CHINA SANDI HOLDINGS LIMITED
中國三迪控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 910)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2018

The board (the "Board") of directors (the "Directors") of China Sandi Holdings Limited (the "Company") announces the annual consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2018 together with the comparative figures for the year ended 31 March 2017:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** **HK$'000**	2017 *HK$'000* *(Restated)*
Revenue	*5*	**707,694**	297,559
Cost of properties sales		**(354,734)**	(208,300)
Other income	*5*	**59,709**	48,735
Other net gains/(losses)	*7*	**21,658**	(52,402)
Fair value gain/(loss) on investment properties		**2,796**	(81,090)
Fair value (loss)/gain on financial assets at fair value through profit or loss		**(8,920)**	9,477
Loss on early redemption of notes		**–**	(5,025)
Impairment loss on properties held for sale		**(11,608)**	–
Staff costs		**(17,123)**	(13,934)
Depreciation of property, plant and equipment		**(2,145)**	(2,100)
Other operating expenses		**(91,277)**	(85,186)
Finance costs	*8*	**(54,217)**	(94,084)
Profit/(loss) before income tax	*10*	**251,833**	(186,350)

	Notes	**2018** *HK$'000*	2017 *HK$'000* *(Restated)*
Income tax (expense)/credit	*9*	**(91,013)**	10,333
Profit/(loss) for the year		**160,820**	(176,017)
Other comprehensive income, after tax, that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**272,949**	(163,375)
Total comprehensive income for the year		**433,769**	(339,392)
Profit/(loss) attributable to:			
Owners of the Company		**156,326**	(169,389)
Non-controlling interest		**4,494**	(6,628)
		160,820	(176,017)
Total comprehensive income attributable to:			
Owners of the Company		**426,938**	(331,283)
Non-controlling interest		**6,831**	(8,109)
		433,769	(339,392)
			(Restated)
Earnings/(loss) per share	*12*		
Basic		**HK3.60 cents**	HK(4.04) cents
Diluted		**HK3.55 cents**	HK(4.04) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	At 31 March 2018 HK$'000	At 31 March 2017 HK$'000 (Restated)	At 1 April 2016 HK$'000 (Restated)
Non-current assets				
Investment properties		**3,952,998**	3,551,719	3,860,877
Property, plant and equipment		**5,327**	6,370	8,131
Properties under development		**358,190**	305,736	250,531
Properties under development for sale		**–**	435,524	477,594
Deposit for subscription of exchangeable bonds		**–**	–	131,301
Deposit and prepayment for properties under development	*14*	**78,978**	56,377	59,952
Deferred tax assets		**14,396**	–	–
Total non-current assets		**4,409,889**	4,355,726	4,788,386
Current assets				
Properties under development for sale and properties held for sale		**1,249,179**	609,521	519,203
Accounts receivable	*13*	**7,329**	5,441	3,975
Loan receivables		**25,000**	259,332	–
Other receivables, deposits paid and prepayments	*14*	**1,072,600**	88,161	28,471
Available-for-sale investments		**–**	–	3,597
Financial assets at fair value through profit or loss		**133,857**	142,777	–
Investments held for trading	*15*	**125,745**	164,087	216,489
Amounts due from related companies	*19(b)(i)*	**140**	295,441	1,221
Income tax recoverable		**10,369**	13,206	–
Pledged bank deposit		**630**	567	601
Cash and cash equivalents		**201,622**	40,824	427,303
Total current assets		**2,826,471**	1,619,357	1,200,860
Total assets		**7,236,360**	5,975,083	5,989,246
Current liabilities				
Accounts payable	*16*	**159,307**	180,351	135,303
Other payables, deposits received and accruals		**83,474**	98,081	65,908
Advances received from pre-sale of properties		**1,346,389**	371,889	123,442
Amounts due to related companies	*19(b)(i)*	**2,016**	211,152	263,939
Amount due to non-controlling interest	*20*	**153,885**	–	–
Notes payable		**–**	–	137,937
Bank borrowings		**184,623**	303,660	327,718
Income tax payable		**57,450**	–	2,986
Total current liabilities		**1,987,144**	1,165,133	1,057,233

	Notes	At 31 March 2018 HK$'000	At 31 March 2017 HK$'000 (Restated)	At 1 April 2016 HK$'000 (Restated)
Net current assets		**839,327**	454,224	143,627
Total assets less current liabilities		**5,249,216**	4,809,950	4,932,013
Non-current liabilities				
Bonds payable		**10,339**	9,900	9,511
Deferred tax liabilities		**757,337**	665,727	718,687
Bank borrowings		**1,045,447**	1,096,319	865,419
Total non-current liabilities		**1,813,123**	1,771,946	1,593,617
Net assets		**3,436,093**	3,038,004	3,338,396
Capital and reserves attributable to owners of the Company				
Share Capital	*17*	**44,589**	33,464	24,734
Reserves		**3,353,019**	2,972,886	3,273,899
Equity attributable to owners of the Company		**3,397,608**	3,006,350	3,298,633
Non-controlling interest		**38,485**	31,654	39,763
Total equity		**3,436,093**	3,038,004	3,338,396

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2018

1. GENERAL

China Sandi Holdings Limited (the "Company") was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Unit 3309, 33/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong respectively.

The principal activity of the Company is investment holding. The principal activities of the Company's principal subsidiaries are engaged in property development, holding of property for investment and rental purpose in the People's Republic of China (the "PRC") and money lending business in Hong Kong.

2. MERGER ACCOUNTING RESTATEMENT

On 15 December 2016, Fujian Sinco Industrial Co., Ltd. ("Fujian Sinco"), an indirectly wholly-owned subsidiary of the Company, and Fuzhou Gaojia Real Estate Development Co., Ltd. ("Fuzhou Gaojia"), the vendor which is beneficially owned by the common director, Mr. Guo Jiadi, entered into agreements pursuant to which Fujian Sinco conditionally agreed to acquire and Fuzhou Gaojia conditionally agreed to sell each of 95% of equity interests of Fujian Jingdu Land Co., Ltd. ("Fujian Jingdu") and Xian Sandi Real Estate Development Co., Ltd. ("Xian Sandi").

Fujian Jingdu

On 26 May 2017, the Company completed its acquisition of 95% of equity interests of Fujian Jingdu.

The consideration for acquiring the Fujian Jingdu is RMB455,816,462, which comprises RMB196,000,000 for acquiring 95% of the equity interests of Fujian Jingdu ("Fujian Equity Consideration") and RMB259,816,462 for the entire amount of the loans owed by Fujian Jingdu to Fuzhou Gaojia as at 31 October 2016 ("Fujian Loan Consideration"). The Fujian Equity Consideration was settled through the Company allotting and issuing 800,000,000 new shares at the issue price of HK$0.2745 each to United Century International Limited, a company incorporated in the BVI which is directly and wholly-owned by Mr. Guo Jiadi, on 26 May 2017. Part of the Fujian Loan Consideration was paid in cash by Fujian Sinco to Fuzhou Gaojia for amounts of RMB150,000,000 during the year ended 31 March 2017 and the remaining portion of RMB109,816,462 was paid in May 2017.

Xian Sandi

On 16 June 2017, the Company completed its acquisition of 95% of equity interests of Xian Sandi.

The consideration for acquiring the Xian Sandi is RMB202,437,651, which comprises RMB95,000,000 for acquiring 95% of the equity interests of Xian Sandi ("Xian Equity Consideration") and RMB107,437,651 for the entire amount of the loans owed by Xian Sandi to Fuzhou Gaojia as at 31 October 2016 ("Xian Loan Consideration"). Part of the Xian Loan Consideration was paid in cash by Fujian Sinco to Fuzhou Gaojia for amounts of RMB50,000,000 during the year ended 31 March 2017. The remaining portion of RMB57,437,651 was paid in May 2017.

The directors of the Company have determined that the application of merger accounting to the acquisitions of Fujian Jingdu and Xian Sandi, being a business combination involving entities under common control, under Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("AG 5") issued by the HKICPA, will provide more relevant and useful information to financial statement users as it better reflects the economic substance of the transaction.

Under merger accounting, based on the guidance set out in AG 5, the consolidated financial statements incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. The assets and liabilities of the acquired entities or businesses should be recorded at the book values as stated in the financial statements of the controlling party. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest. The adjustments to eliminate share/registered capital of the combining entities or businesses against the related investment costs have been made to merger reserves in the consolidated statement of changes in equity.

The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the prior years have been restated to include assets and liabilities and the operating results of Fujian Jingdu and Xian Sandi, as if these acquisitions had been completed since the dates the respective entities or businesses came under the control of Mr. Guo Jiadi. The consolidated statement of financial position as at 1 April 2016 and 31 March 2017 have been restated to adjust the carrying amounts of the assets and liabilities of the Group, had been in existence as at 1 April 2016 and 31 March 2017 as if those entities or businesses were combined from the date when they first came under the control of Mr. Guo Jiadi (see below for the financial impacts).

The effect of restatements described above on the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2017 by line items is as follows:

	2017 *HK$'000* (Originally reported)	Business combination of entities under common control *HK$'000*	2017 *HK$'000* (Restated)
Revenue	99,244	198,315	297,559
Cost of properties sold	–	(208,300)	(208,300)
Other income	48,625	110	48,735
Other net losses	(52,402)	–	(52,402)
Fair value loss on an investment property	(81,090)	–	(81,090)
Fair value gain on financial assets at fair value through profit or loss	9,477	–	9,477
Loss on early redemption of notes	(5,025)	–	(5,025)
Staff costs	(8,513)	(5,421)	(13,934)
Depreciation of property, plant and equipment	(785)	(1,315)	(2,100)
Other operating expenses	(50,505)	(34,681)	(85,186)
Finance costs	(89,669)	(4,415)	(94,084)
Loss before income tax	(130,643)	(55,707)	(186,350)
Income tax credit	10,333	–	10,333

	2017 HK$'000 (Originally reported)	Business combination of entities under common control HK$'000	2017 HK$'000 (Restated)
Loss for the year	(120,310)	(55,707)	(176,017)
Other comprehensive income, after tax, that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	(151,959)	(11,416)	(163,375)
Total comprehensive income for the year	(272,269)	(67,123)	(339,392)
Loss attributable to:			
Owners of the Company	(116,467)	(52,922)	(169,389)
Non-controlling interest	(3,843)	(2,785)	(6,628)
	(120,310)	(55,707)	(176,017)
Total comprehensive income attributable to:			
Owners of the Company	(266,802)	(64,481)	(331,283)
Non-controlling interest	(5,467)	(2,642)	(8,109)
	(272,269)	(67,123)	(339,392)

The effect of restatements on the consolidated statement of financial position as at 1 April 2016 is as follows:

	At 1 April 2016 *HK$'000* (Originally reported)	Business combination of entities under common control *HK$'000*	At 1 April 2016 *HK$'000* (Restated)
Non-current assets			
Investment property	3,860,877	–	3,860,877
Property, plant and equipment	3,189	4,942	8,131
Properties under development	–	250,531	250,531
Properties under development for sale	–	477,594	477,594
Deposit for subscription of exchangeable bonds	131,301	–	131,301
Deposit for properties under development	–	59,952	59,952
Total non-current assets	3,995,367	793,019	4,788,386
Current assets			
Properties under development for sale and properties held for sale	–	519,203	519,203
Accounts receivable	3,975	–	3,975
Other receivables, deposits paid and prepayments	17,596	10,875	28,471
Available-for-sale investments	–	3,597	3,597
Investments held for trading	216,489	–	216,489
Amounts due from related companies	25,419	(24,198)	1,221
Pledged bank deposit	–	601	601
Cash and cash equivalents	387,187	40,116	427,303
Total current assets	650,666	550,194	1,200,860
Total assets	4,646,033	1,343,213	5,989,246
Current liabilities			
Accounts payable	5,167	130,136	135,303
Other payables, deposits received and accruals	49,225	16,683	65,908
Advances received from pre-sale of properties	–	123,442	123,442
Amounts due to related companies	719	263,220	263,939
Notes payable	137,937	–	137,937
Bank borrowings	89,834	237,884	327,718
Income tax payable	3,049	(63)	2,986
Total current liabilities	285,931	771,302	1,057,233
Net current assets/(liabilities)	364,735	(221,108)	143,627
Total assets less current liabilities	4,360,102	571,911	4,932,013

	At 1 April 2016 HK$'000 (Originally reported)	Business combination of entities under common control HK$'000	At 1 April 2016 HK$'000 (Restated)
Non-current liabilities			
Bonds payable	9,511	–	9,511
Deferred tax liabilities	718,687	–	718,687
Bank borrowings	505,710	359,709	865,419
Total non-current liabilities	1,233,908	359,709	1,593,617
Net assets	3,126,194	212,202	3,338,396
Capital and reserves attributable to owners of the Company			
Share Capital	24,734	–	24,734
Reserves	3,072,784	201,115	3,273,899
Equity attributable to owners of the Company	3,097,518	201,115	3,298,633
Non-controlling interest	28,676	11,087	39,763
Total equity	3,126,194	212,202	3,338,396

The financial effect of the restatements to the Group's equity on 1 April 2016 is summarised below:

Share capital	24,734	–	24,734
Convertible preference share	283,858	–	283,858
Share premium account	3,640,011	–	3,640,011
Share-based compensation reserve	1,824	–	1,824
Capital reserve	8,837	–	8,837
Merger reserve	–	236,886	236,886
Conversion option/warrants reserve	9,261	–	9,261
Exchange fluctuation reserve	(72,798)	(8,522)	(81,320)
Accumulated losses	(798,209)	(27,249)	(825,458)
Equity attributable to owners of the Company	3,097,518	201,115	3,298,633
Non-controlling interest	28,676	11,087	39,763
Total	3,126,194	212,202	3,338,396

The effect of restatements on the consolidated statement of financial position as at 31 March 2017 is as follows:

	31 March 2017 *HK$'000* (Originally reported)	Business combination of entities under common control *HK$'000*	31 March 2017 *HK$'000* (Restated)
Non-current assets			
Investment property	3,551,719	–	3,551,719
Property, plant and equipment	2,523	3,847	6,370
Properties under development	–	305,736	305,736
Properties under development for sale	–	435,524	435,524
Deposit for acquisition of companies	225,506	(225,506)	–
Deposit for properties under development	–	56,377	56,377
Total non-current assets	3,779,748	575,978	4,355,726
Current assets			
Properties under development for sale and properties held for sale	–	609,521	609,521
Accounts receivable	5,441	–	5,441
Loan receivables	259,332	–	259,332
Other receivables, deposits paid and prepayments	28,008	60,153	88,161
Financial assets at fair value through profit or loss	142,777	–	142,777
Investments held for trading	164,087	–	164,087
Amounts due from related companies	24,062	271,379	295,441
Income tax recoverable	–	13,206	13,206
Pledged bank deposit	–	567	567
Cash and cash equivalents	24,673	16,151	40,824
Total current assets	648,380	970,977	1,619,357
Total assets	4,428,128	1,546,955	5,975,083
Current liabilities			
Accounts payable	3,526	176,825	180,351
Other payables, deposits received and accruals	35,752	62,329	98,081
Advances received from pre-sale of properties	–	371,889	371,889
Amounts due to related companies	22,568	188,584	211,152
Bank borrowings	59,691	243,969	303,660
Income tax payable	2,529	(2,529)	–
Total current liabilities	124,066	1,041,067	1,165,133
Net current assets/(liabilities)	524,314	(70,090)	454,224
Total assets less current liabilities	4,304,062	505,888	4,809,950

	31 March 2017 HK$'000 (Originally reported)	Business combination of entities under common control HK$'000	31 March 2017 HK$'000 (Restated)
Non-current liabilities			
Bonds payable	9,900	–	9,900
Deferred tax liabilities	665,727	–	665,727
Bank borrowings	735,510	360,809	1,096,319
Total non-current liabilities	1,411,137	360,809	1,771,946
Net assets	2,892,925	145,079	3,038,004
Capital and reserves attributable to owners of the Company			
Share Capital	33,464	–	33,464
Reserves	2,836,252	136,634	2,972,886
Equity attributable to owners of the Company	2,869,716	136,634	3,006,350
Non-controlling interest	23,209	8,445	31,654
Total equity	2,892,925	145,079	3,038,004

The effect of the restatement on the Group's basic and diluted loss per share for the year ended 31 March 2017 is as follow:

	2017 *HK cents*
Impact on basic and diluted loss per share	
As originally stated	(3.56)
Adjustment arising from exercise of warrants shares	0.12
Adjustment arising from business combination under common control	(0.60)
Restated	(4.04)

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or revised HKFRSs – effective 1 April 2017

The Group has adopted the following new or revised HKFRSs (which include all HKFRSs, Hong Kong Accounting Standards ("HKAS") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2017.

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvement to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities

Amendments to HKAS 7 – Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the notes to the consolidated statement of cash flows. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure, the application of these amendments has had no impact on the Group's consolidated financial statements.

Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on these consolidated financial statements as the clarified treatment is consistent with the manner in which the Group has previously recognised deferred tax assets.

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 12, Disclosure of Interests in Other Entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12, Disclosure of Interests in Other Entities, to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity's interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

The adoption of the amendment has no impact on these consolidated financial statements.

(b) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle [2]
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions[1]
HKFRS 9	Financial Instruments[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) [1]
HKFRS 16	Leases[2]
Amendments to HKAS 40	Transfer of Investment Property [1]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019

Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the 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.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at FVTOCI if specified conditions are met – instead of at FVTPL.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-steps 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 each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Amendments to HKAS 40 – Transfer of Investment Property

The amendments clarify that to transfer to or from investment properties there must be a change in use and provides guidance on making this determination. The clarification states that a change of use will occur when a property meets, or ceases to meet, the definition of investment property and there is supporting evidence that a change has occurred.

The amendments also re-characterise the list of evidence in the standard as a non-exhaustive list, thereby allowing for other forms of evidence to support a transfer.

HK(IFRIC)-Int 22 – Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretations specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

Assessment on the impact of amendments, new standards and interpretations

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have an impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the assessment completed to date is based on the information currently available to the Group, the actual impacts upon the initial adoption of the standards may differ, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ending 30 September 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in the financial report.

HKFRS 9 – Financial Instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 April 2018. Expected impacts of the new requirements on the Group's financial statements are as follows:

(a) *Classification and measurement*

The Group has assessed that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

The Group does not have any financial liabilities designated at FVTPL and therefore the new requirement may not have any impact on the Group on adoption of HKFRS 9.

(b) *Impairment*

The Group expects that the application of the expected credit loss model will result in earlier recognition of credit losses.

HKFRS 16 – Leases

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for offices which are currently classified as operating leases. The application of the new accounting model is expected to lead an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As at 31 March 2018, the Group had non-cancellable operating lease commitments of HK$327,000. The interest expense on the lease liability and the depreciation expense on the right-of-use asset under HKFRS 16 will replace the rental charge under HKAS 17. The operating lease commitments as shown in off balance sheet item will be replaced by "right-of-use asset" and "lease liability" in the consolidated statement of financial position of the Group. Other than the above, the Group does not anticipate that the application of this standard will have material impact on the consolidated financial statements of the Group.

The standard will be mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Except the possible impacts of adoption of HKFRS 9 and 16 as discussed above, the Group is not yet in a position to state whether the other new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

4. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and certain financial instruments which are measured at fair value.

(c) Functional and presentation currency

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

5. REVENUE AND OTHER INCOME

Revenue represents income generated from the principal activities of the Group. Revenue and other income recognised during the year are as follows:

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Rental income	**53,735**	44,730
Property management and related fee income	**59,709**	54,514
Sale of properties	**594,250**	198,315
	707,694	297,559
Other income		
Bank interest income	**695**	1,736
Dividend income from listed investments	**816**	899
Gain on disposal of property, plant and equipment	**100**	57
Interest income from debt securities	**1,529**	4,259
Interest income from loan receivables	**4,460**	15,076
Interest income from deposit for subscription of exchangeable bonds	**–**	14,282
Interest income from financial assets at fair value through profit or loss	**26,660**	12,378
Exchange gain, net	**25,222**	–
Others	**227**	48
	59,709	48,735

6. SEGMENTAL INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has identified two reportable segments, the business of property development and property investment. The following summary describes the operations in each of the Group's reportable segments:

- Property development business: development and sale of properties
- Property investment business: letting properties and providing property management services

During the years ended 31 March 2018 and 2017, there are no inter-segment transactions made. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit/(loss) that is used by the chief operating decision-maker for assessment of segment performance.

(i) Business Segments

The following is an analysis of the Group's revenue and results by operating and reportable segments:

	Property development business		**Property investment business**		**Total**	
	2018	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)				(Restated)
Revenue from:						
External sales	**594,250**	198,315	**113,444**	99,244	**707,694**	297,559
Inter-segment sales	**–**	–	**–**	–	**–**	–
Reportable segment revenue	**594,250**	198,315	**113,444**	99,244	**707,694**	297,559
Reportable segment gain/(loss)	**169,560**	(63,537)	**30,027**	(57,027)	**199,587**	(120,564)
Interest revenue	**229**	652	**4,051**	16,135	**4,280**	16,787
Interest expense	**(5,345)**	(4,415)	**(47,664)**	(70,584)	**(53,009)**	(74,999)
Depreciation	**(1,393)**	(1,076)	**(292)**	(315)	**(1,685)**	(1,391)
Income tax (expense)/credit	**(76,362)**	–	**(14,651)**	10,333	**(91,013)**	10,333
Impairment on properties held for sale	**(11,608)**	–	**–**	–	**(11,608)**	–
Fair value gain/(loss) on investment properties	**–**	–	**2,796**	(81,090)	**2,796**	(81,090)
Asset and liabilities information						
Segment assets	**2,902,495**	1,571,384	**3,976,375**	4,069,772	**6,878,870**	5,641,156
Addition to non-current assets	**35,582**	78,506	**12**	572	**35,594**	79,078
Segment liabilities	**(2,175,244)**	(1,407,001)	**(1,608,710)**	(1,493,202)	**(3,783,954)**	(2,900,203)

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Reportable segment revenue	**707,694**	297,559
Elimination of inter-segment revenue	**–**	–
Consolidated revenue	**707,694**	297,559
Profit/(loss) before income tax		
Reportable segment profit/(loss)	**199,587**	(120,564)
Fair value gain/(loss) on investments held for trading	**21,013**	(52,402)
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(8,920)**	9,477
Finance costs	**(1,208)**	(19,085)
Loss on early redemption of notes	**–**	(5,025)
Interest income from deposit for subscription of exchangeable bonds	**–**	14,282
Interest income from financial assets at fair value through profit or loss	**26,660**	12,378
Interest income from loan receivables	**866**	–
Exchange gain/(loss), net	**25,222**	(11,500)
Net realised gain on disposal of investments held for trading	**645**	–
Unallocated corporate income	**2,355**	5,191
Unallocated corporate expenses	**(14,387)**	(19,102)
Consolidated profit/(loss) before income tax expense	**251,833**	(186,350)
Assets		
Reportable segment assets	**6,878,870**	5,641,156
Cash at bank	**59,993**	4,544
Investments held for trading	**125,745**	164,087
Financial assets at fair value through profit or loss	**133,857**	142,777
Loan receivables	**25,000**	–
Unallocated corporate assets	**12,895**	22,519
Consolidated total assets	**7,236,360**	5,975,083
Liabilities		
Reportable segment liabilities	**3,783,954**	2,900,203
Amount due to a related company	**20**	22,500
Bonds payable	**10,339**	9,900
Unallocated corporate liabilities	**5,954**	4,476
Consolidated total liabilities	**3,800,267**	2,937,079

(iii) Geographical information

During the years ended 31 March 2018 and 2017, the Group's major operations and assets are situated in the PRC in which all of its revenue was derived.

(iv) Major customers

There is no customer contributing over 10% of the Group's revenue for the years ended 31 March 2018 and 2017.

7. OTHER NET GAINS/(LOSSES)

	2018	2017
	HK$'000	*HK$'000*
Fair value gain/(loss) on investments held for trading	**21,013**	(52,402)
Net realised gain on disposal of investments held for trading	**645**	–
	21,658	(52,402)

8. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Interest on bank borrowings	**78,045**	131,994
Interest on bonds and notes payable	**1,208**	19,085
Interest on amount due to a related company	**–**	12,414
	79,253	163,493
Less: Interest capitalised *(note)*	**(25,036)**	(69,409)
	54,217	94,084

Note:

Borrowing costs capitalised during the year ended 31 March 2018 arose on the bank borrowings (2017: bank borrowings and amount due to a related company) are capitalised fully to expenditure on qualifying assets.

9. INCOME TAX EXPENSE/(CREDIT)

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
PRC enterprise income tax		
– Current year	**39,093**	–
– Over provision in prior years	**(295)**	–
	38,798	–
PRC land appreciation tax ("LAT")	**47,124**	–
Deferred tax expense/(credit)	**5,091**	(10,333)
Income tax expense/(credit)	**91,013**	(10,333)

Hong Kong profits tax is calculated at 16.5% on the estimated assessable profit for the year ended 31 March 2018 (2017: 16.5%). No provision of Hong Kong profits tax was made as there was no assessable profit derived for both years.

The Group's subsidiaries in the PRC were subject to the PRC enterprise income tax. The applicable PRC enterprise income tax rate is 25% for the years ended 31 March 2018 and 2017 for the PRC subsidiaries.

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

10. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is arrived at after charging/(crediting):

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Auditor's remuneration	**800**	585
Exchange (gain)/loss, net	**(25,222)**	11,500
Minimum lease payments under operating leases on leasehold properties	**2,040**	2,040
Staff costs (including directors' emoluments):		
Basic salaries and allowances (including share based payment)	**15,745**	12,692
Retirement benefits scheme contribution	**1,378**	1,242
	17,123	13,934

11. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2018 (2017: HK$Nil), nor has any dividend been proposed since 31 March 2018.

12. EARNINGS/(LOSS) PER SHARE

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

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Profit/(loss) attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**156,326**	(169,389)

	Number of shares	
	2018	2017
	'000	*'000*
		(Restated)
Weighted average number of ordinary shares (2017: ordinary shares and convertible preference shares) for the purpose of basic earnings/(loss) per share	**4,348,418**	4,191,540
Effect of dilutive potential ordinary shares in respect of:		
– Share options	**3,667**	–
– Unlisted warrants	**49,410**	–
Weighted average number of ordinary shares (2017: ordinary shares and convertible preference shares) for the purpose of diluted earnings/(loss) per share	**4,401,495**	4,191,540

The Company issued 800,000,000 ordinary shares as part of the consideration for the acquisition of Fujian Jingdu which are under common control and accounted for using merger accounting, the ordinary shares issued are included in the calculation of the weighted average number of shares for the years ended 31 March 2018 and 2017 as if these ordinary shares are issued and the acquisition of Fujian Jingdu had completed on 1 April 2016.

The weighted average number of ordinary shares for the purpose of computing basic loss per share for the year ended 31 March 2017 also has been adjusted for the effect of the exercise of warrant shares on 22 December 2017.

The calculation of basic earnings/(loss) per share attributable to the owners of the Company for the year ended 31 March 2018 is based on the profit attributable to the owners of the Company of approximately HK$156,326,000 (2017: loss of HK$169,389,000) and on the weighted average number of approximately 4,348,418,000 ordinary shares (2017: 4,191,540,000 ordinary shares and convertible preference shares).

Share options:

For the year ended 31 March 2018, the computation of diluted earnings per share assume the exercise of the share options since the exercise price of share options is lower than the average market price of the Company's shares for the respective year. For the year ended 31 March 2017, the computation of diluted loss per share did not assume the exercise of share options since the exercise price of those share options was higher than the average market price of the Company's shares for the respective year.

Unlisted warrants:

For the year ended 31 March 2018, the computation of diluted earnings per share assume the exercise of the unlisted warrants since the exercise price of those unlisted warrants is lower than the average market price of the Company's shares for the respective year. For the year ended 31 March 2017, the computation of diluted loss per share does not assume the exercise of unlisted warrants as they would decrease the loss per share attributable to the owners of the Company and have anti-dilutive effect. Therefore, the diluted loss per share attributable to the owners of the Company for the year ended 31 March 2017 was based on the loss attributable to the owners of the Company of approximately HK$169,389,000 and on the weighted average number 4,191,540,000 ordinary shares and convertible preference shares during the year.

13. ACCOUNTS RECEIVABLE

	2018	2017
	HK$'000	*HK$'000*
Accounts receivable	**7,329**	5,441

The credit terms in connection with sales of properties granted to the buyers are set out in the sale and purchase agreements and vary for different agreements. A credit period of 30 days (2017: 30 days) is granted to the tenants, while the Group normally received rental income one month in advance. The Group seeks to maintain strict control over its outstanding receivables to recognise credit risk, with overdue balances regularly reviewed by senior management. Accounts receivable are generally non-interest bearing and their carrying amounts approximate their fair values. The Group did not hold any collateral over these balances.

The ageing analysis of the accounts receivable as at the end of reporting period, based on the invoice date, was as follows:

	2018	2017
	HK$'000	*HK$'000*
0 – 90 days	**2,937**	2,879
91 – 180 days	**635**	1,006
Over 180 days	**3,757**	1,556
	7,329	5,441

The ageing of accounts receivable which are past due but not impaired are as follows:

	2018 *HK$'000*	2017 *HK$'000*
0 – 90 days	**1,152**	2,064
91 – 180 days	**465**	644
Over 180 days	**3,642**	1,414
	5,259	4,122

14. DEPOSIT AND PREPAYMENT FOR PROPERTIES UNDER DEVELOPMENT/OTHER RECEIVABLES, DEPOSITS PAID AND PREPAYMENTS

	2018 *HK$'000*	2017 *HK$'000* (Restated)
Non-current assets:		
Deposit and prepayment for properties under development		
Prepayment for properties under development *(note (i))*	**16,519**	–
Deposit for properties under development *(note (ii))*	**62,459**	56,377
	78,978	56,377
Current assets:		
Deposits	**4,440**	49,328
Other receivables	**12,221**	27,828
Prepayments for acquisition of land use rights *(note (iii))*	**621,712**	–
Prepayment *(note (iv))*	**434,602**	11,343
	1,072,975	88,499
Less: Impairment loss *(note (v))*	**(375)**	(338)
	1,072,600	88,161

Notes:

(i) The amount represents prepaid construction cost for developing hotels.

(ii) The amount represents deposit for the local governmental authority for developing hotels with four-stars accreditation. The deposit will be refunded to the Group 1.5 years after the hotels are in operation.

(iii) The amount of HK$621,712,000 (equivalent to RMB475,000,000) represents the prepayments made by the Group for the acquisition of land use rights in the PRC for the Group's property under development for sale as detailed in the Company's announcements dated 29 January 2018 and 9 February 2018.

(iv) The amount mainly represents prepaid construction cost of approximately HK$389,931,000 (2017: HK$3,980,000) for the Group's properties development for sale.

(v) Movements in the provision for impairment of other receivables are as follows:

	2018	2017
	HK$'000	*HK$'000*
At 1 April	**338**	360
Exchange adjustment	**37**	(22)
At 31 March	**375**	338

The carrying amounts of the other receivables that were neither past due nor impaired relate to other debtors for whom there was no recent history of default.

15. INVESTMENTS HELD FOR TRADING

	2018	2017
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong, at fair value	**125,745**	130,663
Debt securities listed in Hong Kong, at fair value	**–**	33,424
	125,745	164,087

The above equity and debt securities are classified as investments held for trading as they have been acquired principally for the purpose of selling in the near term, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Changes in their fair values are recorded in profit or loss.

As at 31 March 2018, the investments held for trading represented an investment portfolio comprising 5 equity securities listed in Hong Kong (2017: 7 equity securities and 1 debt securities listed in Hong Kong). All of them are securities listed on the Main Board of the Stock Exchange.

16. ACCOUNTS PAYABLE

The Group normally obtains credit terms ranging from 30 to 120 days from its suppliers. An ageing analysis of the accounts payable as at the end of reporting date, based on the receipt of goods purchased, was as follows:

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Current or less than 1 month	**69,708**	169,766
1 to 3 months	**19,585**	1,308
More than 3 months but less than 12 months	**2,465**	5,323
More than 12 months	**67,549**	3,954
	159,307	180,351

The directors consider that the carrying amount of the Group's accounts payable at 31 March 2018 and 2017 approximates their fair values.

17. SHARE CAPITAL

	2018 No. of shares *'000*	2018 Amount *HK$'000*	2017 No. of shares *'000*	2017 Amount *HK$'000*
Authorised				
Ordinary shares of HK$0.01 each	**200,000,000**	**2,000,000**	200,000,000	2,000,000
Convertible preference shares	**602,000**	**6,020**	602,000	6,020
Issued and fully paid:				
Ordinary Shares				
At beginning of the year	**3,346,401**	**33,464**	2,473,387	24,734
Issue of ordinary shares:				
– Placing *(note (i))*	**–**	**–**	159,996	1,600
– Conversion of convertible preference share *(note (ii))*	**–**	**–**	713,018	7,130
– Acquisition of entities under common control *(note (iii))*	**800,000**	**8,000**	–	–
– Exercise of warrant *(note (iv))*	**312,500**	**3,125**	–	–
At end of the year	**4,458,901**	**44,589**	3,346,401	33,464
Convertible preference shares				
At beginning of the year	**–**	**–**	401,667	283,858
Conversion of convertible preference share *(note (ii))*	**–**	**–**	(401,667)	(283,858)
At end of the year	**–**	**–**	–	–
Conversion to ordinary shares				
At beginning of the year	**–**	**–**	713,018	283,858
Conversion of convertible preference share *(note (ii))*	**–**	**–**	(713,018)	(283,858)
At end of the year	**–**	**–**	–	–

Notes:

(i) On 8 September 2016, the Company issued 159,996,000 shares with par value of HK$0.01 each, at a price of HK$0.24 per share by way of a placing. The net proceeds from the placing, after deducting the related placing commission, professional fees and all related expenses, is approximately HK$37,389,000, out of which approximately HK$1,600,000 and HK$35,789,000 were recorded in share capital and share premium respectively during the year ended 31 March 2017.

(ii) On 19 September 2016, the Company received written notice issued by the holders of convertible preference shares (the "CPS") for a full conversion of the CPS at the conversion price of HK$1.69 per share. On 28 September 2016, the Company issued 713,017,750 new ordinary shares with par value of HK$0.01. Approximately HK$7,130,000 and HK$276,728,000 were recorded in share capital and share premium respectively during the year ended 31 March 2017 after the conversion of CPS.

(iii) As detailed in note 2, pursuant to the sale and purchase agreement dated 15 December 2016 entered into between Fujian Sinco and Fuzhou Gaojia, the Group acquired 95% equity interest of Fujian Jingdu for an agreed consideration of RMB196,000,000. The consideration was satisfied by the allotment and issue of 800,000,000 shares of the Company at the issue price of HK$0.2745 each to United Century International Limited on 26 May 2017.

(iv) On 21 December 2017, the Company received written notice issued by the holder of warrant for a full exercise of the warrant to the extent of HK$75,000,000 at exercise price of HK$0.24 per share. On 22 December 2017, the Company issued 312,500,000 new ordinary shares with par value of HK$0.01. Upon the full exercise of warrants, the remaining amount of equity component amounting to approximately HK$9,261,000 was transferred to share premium. Approximately HK$3,125,000 and HK$81,136,000 were recorded in share capital and share premium respectively during the year ended 31 March 2018 after the exercise of warrants.

All the shares issued during the year rank pari passu with the existing shares in all respects.

18. CONVERTIBLE PREFERENCE SHARES

On 30 January 2012, the Company issued 601,666,666 convertible preference shares, in which 200,000,000 shares were converted into ordinary shares in 2012. One convertible preference share of notional value of HK$1.69 each (The notional value was HK$3 each before the rights issue on 4 February 2016) shall be convertible into one new ordinary share, subject to adjustment in the customary manner, including share consolidations, share sub-division, capitalisation issues, capital distributions, rights issues and issues of other securities for cash as discount of more than 20%. The convertible preference shares rank (a) in priority to the ordinary shares of the Company and any other class of shares to return of capital; and (b) pari passu with ordinary shares of the Company as to any dividends accumulated on the convertible preference shares. The convertible preference shares do not carry any voting rights. The convertible preference shares are non-redeemable and are not listed on any stock exchange. The fair value of the convertible preference shares at the initial recognition was credited to convertible preference shares.

All the remaining 401,666,666 convertible preference shares were converted into ordinary shares during the year ended 31 March 2017.

19. RELATED PARTIES TRANSACTIONS

Save as those disclosed elsewhere in the consolidated financial statements, details of the Group's significant related parties transactions as at follows:

(a) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the year was as follows:

	2018	2017
	HK$'000	*HK$'000*
Salaries and other short-term employee benefits	**5,419**	5,085
Post-employment benefits	**50**	58
	5,469	5,143

(b) Transactions/balances with related parties

(i) As at 31 March 2018 and 2017, the amounts due from related companies are unsecured, interest-free and repayable on demand. Maximum amounts due from related companies during the year ended 31 March 2018 was approximately HK$314,070,000 (2017: HK$295,441,000, restated).

As at 31 March 2018, the amounts due to related companies are unsecured, interest-free and repayable on demand.

For the year ended 31 March 2017, interest expense of approximately HK$12,414,000 was incurred for the period from 1 April 2016 to 31 October 2016 on an amount due to a related company of approximately HK$67,377,000 as at 31 March 2017 (1 April 2016: HK$186,832,000) which was unsecured, interest-bearing at 14% per annum and repayable on demand (the "Interest-bearing Related Party Balance"). This interest expense was capitalised in properties under development and properties under development for sale and properties held for sale. The Interest-bearing Related Party Balance became interest-free effective from 1 November 2016. As at 31 March 2017, the amounts due to related companies were unsecured, interest free and repayable on demand.

As at 31 March 2018 and 2017, the above related companies are beneficially owned or controlled by Mr. Guo Jiadi, the Chairman and an Executive Director of the Company.

During the year ended 31 March 2018, the Group has entered into a multi-party agreement with related companies of which Mr. Guo Jiadi is beneficially interested in, and has legally enforceable right to offset balances among the related parties in an aggregate amount of HK$32,000,000 (2017: HK$130,000,000). The relevant arrangement under the multi-party agreement was completed during the year. As at 31 March 2018, an amount of HK$2,016,000 (2017: HK$211,152,000, restated) due to related parties were resulted and recorded as current liabilities after such arrangement.

This arrangement is regarded as non-cash transaction for preparation of the consolidated statement of cash flows.

(ii) Mr. Guo Jiadi and Ms. Shen Bizhen (the spouse of Mr. Guo Jiadi) have granted guarantees to banks for the bank loans with principal amount of approximately HK$1,230,070,000 (2017: HK$1,399,979,000, restated), for due performance of the covenants of bank facilities granted to the subsidiaries of the Company.

(iii) A rental agreement for leasing a portion of a floor of the shopping mall in Fuzhou was signed between the Group and a company of which Mr. Guo Jiadi was beneficially interested in. Rental income charged for the year amounted to HK$283,000 (2017: HK$784,000).

(iv) Fuzhou Gaojia, which is beneficially owned by Mr. Guo Jiadi, has granted guarantees to banks for the bank loans with principal amount of approximately HK$415,212,000 (2017: HK$604,778,000), for due performance of the covenants of bank facilities granted to the subsidiaries of the Company.

(v) Guo Shi investment Co. Limited, which is ultimately owned as to approximately 95% by Mr. Guo Jiadi, has granted a guarantee to a bank for the bank loan with principal amount of approximately HK$127,903,000 (2017: HK$186,381,000), for due performance of the covenants of bank facilities granted to a subsidiary of the Company.

20. AMOUNT DUE TO NON-CONTROLLING INTEREST

Amount due to non-controlling interest is unsecured, interest-free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2018, the Group recorded a total revenue of approximately HK$707.7 million, representing a significant year-on-year increase of approximately 137.8%. Profit attributable to the owners of the Company amounted to HK$156.3 million as compared with a loss of HK$169.4 million in last year. Basic earnings per share was HK3.60 cents (2017: basic loss per share of HK4.04 cents).

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 March 2018 (2017: HK$Nil).

BUSINESS REVIEW

The Group is principally engaged in property development and holding of property for investment and rental purpose, as well as money lending business.

Property development

Contracted property sales

Contracted sales of the Group for the year reached approximately HK$1,991.8 million with a total gross floor area ("GFA") of approximately 155,417 square meters ("sq.m"). The Group focuses on its projects in respect of peripheral facilities seeking to fulfill needs of the middle to upper class households.

The table below illustrates the contracted sales (stated before the deduction of applicable taxes) achieved by the Group for the year ended 31 March 2018:

Contracted Sales for the year ended 31 March 2018

Location	**Property Projects**	**Project Type**	**Contracted sales amount HK$'000**	**Contracted sales area (sq.m)**	**Average price of contracted sales HK$/sq.m** *(Note 1)*	**Percentage of total contracted sales amount**
Fuzhou City, Fujian Province	Fuzhou Sandi Chuangfu Plaza	Commercial/Office	168,640	7,863	21,447	8.5%
		Carpark	4,560	896	5,090	0.2%
Xian City, Shaanxi Province	Qujiang Xiangsong Fengdan • Xian Sandi					
	– Zone A of Phase 1	Commercial	23,174	1,021	22,697	1.2%
		Residential	28,406	2,418	11,748	1.4%
	– Zone B of Phase 1	Residential	643,854	54,129	11,895	32.3%
	– Zone C of Phase 2	Residential	620,003	50,919	12,176	31.1%
	– Zone D of Phase 2	Residential	503,148	38,171	13,181	25.3%
Total			1,991,785	155,417	12,816	100.0%

Note 1:

The calculation of average price per sq.m is based on the sales revenue before the deduction of business/value-added tax and other surcharges/taxes.

Portfolio of property development projects

The table below summaries the portfolio of property development projects as at 31 March 2018:

Location	Property projects	Project type	Actual/ expected completion dates	Site area sq.m	Completed		Under development/future development		Group's interest%
					Saleable GFA delivered/pre-sold sq.m	GFA available for sale sq.m(iii)	GFA under development sq.m(iii)	Planned GFA for future development sq.m(iii)	
Fuzhou City, Fujian Province	Fuzhou Sandi Chuangfu Plaza								
	– Zone A	Commercial/ office	2017	18,330	21,407	2,406	–	–	95%
		Others	2017	(iv)	896	2,642	–	–	95%
	– Zone B	Hotel	2019		–	–	69,998	–	95%
	Sub-total			18,330	22,303	5,048	69,998	–	95%
Wuyishan City, Fujian Province	Wuyishan Sandi New Times Square	Residential and Commercial	Pending	168,669 (vii)	–	–	–	157,177	55%
Xian City, Shaanxi Province	Qujiang Xiangsong Fengdan • Xian Sandi 西安三迪 • 曲江香頌楓丹								
	– Zone A of Phase 1	Residential	2017		66,165	1,152	–	–	95%
		Commercial	2017	54,996	1,615	3,623	–	–	95%
	– Zone B of Phase 1	Residential, Commercial and Others (ii)	2018/2019	(v)	–	–	71,363	–	95%
	Sub-total			54,996	67,780	4,775	71,363	–	95%
	– Phase 2	Residential and Commercial	2021	34,192 (vi)	–	–	142,595	–	95%
Total				276,187	90,083	9,823	283,956	157,177	
Total Attributable GFA					85,579	9,332	269,758	86,447	

Notes:

(i) The table above includes properties for which the Group has obtained the relevant land use rights certificate(s) but has not obtained the requisite construction permits or the Group has received the confirmation letter on bidding of granting land use rights but in progress to obtain the land use right certificate(s). The figures for "GFA available for sale", "GFA under development" and "Planned GFA for future development" are based on figures provided in the relevant governmental documents, such as the property ownership certificates, the construction work planning permits, the pre-sale permits, the construction land planning permits or the land use rights certificate. The categories of information are based on our internal records.

(ii) Others mainly comprises car parks and ancillary facilities.

(iii) "GFA available for sale" and "GFA under development" and "Planned GFA for future development" are derived from the Group's internal records and estimates.

(iv) Pursuant to a State-owned Land Use Rights Certificate issued by the Fuzhou City Bureau of Land and Resources, the land use rights of a parcel of land with a site area of approximately 18,330 sq.m. were granted/allocated to the Group for the development of Fuzhou Sandi Chuangfu Plaza.

(v) Pursuant to the State-owned Land Use Rights Certificate(s) issued by the Xi'an City Bureau of Land and Resources, the land use rights of land parcels with a total site area of approximately 54,996 sq.m. were granted/allocated to the Group for the development of Phase 1, Qujiang Xiangsong Fengdan • Xian Sandi.

(vi) Pursuant to the State-owned Land Use Rights Certificate(s) issued by the Xi'an City Bureau of Land and Resources, the land use rights of land parcels with a total site area of approximately 34,192 sq.m. were granted/allocated to the Group for the development of Phase 2, Qujiang Xiangsong Fengdan • Xian Sandi.

(vii) The Group has received the confirmation letter on bidding of granting land use rights with a total site area of approximately 168,669 sq.m., but in progress to obtain the relevant land use right certificate(s).

The following section provides further details of the development progress and completion of each of the projects.

1) Fuzhou Sandi Chuangfu Plaza

Fuzhou Sandi Chuangfu Plaza is situated in a prime location of Fujian Province. It is easily accessible, being next to the Lulei Station* (臚 雷 站) of the Fuzhou Metro. Fuzhou Sandi Chuangfu Plaza comprises two zones, namely Zone A and Zone B.

Zone A

As at 31 March 2018, the construction work in respect of the building in Zone A (i.e. the 14-storey commercial/office building plus a basement) was completed with a total saleable GFA of approximately 27,351 sq.m. It was launched for pre-sales since April 2016 and well received by the market. A total GFA of 20,129 sq.m has been progressively delivered to buyers since August 2017.

Zone B

Zone B consists of three blocks of 16- to 18-storey hotel buildings plus two basements levels with a total construction GFA of approximately 69,998 sq.m. The construction works of Zone B is expected to be completed in 2019.

2) Wuyishan Sandi New Times Square

The project site is situated at Wuyishan, Fujian Province. It is located 4 kilometers west of Da Hong Pao Scenic Area, a PRC National 4A-level scenic spot. The planning intention of the Wuyishan Sandi New Times Square is primarily for low density properties developments with the provision of open space and excellent ancillary facilities.

3) Qujiang Xiangsong Fengdan • Xian Sandi

Qujiang Xiangsong Fengdan • Xian Sandi is located in Qujiang New District* (曲江新區), Xian City, Shaanxi Province, the PRC. The Qujiang New District has been identified as a district focusing on cultural industry and tourism. The Qujiang Xiangsong Fengdan • Xian Sandi is situated in a prime location of Xian which is adjacent to certain main roads, such as Wu Dian Bo Road* (五典坡路), Tanghua Road* (唐華路), Xin Kai Men South Road* (新開門南路), Yanxiang Road* (雁翔路) and Qujiang Road* (曲江路). The Xian Property Project is also situated across the Yanxiang Road Commercial District* (雁翔路商業區) and the Chuangyi Valley Commercial District* (創意谷商業區).

The development of the Qujiang Xiangsong Fengdan • Xian Sandi is intended to be divided into (i) Zone A of Phase 1; (ii) Zone B of Phase 1; and (iii) Phase 2.

Phase 1

Zone A with a total saleable GFA of 67,317 sq.m for residential and 5,238 sq.m of ancillary retail. Zone A was launched for pre-sale in June 2015. The construction works of Zone A was completed in 2017. In addition to a total GFA of 33,815 sq.m delivered to the buyers in March 2017, a total GFA of 32,131 sq.m has been delivered to the buyers during the year ended 31 March 2018.

Zone B consists of 2 block of residential buildings and a kindergarten with a total construction GFA of approximately 71,363 sq.m. The construction works of Zone B is expected to be completed in 2019. During the year ended 31 March 2018, the pre-sales permit for Zone B is obtained with a contracted sales amount of approximately HK$643.9 million.

Phase 2

Phase 2 consists of 4 blocks of residential buildings with a total construction GFA of approximately 142,595 sq.m. The construction works of phase 2 is expected to be completed in 2021. During the year ended 31 March 2018, the pre-sales permit for Phase 2 is obtained with a contracted sales amount of approximately HK$1,123.2 million.

* *For identification purposes only*

Land bank replenishment

The Group's strategy is to maintain a land bank portfolio sufficient to support the Group's own development pipeline for the next few years. As at 31 March 2018, the Group had a quality land bank amounting to a total GFA of approximately 450,956 sq.m, comprising (a) a total GFA of 9,823 sq.m. completed but remaining unsold, (b) a total GFA of 283,956 sq.m. under development and construction, and (c) a total planned GFA of 157,177 sq.m. held for future development.

The property investment business

The current property investment business is mainly operated by Fujian Sinco Industrial Co., Ltd. ("Fujian Sinco") which is engaged in development, operation and management of a home improvement plaza ("Sandi Plaza"). During the year ended 31 March 2018, the Group recorded the rental, property management and related fee income of approximately HK$113.4 million (2017: HK$99.2 million). The Sandi Plaza had an occupancy rate of approximately 89.9% which represent an increase in the occupancy rate as compared to approximately 80.6% in last year. The increase in occupancy rate is primarily due to the completion of renovation works on one entire floor of the Sandi Plaza. The construction works of the Fuzhou subway transportation in front of the Sandi Plaza is still ongoing, which continues to pose some negative impacts to the occupancy rate. Nevertheless, the Board is confident on this property investment business and believes it will continuously bring a positive and stable return to the Group in the future.

Other Investments

Our other investments including investing surplus cash from operations in listed equity securities, debts securities and exchangeable bonds in Hong Kong and the PRC. We have invested in listed high yield debts and stocks with growth potentials. We have also invested in exchangeable bonds for interest incomes. The objectives of these investments are to strike a balance between risk and return in order to maximise return to shareholders.

The equity and debt securities acquired are principally for short term investment purpose. The Group would closely monitor performances of the mentioned and will seek for disposal opportunities for profit if any. Our principal business is still engaged in property development and property investment business and thus we will continue to proactively take up opportunities in real estate market. Therefore, the Group would consider disposing or downsizing the existing listed-equities investment portfolio when the Group has funding needs for expanding the property development business in the future.

Significant events

(i) Completion of major acquisitions

Fujian Sinco, an indirect wholly owned subsidiary of the Group, acquired 95% of the equity interests of Fujian Jingdu at an aggregate consideration of approximately RMB455.8 million, (the "Fujian Acquisition"). Fujian Acquisition was completed on 26 May 2017.

Concurrent with the Fujian Acquisition, Fujian Sinco, acquired 95% of the equity interests of Xian Sandi at an aggregate consideration of approximately RMB202.4 million (the "Xian Acquisition"). Xian Acquisition was completed on 16 June 2017.

As a result of the completion of Fujian and Xian Acquisitions, each of the Fujian Jingdu and the Xian Sandi has become a non-wholly-owned subsidiary of the Company. The Fujian Jingdu owns the Fujian Land which is being developed into a commercial and hotel complex named Fuzhou Sandi Chuangfu Plaza* (福州三迪創富廣場); and (ii) the Xian Sandi owns the Xian Lands which are being developed into a residential and commercial property development project named Qujiang Xiangsong Fengdan • Xian Sandi* (西安三迪 • 曲江香頌楓丹).

For more details of Fujian acquisition and Xian Acquisition, please refer to the related announcement of the Company dated 15 December 2016 and 19 June 2017 and the circular dated 16 March 2017.

(ii) Provision of financial assistance

Given the extremely low interest rates in Hong Kong and the PRC, the Company considers that placing its general working capital and the unutilised net proceeds raised from the rights issue in bank deposits with banks may not be beneficial to the Group.

The Company has been looking for alternatives to placing the unutilised net proceeds in bank deposits. With reference to announcements of the Company dated 3 May 2016, 22 August 2016, 9 November 2016 and 10 November 2016, the Group found two independent third parties ('Borrowers") who are companies established under the laws of the PRC and willing to pay a higher interest rate for loan. Loan agreements were entered into by Fujian Sinco, the indirectly wholly-owned subsidiary of the Company with the Borrowers. All the loan granted are unsecured in principal amount ranged between RMB140 million and RMB145 million; at a fixed interest rate of 5% per annum; and with term ranged from six-months to fifteen-months at initiate date of borrowings. Borrowers shall repay the principal amount of the loan together with all accrued interests at maturity. Details of the financial assistance are set out in announcements of the Company dated 3 May 2016, 22 August 2016, 9 November 2016 and 10 November 2016. Summary of the financial assistance are as follows:

Date of agreement	**Name of borrower**	**Principal loan amount**	**Interest rate per annum**	**Term**	**As at 31 March 2017 Drawn down amount**	**As at 31 March 2018 Drawn down amount**
3 May 2016	Jianyang Lide Trading Company Limited* ("Jianyang Lide")	RMB145 million (equivalent to approximately HK$174 million)	5%	6 months (On 9 November 2016, extended for another 9 months from the maturity date (Note (i))	RMB90 million	– *(Note (i))*
22 August 2016	Putian Sanfeng Footwear Company Limited* ("Putian Sanfeng")	RMB140 million (equivalent to approximately HK$162 million)	5%	9 months	RMB140 million	– *(Note (ii))*

* *For identification purpose only*

Note:

(i) On 9 November 2016, Fujian Sinco and Jianyang Lide entered into a supplemental agreement, pursuant to which Fujian Sinco and Jianyang Lide agreed that the maturity date of the loan shall be extended for another 9 months from the maturity date and other terms of the loan agreement remain unchanged. The outstanding principal amount of the loan together with the accrued interest at maturity were fully repaid by Jianyang Lide during the year ended 31 March 2018.

(ii) The principal amount of the loan together with the accrued interest at maturity were fully repaid by Putain Sanfeng in May 2017.

(iii) Investment in coal bed methane project via subscription of exchangeable bonds in Sundo Gas Limited

A letter of intent dated 24 August 2015 ("Letter of Intent") was entered into among the Company as purchaser, the Shannan Tianyuan Investment Centre as first vendor and Shannan Shengyuan Investment Centre as second vendor (collectively, the "Vendors") in respect of the proposed acquisition of a part of or the entire equity interests in Jiangsu Guosheng Hengtai Energy Development Co., Ltd ("Jiangsu Guosheng") ("Proposed Acquisition"). Jiangsu Guosheng is principally engaged in the business of exploration and production of coalbed methane and provision of related technical services and consultation services. On 29 December 2015, the Company has paid an earnest deposit in the sum of HK$133,300,000 ("Earnest Deposit"), being the Hong Kong dollars equivalent of RMB110,000,000, to the Vendors pursuant to the Letter of Intent.

On 19 February, 2016 the Company as subscriber, Sundo Gas Limited ("Sundo Gas") as issuer and Mr. Zhong Changming ("Mr. Zhong") entered into a subscription agreement ("Subscription Agreement"), the Company has conditionally agreed to subscribe the redeemable exchangeable bonds in the aggregate principal amount of HK$133,300,000 with 20% interest rate per annum (the "Bonds") from Sundo Gas. The Bonds can exchange for in aggregate up to a maximum of 123,934 shares in UC Energy, which is a subsidiary of Sundo Gas, upon the occurrence of an initial public offering and listing of and permission to deal in shares of UC Energy on the Stock Exchange or such other internationally recognized investment exchange of the same or higher international standing at the exchange price of approximately US$138.76 per share in the capital of UC Energy, representing 18.5% of the issued ordinary Shares of UC Energy at the Subscription Agreement date.

UC Energy is an exempt company incorporated in the Cayman Islands which is the sole shareholder of UC Energy Technology Limited, a company incorporated in Hong Kong which in turn holds 100% equity interests in United Coal Bed Methane (Nanjing) Development Company Limited* (聯合煤層氣(南京)發展有限公司), a wholly-foreign owned enterprise established under the laws of the PRC (collectively referred to as the "UC Group"). The UC Group is principally engaged in investment holding and through the variable interest entity structure established for the purpose of controlling the Dong Bao Neng Investment (Beijing) Ltd. (the "Dong Bao Neng")* (東寶能投資(北京)有限公司) and the subsidiary of Dong Bao Neng (collectively referred to as the "Dong Bao Neng Group"). Dong Bao Neng Group are principally engaged in the business of exploration and production of coalbed methane in the PRC. Dong Bao Neng Group owns the Zhangzhi Block covers an area of 82.1 km^2 and is located on the south eastern margin of the Qinshui Basin in Zhangzhi City, Shanxi Province, the PRC (the "Zhangzhi Coalbed Methane Project").

In connection with the subscription for the Bonds, the Group has received the following securities (the "bonds securities"):

(a) the share charge created in favour of the Company on 19 February 2016 by Sundo Gas in respect of 200,627 shares in UC Energy;

(b) the pledge of 90% equity interests in Jiangsu Guosheng (Note); and

(c) a personal guarantee given by Mr. Zhong in favour of the Company.

Note:

Pursuant to the Subscription Agreement dated 19 February 2016, a pledge of not less than 36.7% equity interests in Jiangsu Guosheng shall be given by Shannan Tianyuan Investment Centre in favour of Fujian Sinco as security for the Bonds. The Group has received a pledge of 90% equity interests in Jiangsu Guosheng eventually.

The Company has decided not to proceed with the Proposed Acquisition and the Vendors and the Company mutually agreed to terminate the Letter of Intent. As a result of the termination of the Letter of Intent, the Vendors shall refund the Earnest Deposit in full to the Company. The Company applied the refund of the Earnest Deposit to subscribe the Bonds. Pursuant to the Subscription Agreement, the long stop date for fulfilment of the conditions precedent to the Subscription Agreement is 30 April 2016 (the "Long Stop Date") (or such later date as may be agreed by the Company and Sundo Gas in writing). As certain conditions precedent could not be satisfied on or before the Long Stop Date, the Company, Mr. Zhong and Sundo Gas entered into a supplement agreement to extend the Long Stop Date to 31 October 2016. On 13 October 2016, all the conditions of the Subscription Agreement have been fulfilled pursuant to the terms and conditions therein except the condition relating to a legal opinion issued by the Company's PRC counsel which has been waived by the Company as a condition precedent to Completion. The parties to the Subscription Agreement have agreed that Sundo Gas and Mr. Zhong shall continue to procure the satisfaction of the said condition as soon as possible after and notwithstanding Completion. Completion of the Subscription Agreement took place. Accordingly, the Bonds in the aggregate principal amount of HK$133,300,000 have been issued to the Company. As at 31 March 2017, the Bonds was classified as compound instruments and designated as financial assets at fair value through profit or loss.

During the year ended 31 March 2018, the Zhangzhi Coalbed Methane Project is still at the development and trial production stage and yet to commence the commercial production.

The Bonds had matured on 29 October 2017 and subject to the mutual agreement of the Group and the issuer, the maturity date may be extended. As at the reporting date, the potential extension is under discussion between the Group and the issuer and no agreement has been reached.

After taking into account the latest progress in reaching settlement of the bond with the bond issuer and the guarantor, and the bond securities with supporting information in respect of the estimated value of certain of the bond securities, the directors concluded that there is no recoverability issue of the bond at end of reporting period.

Further details are set out in the announcements of the Company dated 24 August 2015, 29 December 2015, 19 February 2016, 14 June 2016 and 13 October 2016.

OUTLOOK

Looking ahead, we predict stable growth for the Chinese economy. The central government will stick to its policy orientation that housing supply should regain its residential purpose, with quicker efforts of studying and rolling out a long-term effective mechanism to promote a healthy and stable development of the industry. This will benefit the industry's mid to long-term development.

Benefiting from the rapid development of the northwestern part of the PRC, Xian as the capital of Shaanxi province, will play an important part in contributing to the economic growth of the central-northwest region. Xian was designated to serve "One Belt One Road" national strategies, and it has reemerged as an important cultural, industrial and educational centre of the central-northwest region. Fujian province, as the starting point of the ancient Maritime Silk Road, also located at the heart of the "One Belt One Road" initiative. This should help to promote the new business opportunities and we anticipate the economy in both Xian and Fujian will continue to generate sustained growth. In the future, the Group will continue to deepen its development projects in Shaanxi province and Fujian province, and we will strategically expand our geographical coverage, enhance our regional and provincial penetrations in the PRC real estate market.

We will remain diversify in land acquisition channels and proactively take up opportunities to expand the operating scale for continuous development and lay the foundation for persisted growth.

OPERATING RESULTS AND FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from property development, property leasing and property management services, which contributed approximately 84.0%, 7.6% and 8.4% respectively of the revenue for the year ended 31 March 2018. The Group's revenue increased by HK$410.1 million, or 137.8%, to HK$707.7 million for the year ended 31 March 2018 from HK$297.6million for the year ended 31 March 2017. This increase was primarily attributable to the increase in revenue from sales of properties. The table below sets forth the breakdown of the Group's revenue by operating segment as indicated:

	For the year ended 31 March 2018		For the year ended 31 March 2017 (Restated)	
	HK$'000	*%*	*HK$'000*	*%*
Revenue from sales of properties	**594,250**	**84.0**	198,315	66.7
Rental income	**53,735**	**7.6**	44,730	15.0
Property management and related fee income	**59,709**	**8.4**	54,514	18.3
	707,694	**100.0**	297,559	100.0

Property development

The Group's revenue from sales of properties increased to HK$594.3 million for the year ended 31 March 2018 (2017: HK$198.3 million).

The table below summarises the revenue from sales of properties for the year ended 31 March 2018:

Location	**Property projects**	**Project type**	**Sales revenue HK$'000**	**GFA sold (sq.m)**	**Average price per sq.m HK$/sq.m** *(Note)*	**Percentage of total sales amount**
Fuzhou City, Fujian Province	Fuzhou Sandi Chuangfu Plaza	Commercial/ office	352,412	20,129	17,508	59.3%
Xian City, Shaanxi Province	Qujiang Xiangsong Fengdan • Xian Sandi					
	– Zone A of Phase 1	Residential	231,323	31,620	7,316	38.9%
		Commercial	10,515	511	20,577	1.8%
Total			594,250	52,260	11,371	100%

Note:

The calculation of average price per sq.m is based on the sales revenue after the deduction of business/value-added tax and other surcharges/taxes.

Rental income and property management and related fee income

Revenue for the year ended 31 March 2018 includes the rental income and property management and related fee income in amount aggregate to approximately HK$113.4 million (2017: approximately HK$99.2 million), representing an increase of approximately 14.3% compared with last year. Reason for the increase mainly being the increase in occupancy rate during the year.

Cost of properties sales

The Group's cost of properties sales increased to HK$354.7 million for the year ended 31 March 2018 (2017: HK$208.3 million). The increase was primarily attributable to the increase in the total GFA of properties delivered.

Change in fair value of investment properties

The Group recognised net fair value gain of approximately HK$2.8 million on its investment properties for the year (2017: net fair value loss of approximately HK$81.1 million).

Other net gains/(losses)

Other net gains for the year included unrealised fair value gain on investments held for trading amounted to approximately HK$21.0 million and net realised gain on disposal of investments held for trading amounted to approximately HK$0.6 million (2017: unrealised fair value loss of approximately HK$52.4 million).

Other operating expenses

The Group's other operating expenses for the year ended 31 March 2018 in the amount of approximately HK$91.3 million (2017: HK$85.2 million) mainly included various administrative and selling expenses. The reason for the increase in other operating expenses was mainly due to the increase in selling and marketing costs which mainly attributable from the increase in sales of properties of the Group.

Finance costs

Finance costs consist of interest expenses on bank borrowings, amount due to a related company, bonds and notes payable. The finance costs amounted to approximately HK$54.2 million (2017: HK$94.1 million) for the year, decreased by approximately HK$39.9 million or 42.4% compared with last year. The decrease in finance costs mainly due to the decrease in interest on notes payable as the notes payable were early redeemed in January 2017, 10-months interest expenses were accounted for in the year ended 31 March 2017, while no interest expenses were recognised during the year.

Income tax (expense)/credit

Income tax expense mainly comprises the PRC enterprise income tax and land appreciation tax amounted to approximately HK$91.3 million for the year ended 31 March 2018 (2017: income tax credit of approximately HK$10.3 million). The substantial increase was represented by the provision of PRC enterprise income tax and land appreciation tax which was mainly attributable to the sales of properties recognised during the year.

Investments held for trading

	2018	2017
	HK$'000	*HK$'000*
Equity securities listed in Hong Kong, at fair value	**125,745**	130,663
Debt securities listed in Hong Kong, at fair value	**–**	33,424
	125,745	164,087

The above equity and debt securities are classified as investments held for trading as they have been acquired principally for the purpose of selling in the near term.

The carrying amount of the investments held for trading are equal to its fair values, which have been determined by reference to the quoted market bid prices available on the Stock Exchange. During the year ended 31 March 2018, the Group has recorded unrealised fair value gain on investments held for trading of approximately HK$21.0 million and, net realised gain on disposal of investments held for trading of approximately HK$0.6 million (2017: unrealised fair value loss of approximately HK$52.4 million).

As at 31 March 2018, the investments held for trading represented an investment portfolio comprising 5 equity securities (2017: 7 equity securities and 1 debt securities) listed in Hong Kong. All of them are securities listed on the Main Board of the Stock Exchange. Except for those mentioned below, there were no significant acquisitions or disposals of the investments held for trading during the year.

The Group's investments held for trading were represented as follows:

Company Name (Stock Code)	Note	Percentage of shareholdings at 31 March 2018	Realised fair value gain/(loss) for the year ended 31 March 2018	Unrealised fair value gain/(loss) for the year ended 31 March 2018	Dividend Income for the year ended 31 March 2018	Fair value at 31 March 2018	Percentage of total held-for-trading investments at 31 March 2018	Percentage of total assets of the Group at 31 March 2018
		%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	%	%
Kingston Financial Group Limited (1031)	*a*	0.23%	1,658	31,325	799	112,194	89.2%	1.5%
Others	*b*		(1,013)	(10,312)	17	13,551	10.8%	0.2%
			645	21,013	816	125,745	100.0%	1.7%

Notes

(a) Kingston Financial Group Limited ("Kingston Financial") is principally engaged in the provision of a wide range of financial services which include securities brokerage, underwriting and placements, margin and initial public offering financing, corporate finance advisory services, futures brokerage and asset management services. Kingston Financial also provides gaming and hospitality services in Macau.

During the year, the Group has disposed of 6,838,000 shares in Kingston Financial which led to a realised gain of approximately HK$1,658,000.

(b) None of these investments represented more than 1% of the total assets of the Group as at 31 March 2018.

Financial assets at fair value through profit or loss

On 13 October 2016, the Bonds in the aggregate principal amount of HK$133,300,000 have been issued to the Company.

As at 31 March 2017 and 2018, the Bonds was compound instruments and designated as financial assets at fair value through profit or loss.

The fair value of the Bonds as at 31 March 2018 was determined by an independent professional valuer, Avista Valuation Advisory Limited engaged by the Group which led to a fair value loss of approximately HK$8.9 million recognised in the consolidated statement of profit or loss during the year ended 31 March 2018 (2017: a fair value gain of approximately HK$9.5 million).

During the year ended 31 March 2018, the Group recognised interest income from financial assets at fair value through profit or loss of approximately HK$26.7 million (2017: HK$26.7 million was recognised as interest income from deposit for subscription of exchangeable bond and interest income from financial assets at fair value).

Details of the Bonds are set out in the section headed "Business Review" in this announcement.

Other receivables, deposits paid and prepayments

The Group's other receivables, deposits paid and prepayments as at 31 March 2018 primarily comprised (i) deposits paid and prepayments (ii) other receivables and (iii) other tax recoverable.

As at 31 March 2018 and 2017, the Group's deposits paid and prepayments amounted to approximately HK$1,017.9 million and HK$54.9 million respectively. The increase was mainly attributable from prepayments for the acquisitions of land use rights.

As at 31 March 2018 and 2017, the Group's other receivables amounted to approximately HK$11.8 million and HK$27.5 million respectively. As at 31 March 2018, the Group's other receivables includes interest receivable from financial assets at fair value through profit or loss of approximately HK$11.0 million.

As at 31 March 2018 and 2017, the Group's other tax recoverable amounted to approximately HK$42.9 million and HK$5.8 million respectively. The increase in other tax recoverable was due to an increase in pre-sales of properties, resulting in a corresponding increase in value-added tax recoverable.

Other payables, deposits received and accruals

The Group's other payables, deposits received and accruals as at 31 March 2018 and 2017 primarily comprised (i) accrued commission on the sale of properties and (ii) rental deposits received from tenants.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2018, the Group had bank borrowings of approximately HK$1,230.1 million denominated in RMB (2017: approximately HK$1,400.0 million denominated in RMB) and other debts comprising bonds payable in total amount to approximately HK$10.3 million (2017: HK$9.9 million). As at 31 March 2018 and 2017, all bank borrowings were secured.

As at 31 March 2018, the Group had cash and cash equivalents of approximately HK$201.6 million (2017: approximately HK$40.8 million) which were mainly denominated in HK$ and RMB.

As at 31 March 2018, the gearing ratio for the Group was approximately 26.6% (2017: 39.7%), calculated based on the net debts (comprising bank borrowings and bonds payable less cash and cash equivalent and investments held for trading) of approximately HK$913.0 million (2017: HK$1,205.0 million) over the total equity of approximately HK$3,436.1 million (2017: HK$3,038.0 million). The debt ratio was approximately 52.4% (2017: approximately 32.7%), calculated as total liabilities over total assets of the Group.

The Group's current available liquidity resources are sufficient to meet its capital commitments. As at 31 March 2018, the Group's net current assets amounted to approximately HK$839.3 million (2017: HK$454.2 million). The Group's current ratio, being percentage of its current assets and its current liabilities, amounted to 142.2% (2017: 139.0%)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

CAPITAL STRUCTURE

The capital structure of the Group and fund raising activities during the year ended 31 March 2018 are summarised as follows:

(i) Issue of Warrant Shares of the Company

On 21 December 2015, the Company and Chance Talent Management Limited ("Chance Talent") entered into a warrants subscription agreement (the "Warrants Subscription Agreement"), pursuant to which the Company has conditionally agreed to issue to Chance Talent, and Chance Talent has conditionally agreed to subscribe for the warrants of the Company (the "Warrants"). Subsequently pursuant to a special resolution passed at the Company's special general meeting held on 10 May 2016, the Shareholders approved the Warrants Subscription Agreement. On 23 May 2016, the Board of the Company announced that all the conditions precedent set out in the Warrants Subscription Agreement have been fulfilled and the issue of unlisted warrants has been completed in accordance with the terms and conditions of the Warrants Subscription Agreement. The Company issued the Warrants at a total subscription price of HK$0.01 to Chance Talent, entitling Chance Talent to subscribe for in aggregate up to a maximum amount of HK$75,000,000 worth of warrant shares at the exercise price of HK$0.24 per warrant share (the "Warrant Share") on or before 27 December 2017, or, if the Company requests for extension and Chance Talent agrees to such request, on or before 24 December 2018. Upon full exercise of the subscription rights attaching to the Warrants, a total of 312,500,000 Warrant Shares will be allotted and issued to the warrantholder.

On 24 January 2017, Chance Talent and Kong Lingling, an independent third party of the Group entered into the warrant purchase agreement, pursuant to which the Chance Talent intends to sell and Kong Lingling intends to purchase the Warrants at a consideration of approximately HK$4.7 million. The sale and purchase of the Warrants completed on 24 January 2017.

On 19 December 2017, Beyond Steady Limited (the "Beyond Steady"), an indirect wholly owned subsidiary of Huarong International Financial Holdings Limited, and Kong Lingling, entered into a warrant transfer agreement, pursuant to which the Kong Lingling intended to sell and Beyond Steady intended to purchase the Warrants at a consideration of approximately HK$18.8 million. The sale and purchase of the Warrants again completed on 19 December 2017. On 22 December 2017, Beyond Steady subscribed for HK$75,000,000 worth of Warrant Shares at the exercise price of HK$0.24 per share and a total of 312,500,000 shares were allotted and issued to the Beyond Steady, raising gross proceeds of approximately HK$75,000,000. The Group intends to apply the net proceeds for general working capital, capital expenditures and future investments.

As at 31 March 2018, approximately HK$5 million has been utilised as general working capital.

For details, please refer to the announcements of the Company dated 21 December 2015, 10 May 2016, 23 May 2016 and the circular of the Company dated 15 April 2016 respectively.

(ii) Bank borrowings

As at 31 March 2018, the Group had bank borrowings of approximately HK$1,230.1 million (2017: approximately HK$1,400.0 million), of which approximately HK$184.6 million are repayable within one year and the remaining HK$1,045.5 million are repayable beyond one year. The Group's bank borrowings bears interest rates ranging from approximately 5.7% to 8.5% per annum. All the bank borrowings were denominated in RMB.

At 31 March 2018, the Group's bank borrowings were secured by the Group's investment properties with carrying amount of approximately HK$3,953.0 million (2017: approximately HK$3,551.7 million); rental proceeds over the investment property; Group's properties under development with carrying amount of approximately HK$358.2 million (2017: approximately HK$305.7 million); Group's properties under development for sale and properties held for sale with carrying amount of approximately HK$1,249.2 million (2017: approximately HK$1,045.0 million), entire ordinary shares of a subsidiary of the Company; corporate guarantees for the bank loan with principal amount of approximately HK$814.9 million (2017: approximately HK$795.2 million) executed by the Company; corporate guarantees for the bank loan with principal amount of approximately HK$287.3 million executed by Fuzhou Gaojia, which is beneficially owned by Mr. Guo Jiadi, director of the Company (2017: HK$418.4 million executed by a subsidiary and Fuzhou Gaojia); corporate guarantees for the bank loan with principal amount of approximately HK$127.9 million (2017: approximately HK$186.4 million) executed by Fuzhou Gaojia, which is beneficially owned by Mr. Guo Jiadi, director of the Company and Guo Shi Investment Group Co. Limited, which is ultimately owed as to approximately 95% by Mr. Guo Jiadi, director of the Company; and personal guarantees for the bank loan with principal amount of approximately HK$1,230.1 million (2017: approximately HK$1,400.0 million) executed by Mr. Guo Jiadi, a director of the Company, and Ms. Shen Bizhen, the spouse of Mr. Guo Jiadi.

(iii) Bonds payable

As at 31 March 2018 and 2017, the Company had a 4-year 7% coupon bonds with principal amount to HK$11 million (the "7% Coupon Bonds") to certain independent third parties. The 7% Coupon Bonds are denominated in HK$. Interest is payable semiannually and the principal will be repaid when the 7% Coupon Bonds fall due on 23 July 2019. There is no early redemption of the 7% Coupon Bonds neither by the Company nor the 7% Coupon Bonds holders during the year ended 31 March 2018.

For details, please refer to announcements of the Company dated 28 April 2015 and 22 July 2015.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As set forth in the section headed "Business Review Significant events during the year (i) Completion of major acquisitions" in this report, each of the Fujian Jingdu and the Xian Sandi has become a non wholly owned subsidiary of the Company as a result of the completion of Fujian and Xian Acquisitions.

The Directors are reasonably optimistic about the prospects of such investment in view of the prospects of the property market in the Mainland China. For more details of Fujian and Xian Acquisitions, please refer to the related announcement of the Company dated 15 December 2016 and 19 June 2017 and the circular dated 16 March 2017.

Except for the above, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures during the period, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this report.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the following events took place:

On 24 April 2018, the Company granted a total of 59,700,000 share options at the exercise price of HK$0.420 per share under the share option scheme adopted by the Company on 16 September 2011, the details of which are set out in the announcement of the Company dated 24 April 2018.

CHARGE ON THE GROUP'S ASSETS

As at 31 March 2018, the Group's investment properties with respective fair value of approximately HK$3,953.0 million (2017: approximately HK$3,551.7 million), the Group's properties under development with carrying amount of approximately HK$358.2 million (2017: approximately HK$305.7 million) and the Group's properties under development for sale and properties held for sale with carrying amount of approximately HK$1,249.2 million (2017: approximately HK$1,045.0 million) were pledged to secure the Group's bank borrowings.

CONTINGENT LIABILITIES

As at 31 March 2018 and 2017, the Group did not have any material contingent liabilities.

CAPITAL COMMITMENTS

As at 31 March 2018, the Group has commitments in respect of investment properties amounted to approximately HK$299.8 million (2017: HK$270.6 million), properties under development for sale and properties held for sale amounted to approximately HK$376.4 million (2017: HK$328.3 million) and properties under development amounted to approximately HK$547.1 million (2017:HK$507.2 million).

FOREIGN EXCHANGE EXPOSURE

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC and Hong Kong denominated in RMB and HK$ respectively. The functional currency of the Company and certain of its subsidiaries which operate in Hong Kong as investment holding companies or companies providing corporate services to other group entities is HK$. The functional currency of the Company's principal operating subsidiaries in the PRC is RMB. The RMB is not freely convertible into other foreign currencies and conversion of the RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. As at 31 March 2018, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate. As at 31 March 2018, the Group had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedging or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the-counter contingent forward transactions.

EMPLOYEES

As at 31 March 2018, the Group employed a total of approximately 84 employees (2017: 88) of which 81 employees (2017: 85) were hired in the PRC and 3 (2017: 3) employees in Hong Kong. Total remuneration paid to the employees for the year ended 31 March 2018 amounted to approximately HK$17.1 million (2017: HK$13.9 million). In addition to competitive remuneration package offered to the employees, other benefits included contributions to mandatory provident fund, as well as group medical and accident insurance. On-going training sessions were also conducted to enhance the competitiveness of the Group's human assets. The Company also maintains a share option scheme, pursuant to which share options may be granted to the Directors, executives and employees of the Company to provide them with incentives in the growth of the Group.

CHANGES IN DIRECTORSHIP

On 5 February 2018, Mr. Yan Pingfeng has been resigned as an executive Director of the Company and Mr. Wang Chao has been appointed as an executive Director of the Company.

On 5 February 2018, Mr. Zheng Jinyun has been resigned as an independent non-executive Director of the Company, and Ms. Ma Shujuan has been appointed as an independent non-executive Director of the Company.

PROPERTY VALUATION

Property valuation on the Group's investment properties located in the PRC as at 31 March 2018 had been carried out by an independent qualified professional valuer, Asset Appraisal Limited (31 March 2017: Chung Hin Appraisal Limited). The property valuation was used in preparing 2017/2018 annual results. The valuation was based on direct capitalisation approach by making reference to comparable market information as available in the relevant markets. The Group's investment properties were valued at approximately HK$3,953.0 million as at 31 March 2018 (31 March 2017: approximately HK$3,551.7 million) a net fair value gain of approximately HK$2.8 million (2017: a fair value loss of approximately HK$81.1 million) was recognised in the consolidated statement of profit or loss for the year ended 31 March 2018.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct in respect of the securities dealing by the Directors. The Company has made specific enquiry of all Directors in respect of the securities dealing by the Directors and all Directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2018.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

On 15 December 2016, Fujian Sinco entered into an agreement with Fuzhou Gaojia pursuant to which Fujian Sinco agreed to acquire and Fuzhou Gaojia agreed to sell 95% of the equity interests of Fujian Company at an aggregate consideration of RMB455,816,462 (the "Fujian Acquisition"). Fujian Acquisition was completed on 26 May 2017.

Part of the consideration of the Fujian Acquisition was settled through the Company allotting and issuing 800,000,000 new shares at the issue price of HK$0.2745 each to United Century International Limited, a company incorporated in the BVI which is directly and wholly owned by Mr. Guo Jiadi, on 26 May 2017.

On 22 December 2017, Beyond Steady subscribed for HK$75,000,000 worth of Warrant Shares at the exercise price of HK$0.24 per share and a total of 312,500,000 shares were allotted and issued to the Beyond Steady, raising gross proceeds of approximately HK$75,000,000. For details, please refer to the section headed "Capital Structure – (i) Issue of Warrants Shares of the Company" in this announcement.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed the Company's securities for the year ended 31 March 2018.

CORPORATE GOVERNANCE

During the year ended 31 March 2018 and up to the date of this report, the Company has complied with the code provisions ("Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the deviations from the Code Provision A.2.1, A.2.7, A.6.7 and the Rule 3.28 of the Listing Rules. The Board is committed to complying with the CG Code to the extent that the Directors consider it to be practical and applicable to the Company.

The corporate governance principles of the Company emphasis an effective Board, sound internal control, appropriate independence policy, transparency and accountability to the shareholders of the Company. The Board will continue to monitor and revise the Company's corporate governance policies in order to ensure that such policies may meet the general rules and standards required by the Listing Rules. The Board believes that sound and reasonable corporate governance practices are essential for sustainable growth of the Group and for safeguarding the interests and the Group's assets. The Company had complied with the CG Code throughout the period except for the following deviations:

Code Provision A.2.1

The roles of the chairman and the chief executive officer should be segregated and not be exercised by the same individual. The chairman is responsible for the corporate strategic planning and formulation of corporate policies for the Group, while the chief executive officer is responsible for overseeing day-to-day management of the Group's business.

Mr. Guo Jiadi currently serves as the chairman of the Board (the "Chairman"). No individual was appointed as the chief executive officer of the Company (the "CEO") since the re-designation of the ex-chief executive officer. The day-to-day management of the Group's business is monitored by the executive Directors and senior management. Given the size and that the Company's and the Group's current business operations and administration have been stable, the Board is justified that the current structure is able to effectively discharge the duties of both positions. However, going forward, the Board will review from time to time the need to separate the roles of the Chairman and the CEO if the situation warrants it.

Code Provision A.2.7

Code Provision A.2.7 of the CG Code stipulates that the chairman should at least annually hold meetings with the non-executive directors (including independent non-executive directors) without the executive directors present.

During the year ended 31 March 2018, Mr. Guo Jiadi, the Chairman did not held any meeting with the non-executive Directors (including independent non-executive Directors) without the executive Directors present. The Company will request the Chairman to hold a meeting with all non-executive Directors without the present of executive Directors in order to comply with the code provision A.2.7 of the CG Code.

Code Provision A.6.7

Code provision A.6.7 of the CG Code stipulates that Code provision A.6.7 of the CG Code stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders of the Company (“Shareholders”).

Mr. Zheng Jinyun and Mr. Zheng Yurui, the independent non- executive Directors, were unable to attend the special general meeting and the annual general meeting of the Company held on 7 April 2017 and 25 August 2017 respectively as they had other important business engagement. The Company will request all the independent non-executive Directors to attend all future general meetings in order to comply with the code provision A.6.7 of the CG Code.

Rule 3.28

According to Rule 8.17 of the Listing Rules, the Company must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. Mr. Chiu Ngam, Chris has been resigned from the post as company secretary of the Company with effect from 20 February 2017. On 28 April 2017, Ms. Chan Po Yu has been appointed as the company secretary to fill the vacancy in the office of company secretary occasioned by the resignation of Mr. Chiu Ngam, Chris. Save that for the period from 20 February 2017 to 27 April 2017, the Company did not comply with the requirement under Rule 3.28 of the Listing Rules and, hence, the relevant code provisions in respect of company secretary.

AUDIT COMMITTEE

The Company has established an audit committee (the “Audit Committee”) for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The Audit Committee which comprised Mr. Chan Yee Ping, Michael, Mr. Yu Pak Yan, Peter and Mr. Zheng Yurui being independent non-executive Directors, has reviewed the accompanying financial statements prior to their publication. The Audit Committee has reviewed with management and the external auditors, the Group’s annual results for the year ended 31 March 2018, and was of the opinion that the accounting policies of the Group are in accordance with the current best practice in Hong Kong.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2018 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 ended 31 March 2018. 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.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The final results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and on the website of the Company (www.chinasandi.com.hk). The annual report of the Company for the year ended 31 March 2018 will be despatched to shareholders of the Company and will be published on the same websites in due course.

APPRECIATION

On behalf of the Board, I would like to thank our valued customers, suppliers and business associates for their invaluable contributions and support. I also want to express my gratitude to our management team and all staff of the Group for their hard work during the year. Last but not least, I am most grateful to our shareholders for their continuous support and confidence.

By order of the Board
China Sandi Holdings Limited
Guo Jiadi
Chairman

Hong Kong, 28 June 2018

As at the date of this announcement, the Board comprises Mr. Guo Jiadi, Ms. Amika Lan E Guo and Mr. Wang Chao, being the executive Directors; Dr. Wong Yun Kuen, being a non-executive Director; Mr. Chan Yee Ping, Michael, Mr. Yu Pak Yan, Peter, Mr. Zheng Yurui, and Ms. Ma Shujuan being the independent non-executive Directors.

* *for identification purpose only*