foreseeable future.

As of 31 March 2015, the Group's total bank borrowings all denominated in Hong Kong Dollars ("HKD") and are on a floating rate based in aggregate of approximately HK$1,008.1 million (2014: HK$999.9 million) with maturity profile set out as follows:

	2015	2014
	HK$'000	*HK$'000*
Repayable		
Within 1 year	**26,750**	26,750
After 1 year but within 2 years	**26,750**	26,750
After 2 years but within 5 years	**395,257**	354,251
Over 5 years	**559,367**	592,123
	1,008,124	999,874

To mitigate the adverse impact of interest rate upward exposure arising from long term floating rate based bank borrowings, the Group has concluded the interest rate swap arrangement with a bank thereby converting part of the Group's bank borrowings from floating interest rate into fixed interest rate.

The Group's gearing ratio as of 31 March 2015, which is calculated on the basis of total liabilities over total assets, was approximately 28.5% (2014: 34.5%) whilst the Group's current ratio as of 31 March 2015 which expressed a ratio of current assets over current liabilities was approximately 29.1 (2014: 28.8), to reflect the adequacy of the financial resources. The Directors will continue to adopt a prudent financial policy so as to sustain an optimal level of borrowings to meet the Group's funding requirements.

Capital Structure

During the year under review, the Company issued and allotted 148,603,879 ordinary shares at HK$0.85 each pursuant to the Open Offer and accordingly the issued share capital of the Company has been enlarged from 743,019,399 ordinary shares to 891,623,278 ordinary shares. Coupled with the new issue and allotment of 59,253,386 ordinary shares by virtue of exercise of share options, the issued share capital of the Company further increased from 891,623,278 ordinary shares to 950,876,664 ordinary shares as of 31 March 2015.

As of 31 March 2015, the audited net assets attributable to owners of the Company of approximately HK$2,619.1 million (2014: HK$1,959.4 million), representing an increase of approximately 33.7% as compared with the same in 2014. With the total number of 950,876,664 ordinary shares in issue as of 31 March 2015, the net assets value per share was approximately HK$2.75 (2014: HK$2.64).

Treasury Policy

The Group's business has been conducted in Hong Kong and its monetary assets and liabilities are mainly denominated in HKD and with certain cash and bank balances placed as time deposits denominated in Renminbi ("RMB") for enhancement of its financial flexibility and deposits yield. Since it is expected that there shall not be sharp depreciation of RMB against HKD in near future, the directors of the Company consider that no hedging measure against RMB exchange rate exposure is necessary at this stage but will closely monitor their respective fluctuations.

CHARGES ON GROUP'S ASSETS

At of 31 March 2015, the following Group's assets were pledged to secure the Group's banking facilities:

1. Certain investment properties with an aggregate carrying values of approximately HK$2,482 million;

2. Time deposits of approximately HK$15 million; and

3. Certain issued share of several wholly-owned subsidiaries.

CORPORATE GUARANTEES

As of 31 March 2015, the Company had given several guarantees of approximately HK$1,575,000,000 (2014: HK$1,266,000,000), for securing banking facilities granted to their subsidiaries and cross guarantee executed by certain of the Company's subsidiaries.

CONTINGENT LIABILITIES

High Fly Investments Limited ("High Fly"), an indirect non-wholly subsidiary of the Company which were dissolved by virtue of voluntary liquidation with the British Virgin Islands BVI Registry of Corporate Affairs approved on 24 January 2014 and Premium Assets Development Limited ("Premium Assets") (collectively the "Indemnifiers") had signed Deed of Indemnity (the "Deed") on 4 October 2013 (being date of completion of the sale and purchase agreement ("SPA") with Double Favour Limited ("Double Favour"). Pursuant to the Deed, each of the Indemnifiers hereby severally, pro rata to their respective shareholdings in the High Luck International Limited ("High Luck") immediately before completion of the SPA (i.e. 45% as to Premium Assets and 55% as to High Fly) (the "Relevant Proportion") undertakes to Double Favour (for itself and as trustee of the High Luck and its subsidiaries ("Disposal Group")) to pay them an amount or amounts equal to each of the following:

(a) any liability to taxation in connection with any claim in respect of all taxation falling on any member of the Disposal Group resulting from or by reference to any transaction, event, matters or thing occurred or effected during the period from 1 September 2007 to 4 October 2013 (being date of completion of the SPA) ("Relevant Period"), or in respect of any gross receipts, income, profits or gains earned, accrued or received, or alleged or deemed to have been earned, accrued, or received by any member of the Disposal Group during the Relevant Period, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company; and

(b) all action, claims, losses, damages, cost (including all legal costs), charges, expenses, interests, penalties or any other liabilities to which any member of the Disposal Group is or may be subject or which any member of the Disposal Group or Double Favour may reasonably and properly incur in connection with:

    (i) any investigation, assessment or the contesting of any claim or any of the matter referred to in (a) above;

    (ii) the settlement of any claim or any of the matters referred to in (a) above;

    (iii) any legal proceedings or actions in which the Purchaser or any member of the Disposal Group claims under or in respect of the Deed and in which judgment is given in favour of Double Favour or any member to the Disposal Group; or

    (iv) the enforcement of any such settlement or judgment,

and each of the Indemnifiers severally in the Relevant Proportion undertakes to indemnify an hold harmless or demand any member of the Disposal Group and Double Favour in respect of the matters referred to (a) to (b) (inclusive) above.

Notwithstanding anything to the contrary herein provided and the guarantee provided in the SPA, Double Favour further agrees and acknowledges to High Fly acting as trustee for the benefit of Uptodate Management Limited ("Uptodate"), an indirect wholly owned subsidiary of the Company and Best Task Limited that their respective obligations under the guarantee in respect of any obligations arising from any claims against High Fly under the Deed and/or the SPA ("Relevant Claims"), the obligations of Uptodate under the guarantee for such Relevant Claims should only be limited to 54.55% of the said claims (i.e. not more than 30% of total claims).

Pursuant to the Deed, the Board is of the opinion that it would be unlikely for the Group through Uptodate to suffer any material financial loss as a result of giving the aforesaid indemnity on several basis limited to 30% of the Relevant Claims.

COMMITMENTS

As of 31 March 2015, the Group had no material capital commitments.

LITIGATION

On 21 November 2014, Land Base Limited ("LBL"), a wholly owned subsidiary of the Company, the owner of a building named "L'hart" located at Nos. 487 and 489 Lockhart Road Hong Kong, which is built upon certain pieces of land including The Remaining Portion of Subsection 14 of Section A of Inland Lot No. 2836 ("Subsection 14"), received an originating summons issued by Tierra Trading Limited and Keep Forever Development Limited (as Plaintiffs), the owners of a building named "Kyoto Plaza" located at Nos. 491, 493, 495, 497 and 499 Lockhart Road, Hong Kong, which is built upon certain pieces of land, including Subsection 15 of Section A of Inland Lot No. 2836 ("Subsection 15") against LBL (as defendant) and filed with the High Court of the Hong Kong Special Administrative Region Court of First Instance.

The litigation relates to a dispute regarding the ownership of a strip of land (the "Disputed Area") which is the common staircase located on Subsection 15, in between L'hart and Kyoto Plaza, which the Plaintiffs had not used since 1992. It is LBL's case that, since, the demolition of the old building on Subsection 14 and the construction of Kyoto Plaza which has been in use since 1992, LBL's predecessors in title had been in exclusive possession, management and control of the Disputed Area by using the common staircase and other parts of the Disputed Area for various purposes. Since LBL became the registered owner of Subsection 14, it continued in exclusive possession, management and control of the Disputed Areas without interruption. Since the development of the L'hart building, LBL have, for safety, hygiene and aesthetic reasons, sealed off the Disputed Area by erecting a façade over the entrance to the Disputed Area from Lockhart Road forming part of L'hart.

According to the originating summons, the hearing will be convened on 13 August 2015. LBL have engaged senior counsel and to appear at hearing on 13 August 2015.

EMPLOYEES AND REMUNERATION POLICY

As of 31 March 2015, the Group had about 7 employees based in Hong Kong. The Group offers its employees competitive remuneration packages which commensurate with their performance, experience and job nature. The Group also provides other benefits including but not limited to medical insurance, discretionary bonus, share options and mandatory provident fund schemes.

EVENTS AFTER THE REPORTING PERIOD

(1) On 31 March 2015, the Board proposed to make the Distribution of an aggregate of approximately HK$550,000,000 to the shareholders. The payment of the Distribution is conditional upon (i) the approval of the distribution by the shareholders by way of an ordinary resolution at the special general meeting; (ii) compliance with section 54 of the Companies Act; and (iii) the share premium reduction becoming unconditional and effective in accordance with its terms.

    In connection with the payment of the Distribution, the board also proposed the Share Premium Reduction to reduce the entire amount standing to the credit of the share premium account of the Company immediately prior to such reduction and to transfer the credit arising from the said reduction to the contributed surplus account of the Company. The Distribution will be paid out of the credit standing in the contributed surplus account of the Company as enlarged after the Share Premium Reduction. The Share Premium Reduction is conditional upon (i) the approval of the Share Premium Reduction by the shareholders by way of a special resolution at the special general meeting; (ii) compliance with section 46 of the Companies Act; and (iii) compliance of the applicable procedures and requirements under the laws of Bermuda and the Bye-laws to effect the Share Premium Reduction.

The Distribution and Share Premium Reduction was approved by the shareholders at the special general meeting held on 13 May 2015.

On 20 May 2015, the Company obtained a Memorandum of Reduction of Share Premium issued by the Registrar of Companies in Bermuda for approval of share premium reduction of HK$720.6 million with effect from 14 May 2015.

On 27 May 2015, the Company paid the Distribution to the shareholders of the Company of approximately HK$550 million in cash which is determined on the total number of 953,555,241 shares and final amount of the Distribution per Share HK$0.5767 per Share.

For details, please refer to the Company's circular dated 20 April 2015 and announcements dated 31 March 2015, 13 May 2015 and 19 May 2015 respectively.

(2) On 31 March 2015, Joyfield Global Holdings Limited (the "First Purchaser"), an indirectly wholly-owned subsidiary of the Company, Ms. Li Yuen Ting (the "First Vendor") and Mr. Ng Ian entered into the acquisition agreement, pursuant to which the parties thereto conditionally agreed that (i) the First Purchaser will acquire the entire issued share capital of South Shine Limited (the "Target Company") from the First Vendor; (ii) the First Purchaser will acquire from Mr. Ng Ian the two outstanding unsecured and interest-free loans without any fixed terms of repayment owed by Sunny Cost Limited ("Sunny Cost"), a company wholly-owned by the Target Company and Asia Goal International Limited ("Asia Goal"), a company wholly-owned by Sunny Cost; and (iii) the First Purchaser or its nominee will repay the bank loan and related early repayment penalty for the release of the relevant security documents, for an aggregate consideration of HK$197,960,000 (subject to adjustments). Pursuant to an ordinary resolution passed at a special general meeting held on 13 May 2015, the acquisition has been approved by independent shareholders of the Company and were completed in 20 May 2015. For details, please refer to the Company's circular dated 20 April 2015 and announcements dated 31 March 2015 and 13 May 2015 respectively.

The transactions is to be accounted for as a business combination in accordance with HKFRS 3 Business Combination. Up to the date of the approval of the financial statements, the directors of the Company are still in process of determining the fair value of the net identifiable assets and the relevant disclosures of the transactions.

(3) On 31 March 2015, Crystal City Global Limited (the "Second Purchaser"), Trade Icon Holdings Limited and Billion Sincere Limited (collectively called the "Second Vendors") and Mr. Ng Ian entered into the acquisition agreement, pursuant to which the parties thereto conditionally agreed that the Second Purchaser will (i) acquire the entire issued share capital of Pioneer Delight Limited ("Second Target Company") from the Second Vendors; and (ii) acquire the outstanding unsecured and interest free loan without any fixed terms of repayment owed by the Second Target Company from Mr. Ng lan, for an aggregate consideration of HK$56,154,000 (subject to adjustments). Pursuant to an ordinary resolution passed at a special general meeting held on 13 May 2015, the acquisition has been approved by independent shareholders of the Company and were completed in 28 May 2015. For details, please refer to the Company's circular dated 20 April 2015 and announcements dated 31 March 2015 and 13 May 2015 respectively.

The transactions is to be accounted for as a business combination in accordance with HKFRS 3 Business Combination. Up to the date of the approval of the financial statements, the directors of the Company are still in process of determining the fair value of the net identifiable assets and the relevant disclosures of the transactions.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules during the period under review, with the following exceptions:

1. Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. After the appointment of Mr. Ng Ian as the Chairman of the Company with effect from 28 March 2013, he resigned as the Deputy Chairman and Chief Executive Officer ("CEO") of the Company. The Board considered that the management structure of the Board could be optimised by Mr. Ng Ian (the former CEO of the Company, the current Chairman and executive Director of the Company) taking up both the roles of Chairman and CEO of the Company after considering the following factors:

    a. it will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals who meet regularly to discuss issues pertaining to the operations of the Company;

    b. it is conducive to strong and consistent leadership, and enables the Group to make and implement decisions promptly and efficiently; and

    c. it is beneficial to the Company and its shareholders as a whole having taken into account that the Group's business scale has been narrowed down to business operation in Hong Kong after disposal of the joint-venture-based property under construction (located at No.68 Yu Yuan Road, Jing An district of Shanghai).

2. Code provision A.6.7 of the CG Code stipulates that independent non-executive Directors and other non-executive Directors should attend the general meetings of the Company. Mr. Ng Chun For, Henry due to other prior business engagement, was unable to attend the annual general meeting of the Company held on 5 September 2014.

COMPLIANCE OF THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code set out in the Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. All Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the review year.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

AUDIT COMMITTEE

The audit committee comprises a non-executive Director and two independent non-executive Directors, namely, Mr. Mak Wah Chi, Mr. Li Kit Chee (Committee Chairman) and Mr. Chan Kam Man. The audit committee had reviewed and discussed with management the accounting principles and practices adopted by the Group, audit, internal control and financial reporting matters including the review of the audited consolidated financial statements for the year.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Apart from the discloseable and connected transaction regarding the Acquisitions disclosed in announcement dated 31 March 2015 and circular dated 20 April 2015, the Group did not have any significant investments, material acquisitions or disposals during the year.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Company at www.henrygroup.hk and the website of The Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The annual report and the notice of annual general meeting will be despatched to the shareholders of the Company and will be available at the above websites in due course.

By Order of the Board
Ng Ian
Chairman

Hong Kong, 12 June 2015

As at the date of this announcement, the Board comprises Mr. Ng Ian and Mr. Chan Kwok Hung as executive Directors; Mr. Ng Chun For, Henry and Mr. Mak Wah Chi as non-executive Directors and Mr. Li Kit Chee, Mr. Chan Kam Man and Mr. Chu Tak Sum as independent non-executive Directors.

* *for identification purposes only*