PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code : 372)

Annual Report **2017**

**For identification purpose only*

CONTENTS

Abbreviations

In this annual report, the following abbreviations have the following meanings unless otherwise specified:

"Board"	Board of Directors of the Company
"Bye-laws"	Bye-laws of the Company
"CG Code"	Corporate Governance Code as set out in Appendix 14 of the Listing Rules
"Company"	PT International Development Corporation Limited (formerly known as ITC Corporation Limited)
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"PRC"	People's Republic of China
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholders"	shareholders of the Company
"HK$" and "HK cents"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"%"	per cent.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Suen Cho Hung, Paul
(Chairman and Managing Director)
Ms. Chau Mei Wah, Rosanna *(Deputy Chairman)*
Mr. Sue Ka Lok
Mr. Ching Man Chun, Louis

Independent Non-executive Directors

Mr. Chu Kin Wang, Peleus
Mr. Lau Yuen Sun, Adrian
Mr. Yam Kwong Chun

AUDIT COMMITTEE

Mr. Chu Kin Wang, Peleus *(Chairman)*
Mr. Lau Yuen Sun, Adrian
Mr. Yam Kwong Chun

REMUNERATION COMMITTEE

Mr. Lau Yuen Sun, Adrian *(Chairman)*
Mr. Chu Kin Wang, Peleus
Mr. Yam Kwong Chun

NOMINATION COMMITTEE

Mr. Yam Kwong Chun *(Chairman)*
Mr. Chu Kin Wang, Peleus
Mr. Lau Yuen Sun, Adrian

CORPORATE GOVERNANCE COMMITTEE

Mr. Sue Ka Lok *(Chairman)*
Mr. Chu Kin Wang, Peleus
Mr. Lau Yuen Sun, Adrian
Mr. Yam Kwong Chun

COMPANY SECRETARY

Ms. Chan Yuk Yee

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISORS

Conyers Dill & Pearman (Bermuda)
Troutman Sanders (Hong Kong)

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of China (Canada)
The Bank of East Asia, Limited
China CITIC Bank International Limited
The Hongkong and Shanghai
Banking Corporation Limited
Bank of Communications Co., Ltd., Hong Kong Branch
HSBC Bank Canada
OCBC Wing Hang Bank, Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1501, 15th Floor, Great Eagle Centre
23 Harbour Road, Wanchai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

www.ptcorp.com.hk

STOCK CODE

Hong Kong Stock Exchange 372

Chairman's Statement

I am pleased to present to Shareholders the annual report of the Group for the year ended 31st March, 2017.

BUSINESS REVIEW

Review of Financial Performance

For the year ended 31st March, 2017, the Group reported a loss of HK$1,294 million attributable to Shareholders (2016: profit of HK$436 million) and basic loss per share of HK77.13 cents (2016: basic earnings per share of HK27.70 cents). The current year's loss was mainly due to non-cash losses of (i) HK$1,004 million arising from the distribution of all the shares of ITC Properties Group Limited ("ITC Properties") held by the Group to the Shareholders and (ii) HK$385 million impairment loss recognised on the Group's interest in PYI Corporation Limited ("PYI"). Without these non-cash losses, the Group would have achieved a profit of HK$95 million for the year and such decrease in profit as compared to HK$436 million profit reported in last year was mainly attributable to the decrease in share of results from ITC Properties and the absence of gain on acquisitions of additional interest in PYI.

Analysis of the Group's performance is as follows:

	2017 HK$' million	2016 HK$' million
Share of results of associates:		
ITC Properties	**131**	480
PYI	**(10)**	(82)
Burcon NutraScience Corporation ("Burcon")	**(7)**	(8)
	114	390
Loss on net decrease in interests in associates	**(5)**	(4)
Gain on acquisitions of additional interests in associates	**32**	90
Impairment loss on interest in an associate	**(385)**	–
Net loss on other investments and operations	**(46)**	(40)
(Loss) profit before taxation and loss on assets distributed to Shareholders	**(290)**	436
Loss on assets distributed to Shareholders	**(1,004)**	–
(Loss) profit attributable to Shareholders	**(1,294)**	436

Distribution in Specie of shares of ITC Properties

In order to reward the Shareholders, the Board recommended a special dividend by way of distribution in specie of all shares of ITC Properties held by the Group on the basis of 9 shares of ITC Properties for their holding of every 50 shares of the Company (the "Distribution in Specie"). The Distribution in Specie was approved by the Shareholders and completed in January 2017.

The Distribution in Specie has transformed the underlying value of the Group's strategic investments into Shareholder value and successfully unlocked value for the Shareholders by allowing them to directly participate in the investment of, and enjoy returns from, the shares of ITC Properties, and with the flexibility to determine the level of their participation in investing in ITC Properties at their own discretion.

The carrying value of interest in ITC Properties being distributed was HK$1,977 million and was being equity-accounted for as an associate prior to the Distribution in Specie. As the accounting rules require the distribution to be recognised in accordance with the market price of the shares of ITC Properties as at the date of distribution and the shares of ITC Properties were trading at a discount to the underlying asset value at that time, a non-cash loss of HK$1,004 million was recorded.

Following completion of the Distribution in Specie, the Group held no share of ITC Properties and ITC Properties no longer be accounted for as an associate in the consolidated financial statements of the Company. Accordingly, the amount of HK$131 million represented the Group's share of ITC Properties's profit during the year ended 31st March, 2017.

Listed Strategic Investments

PYI Corporation Limited ("PYI")

Based in Hong Kong, PYI focuses on ports and infrastructure development and investment, and the operation of ports and logistics facilities, in the Yangtze River region of China. It also engages in land and property development and investment in association with ports and infrastructure development and treasury investment. In addition, PYI provides comprehensive engineering and property-related services through Paul Y. Engineering Group Limited.

PYI recorded a loss attributable to shareholders of HK$34 million for the year ended 31st March, 2017 which was mainly attributable to an exchange loss arising from Renminbi denominated monetary assets for the year of about HK$28 million (HK$33 million for the year ended 31st March, 2016), as compared with a loss of HK$298 million for the year ended 31st March, 2016. The decrease in loss as compared to last year was mainly attributable to the absence of (i) a provision made for certain stock of properties under development and (ii) the net fair value loss of certain investment properties. As a result, the Group shared a loss of HK$10 million from PYI for the year.

The Group has assessed the recoverable amount of the interest in PYI using value in use calculations and an impairment loss of HK$385 million (2016: nil) was recognised for the year.

Burcon NutraScience Corporation ("Burcon")

Burcon is a leader in developing functionally and nutritionally valuable plant-based proteins. Its shares are listed on the Toronto Stock Exchange, the NASDAQ Global Market and the Frankfurt Stock Exchange. Since 1999, Burcon has developed a portfolio of composition, application, and process patents originating from its core protein extraction and purification technology. Burcon has developed CLARISOY™, a soy protein which offers clarity and complete nutrition for low pH systems; Peazazz® pea protein which is uniquely soluble with clean flavor characteristics; and Puratein®, Supertein® and Nutratein®, three canola protein isolates with unique functional and nutritional attributes.

Burcon's flagship protein technology, CLARISOY™, has been licensed to Archer Daniels Midland Company ("ADM"), a leader in the global food ingredient industry listed in the U.S., since March 2011. In July 2016, ADM demonstrated three products containing CLARISOY™ at the 2016 Institute of Food Technologist Annual Meeting & Food Expo. In October 2016, ADM presented vegan protein power drinks and dessert toppings made with CLARISOY™ at a tradeshow held in Paris, France. In November 2016, ADM had fully commissioned the first large-scale CLARISOY™ production facility at its North American headquarters in Decatur, Illinois. In the same month, ADM also featured beverages containing CLARISOY™ at the Gulfood Manufacturing show held in Dubai.

In April 2016, the Group entered into a convertible note agreement to subscribe for Burcon's 3-year 8% convertible note (the "Burcon Convertible Note") with principal amount of Canadian Dollar ("C$") 2.0 million. The Burcon Convertible Note was issued in May 2016 and convertible to common shares of Burcon at initial conversion price of C$4.01 per share (subject to adjustments) from 1st July, 2016 until its maturity date. The conversion price (subject to adjustments) was adjusted to C$3.99 per share following the completion of rights offering of Burcon in November 2016.

In November 2016, Burcon completed its rights offering for approximately 1.99 million common shares at C$2.58 per share for aggregate gross proceeds of C$5.1 million. The Group has subscribed its proportionate interest of 20.8% for approximately 0.4 million common shares under the rights offering. As compensation to the Group's commitment to subscribe, the Group received non-transferable warrants entitling the Group to acquire up to approximately 0.3 million common shares of Burcon at an exercise price of C$2.58 per share.

For the year ended 31st March, 2017, the Group shared a loss of HK$7 million.

Note: CLARISOY™, a trademark of ADM, is under license to Burcon from ADM.

The Group's shareholding interests in the major listed strategic investments are summarised below:

Name of investee company	Place of listing	Stock code	Interest held As at 31st March, 2017	Interest held As at the date of this report
PYI	Hong Kong Stock Exchange	498	28.4%	23.6%
Burcon	Toronto Stock Exchange	BU	20.8%	20.8%
	NASDAQ Global Market	BUR		
	Frankfurt Stock Exchange	BNE		

Equity Investments

As at 31st March, 2017, the Group's equity investment portfolio, both current and non-current, amounted to HK$60 million (2016: HK$91 million) and was comprised of shares in various companies listed in Hong Kong. During the year, the Group received dividend income of HK$3 million (2016: HK$0.2 million) from equity investments, recognised a realised loss of HK$5 million (2016: realised gain of HK$0.5 million) on disposal of equity investments and an unrealised loss of HK$3 million (2016: HK$6 million) attributed to the net decrease in fair value of equity investments held at the year end.

Finance

For the year ended 31st March, 2017, the Group's finance operation continued to contribute a profitable segment result by reporting a profit of HK$7 million (2016: HK$13 million). The decrease in segment profit was mainly due to the lower average amount of loans/promissory note outstanding during the year when compared with that of last year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2017, the Group's total assets of HK$1,181 million and equity attributable to Shareholders of HK$1,164 million both represent a decrease of 67% as compared with that of last year. The decrease was mainly due to (i) the Distribution in Specie and (ii) the impairment loss on interest in PYI recognised during the year.

The Group continued to adopt a prudent funding and treasury policy to manage its liquidity needs. The objective is to maintain adequate funds for financing working capital and seizing investment opportunities as and when they become available.

As at 31st March, 2017, current assets and current liabilities of the Group were HK$389 million and HK$8 million respectively. Accordingly, the Group's current ratio was 49 (2016: 7).

GEARING

As at 31st March, 2017, the Group had bank deposits, bank balances and cash of HK$228 million and bank borrowings of HK$7 million. The bank borrowings were denominated in Canadian dollars, repayable within five years and at floating interest rates.

The Group's gearing ratio was zero as at 31st March, 2017, as compared with 0.3% as at 31st March 2016. The gearing ratio is calculated on the basis of net borrowings over the equity attributable to Shareholders. Net borrowings is arrived at by deducting bank deposits, bank balances and cash from borrowings.

EXCHANGE RATE EXPOSURE

Most of the assets and liabilities of the Group are denominated in Hong Kong dollars, hence the Group's exposure to fluctuations in foreign exchange rates is minimal and no foreign exchange hedging instruments are used.

CONTINGENT LIABILITIES

As at 31st March, 2017, the Group had no contingent liabilities.

EMPLOYEE AND REMUNERATION POLICY

As at 31st March, 2017, the Group had a total of 55 employees. The Group's remuneration policy is to ensure that the Group's remuneration structure is appropriate and aligns with the Group's goals and objectives. The employees' remuneration is based on the employees' skill, knowledge and involvement in the Company's affairs and is determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration policy is to ensure that the Group is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company. The Group also offers benefits to employees including discretionary bonus, training, provident funds and medical coverage. The share option scheme of the Company is established for the eligible participants (including employees). No share options were granted during the year and there is no outstanding share option as at 31st March, 2017 and as at the date of this report.

EVENTS AFTER THE REPORTING PERIOD

In May 2017, PYI has placed 915,470,000 new shares at a price of HK$0.156 per share (the "PYI Placing"). As a result of the PYI Placing, the Group's interest in PYI decreases from approximately 28.4% to approximately 23.7%. The Company is in the process of estimating the financial impact arising therefrom.

SECURITIES IN ISSUE

As a result of the issue of shares under the scrip dividend scheme for final dividend for the year ended 31st March, 2016, the total number of issued shares of the Company was 1,688,282,827 as at 31st March, 2017.

OUTLOOK

The Company is prudently optimistic on the business outlook. Despite the depreciation of Renminbi and the slowdown growth in China, the Company remains positive on its mid to long-term prospects and believes that Hong Kong will continue to benefit from the collaboration with China.

Following the completion of the Distribution in Specie, the Group mainly holds the investments in PYI and Burcon, which the Company believes will bring value to the Group along completion of their projects. With a view that the economy of the PRC will continue to grow in the long term, the Directors are confident with the prospects of PYI. For Burcon, it announced in November 2016 that ADM (stock code: ADM. NYSE), Burcon's license and production partner for CLARISOY™ soy protein, successfully commissioned the first large-scale CLARISOY™ production facility, which has commercialized Burcon's intellectual property rights, the Directors believe that this achievement will enhance the long-term growth of Burcon and bring positive impact to the Group in the near future. In recent months, the Company has looked into various business opportunities in the energy sector and commodities trading which may bring new value to the Group. Appropriate updates will be made to Shareholders should there be any significant progress on these opportunities.

Going forward, the Group will continue to adhere to its long-term strategy of exploring diversified investment opportunities with growth potential in a cautious yet proactive approach. The Company believes that the Group is well-poised for the challenges ahead and is determined to bring maximum value to its Shareholders.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the Shareholders for their continuous support to the Company and extend my appreciation to all management and staff members for their contribution and dedication throughout the year.

Suen Cho Hung, Paul
Chairman and Managing Director

Hong Kong, 23rd June, 2017

Biographies of Directors and Company Secretary

The biographical details of Directors and Company Secretary as at 23rd June, 2017, the date of this report, are set out below:

EXECUTIVE DIRECTORS

Mr. Suen Cho Hung, Paul ("Mr. Suen"), *the Chairman and the Managing Director*
Mr. Suen, aged 56, joined the Company as an Executive Director, the Chairman and the Managing Director of the Company in March 2017 and is also a director of various subsidiaries of the Company. Mr. Suen holds a Master of Business Administration degree from the University of South Australia. He has extensive experience in strategic planning and corporate management of business enterprises in Hong Kong and the PRC. Mr. Suen is deemed to be the controlling Shareholder of the Company as disclosed in the section headed "Interests and Short Positions of Shareholders Discloseable under the SFO" in the Directors' Report.

Mr. Suen is an executive director and the chairman of Enviro Energy International Holdings Limited ("Enviro Energy") (stock code: 1102) and an executive director and the chairman of EPI (Holdings) Limited ("EPI") (stock code: 689). Both companies are listed on the Main Board of the Hong Kong Stock Exchange.

Ms. Chau Mei Wah, Rosanna ("Ms. Chau"), *the Deputy Chairman*
Ms. Chau, aged 62, is the Deputy Chairman and an Executive Director of the Company. She joined the Group in February 1997 and is also a director of various subsidiaries of the Company. Ms. Chau has over 37 years' experience in international corporate management and finance. She holds a Bachelor's Degree and a Master's Degree in Commerce and has professional accounting qualifications and experience in different jurisdictions. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and the CPA Australia, and a member of the Chartered Professional Accountants of British Columbia. Ms. Chau is a director of Burcon NutraScience Corporation, the securities of which are listed on the Toronto Stock Exchange (stock code: BU.TSX), the NASDAQ Global Market (stock code: BUR.NASDAQ) and the Frankfurt Stock Exchange (stock code: BNE.FWB).

Mr. Sue Ka Lok ("Mr. Sue")
Mr. Sue, aged 52, joined the Company as an Executive Director in March 2017 and is the Chairman of the Corporate Governance Committee and also a director of various subsidiaries of the Company. Mr. Sue holds a Bachelor of Economics degree from The University of Sydney in Australia and a Master of Science in Finance degree from the City University of Hong Kong. Mr. Sue is a fellow of the Hong Kong Institute of Certified Public Accountants, a certified practising accountant of the CPA Australia and a fellow of The Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators and the Hong Kong Securities and Investment Institute. He has extensive experience in corporate management, finance, accounting and company secretarial practice.

Mr. Sue is an executive director of China Strategic Holdings Limited (stock code: 235) and PYI Corporation Limited (stock code: 498); an executive director and the chairman of Courage Marine Group Limited ("Courage Marine") (Hong Kong stock code: 1145 and Singapore stock code: ATL.SI); an executive director and the chief executive officer of EPI and a non-executive director of Birmingham Sports Holdings Limited ("Birmingham Sports") (stock code: 2309) and Tianli Holdings Group Limited ("Tianli Holdings") (stock code: 117). All of the above companies are listed on the Hong Kong Stock Exchange and with Courage Marine being also listed on Singapore Exchange Securities Trading Limited.

Mr. Ching Man Chun, Louis ("Mr. Ching")
Mr. Ching, aged 38, joined the Company as an Executive Director in June 2017 and is also a director of various subsidiaries of the Company. Mr. Ching holds a Bachelor of Arts degree in Economics from Boston University in the United States of America. He has extensive experience in commodity trading and business development in the PRC and other countries in Asia and Africa. Mr. Ching is a committee member of the Chinese People's Political Consultative Conference of Liuzhou City in the PRC.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chu Kin Wang, Peleus ("Mr. Chu")
Mr. Chu, aged 52, joined the Company as an Independent Non-executive Director in March 2017 and is the Chairman of the Audit Committee and a member of the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. Mr. Chu holds a Master of Business Administration degree from The University of Hong Kong. Mr. Chu is a fellow of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Chu is also an associate of both the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. He has extensive experience in corporate finance, audit, accounting and taxation.

Mr. Chu is a deputy chairman and an executive director of Chinese People Holdings Company Limited (stock code: 681), and an independent non-executive director of China First Capital Group Limited (stock code: 1269), Huayu Expressway Group Limited (stock code: 1823), Flyke International Holdings Ltd. (stock code: 1998), Tianli Holdings, Mingfa Group (International) Company Limited (stock code: 846) and China Huishan Dairy Holdings Company Limited (stock code: 6863). All of the above companies are listed on the Main Board of the Hong Kong Stock Exchange.

Mr. Chu is also an independent non-executive director of Madison Wine Holdings Limited (stock code: 8057), SkyNet Group Limited (stock code: 8176) and Telecom Service One Holdings Limited (stock code: 8145). All of the above companies are listed on the Growth Enterprise Market of the Hong Kong Stock Exchange.

Mr. Lau Yuen Sun, Adrian ("Mr. Lau")
Mr. Lau, aged 62, joined the Company as an Independent Non-executive Director in March 2017 and is the Chairman of the Remuneration Committee and a member of the Audit Committee, the Nomination Committee and the Corporate Governance Committee. Mr. Lau holds a Bachelor of Commerce degree from the University of Windsor in Canada. He has extensive experience in banking and investment and had worked for the National Bank of Canada as the vice president of Asia region as well as the chief executive of the Hong Kong Branch from September 1994 to December 1996. Mr. Lau is an independent non-executive director of Yeebo (International Holdings) Limited (stock code: 259), a company listed on the Main Board of the Hong Kong Stock Exchange.

Biographies of Directors and Company Secretary

Mr. Yam Kwong Chun ("Mr. Yam")
Mr. Yam, aged 52, joined the Company as an Independent Non-executive Director in March 2017 and is the Chairman of the Nomination Committee and a member of the Audit Committee, the Remuneration Committee and the Corporate Governance Committee. Mr. Yam holds a Bachelor of Commerce degree and a Master of Business Administration degree, both from University of Melbourne in Australia. He is a fellow of the Hong Kong Institute of Certified Public Accountants and a certified practising accountant of the CPA Australia. Mr. Yam had worked for Deloitte Touche Tohmatsu, an international accounting firm and as finance executive for a number of group of companies operating in Hong Kong, the PRC, the United States of America and other overseas countries. He is currently the finance director of a multinational company engaged in the business of ODM/OEM design, manufacturing and retail distribution of telecommunication and LED lighting products. Mr. Yam has extensive experience in auditing, accounting and financial management.

COMPANY SECRETARY

Ms. Chan Yuk Yee ("Ms. Chan")
Ms. Chan, aged 49, holds a Master of Business Law degree from Monash University in Australia and is an associate of both The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. She has extensive experience in corporate administration and company secretarial practice. Ms. Chan is an executive director and the company secretary of Birmingham Sports and EPI, an executive director of Courage Marine and the company secretary of China Strategic, Hailiang International Holdings Limited (stock code: 2336) and Enviro Energy. All of the above companies are listed on the Main Board of the Hong Kong Stock Exchange.

The directors have pleasure to present their report and the audited consolidated financial statements of the Group for the year ended 31st March, 2017.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the Shareholders at the special general meeting held on 8th May, 2017 and the subsequent approvals of the Registrar of Companies in Bermuda and the Registrar of Companies in Hong Kong, the name of the Company has been changed from "ITC Corporation Limited" to "PT International Development Corporation Limited" and "保德國際發展企業有限公司" has been adopted as the Chinese name for identification purpose only in place of its existing Chinese name "德祥企業集團有限公司".

PRINCIPAL ACTIVITIES

The Company is an investment holding company.

The principal activities and particulars of the Company's principal subsidiaries and the Group's principal associates as at 31st March, 2017 are set out in notes 38 and 18, respectively, to the consolidated financial statements.

BUSINESS REVIEW

Review of the Group's business, future development, risks and uncertainties

A review of the Group's business, an analysis of the Group's performance (using financial key performance indicators) and an indication of likely future development in the Group's business are provided in the Chairman's Statement on pages 4 to 9 of the annual report. A description of the risks and uncertainties in management of the Group can be found in notes 29 and 30 to the consolidated financial statements. In addition, particulars of important events of the Group occurred since 31st March, 2017 are set out in the Chairman's Statement of the annual report and note 39 to the consolidated financial statements. These sections form part of the Directors' Report.

Environmental policies

As a responsible corporate citizen, the Company recognises the importance of good environmental stewardship and for this purpose, the Company has in place environmental policy, environmental and natural resources policy and waste management policy.

These policies can be found in the Environmental, Social and Governance Report on pages 36 to 46 of the annual report.

Compliance with laws and regulations

The Group's operations are mainly carried out in Hong Kong. During the year, there was no incidence of non-compliance with the relevant laws and regulations in Hong Kong that have a significant impact on the Group's business.

Relationship with employees, customers and suppliers

The Company continues to communicate with its employees, customers and suppliers through different channels to develop mutually beneficial relationships and promote sustainability.

Employees are remunerated equitably and competitively, and the Company encourages employees to develop their competencies and potentials through continuous training and development. The Company is committed to providing and maintaining a safe and healthy workplace for its employees. The Company also strives to address the need of customers by providing responsive and customised services and endeavours to enable suppliers to participate in the Group's supply chain in a fair, equitable, transparent and competitive manner.

SEGMENTAL INFORMATION

An analysis of the Group's revenue and contribution to operating results for the year ended 31st March, 2017 is set out in note 5 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31st March, 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 53 of the annual report.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31st March, 2017 (2016: HK3.0 cents per share).

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 57 to 59 of the annual report.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue from sales of goods or rendering of services attributable to the Group's five largest customers during the year were less than 30% of the Group's total revenue.

The aggregate purchases attributable to the Group's five largest suppliers during the year were less than 30% of the Group's total purchases.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 132 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of revaluation of and movements in the investment properties of the Group during the year are set out in note 16 to the consolidated financial statements. As at 31st March, 2017, the Group had investment properties which situated at No. 1946/50 West Broadway, Vancouver, B.C., Canada and five strata lots of Sundial Boutique Hotel situated at 4340 Sundial Crescent, Whistler, B.C., Canada. Both of them are for commercial use and the lease term of such properties are freehold.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 27 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than its liabilities.

In the opinion of the Directors, subject to the restrictions as stipulated in the Companies Act 1981 of Bermuda as described above, the Company's reserves available for distribution to Shareholders as at 31st March, 2017 were as follows:

	2017	2016
	HK$'000	*HK$'000*
Contributed surplus	**–**	222,435
Accumulated profits	**30,163**	838,015
	30,163	1,060,450

BORROWINGS

Bank and other borrowings repayable within one year or on demand are classified as current liabilities. Details of bank and other borrowings of the Group as at 31st March, 2017 are set out in note 25 to the consolidated financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors:
Mr. Suen Cho Hung, Paul (Chairman and Managing Director) (appointed as Executive Director on 8th March, 2017 and appointed as Chairman and Managing Director on 28th March, 2017)
Ms. Chau Mei Wah, Rosanna (Deputy Chairman) (ceased to be Managing Director on 28th March, 2017)
Mr. Sue Ka Lok (appointed on 8th March, 2017)
Mr. Ching Man Chun, Louis (appointed on 1 June 2017)
Dr. Chan Kwok Keung, Charles (resigned on 28th March, 2017)
Mr. Chan Kwok Chuen, Augustine (resigned on 28th March, 2017)
Mr. Chan Fut Yan (resigned on 28th March, 2017)
Mr. Chan Yiu Lun, Alan (resigned on 28th March, 2017)

Independent Non-executive Directors:
Mr. Chu Kin Wang, Peleus (appointed on 8th March, 2017)
Mr. Lau Yuen Sun, Adrian (appointed on 8th March, 2017)
Mr. Yam Kwong Chun (appointed on 8th March, 2017)
Mr. Chuck, Winston Calptor (resigned on 28th March, 2017)
Mr. Lee Kit Wah (resigned on 28th March, 2017)
Mr. Shek Lai Him, Abraham (resigned on 28th March, 2017)

In accordance with Bye-law 98(A) of the Bye-laws, Ms. Chau Mei Wah, Rosanna will retire by rotation at the forthcoming annual general meeting and in accordance with Bye-law 103(B) of the Bye-laws, Mr. Suen Cho Hung, Paul, Mr. Sue Ka Lok, Mr. Ching Man Chun, Louis, Mr. Chu Kin Wang, Peleus, Mr. Lau Yuen Sun, Adrian and Mr. Yam Kwong Chun will hold office until the forthcoming annual general meeting. All retiring directors, being eligible for re-election, offer themselves for re-election.

The Independent Non-executive Directors are appointed for a term of twelve-month period which automatically renews for successive twelve-month periods unless terminated by either party in writing prior to the expiry of the term, subject to retirement by rotation and re-election in accordance with the Bye-laws. No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

UPDATES ON DIRECTORS' INFORMATION

The following is updated information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

1. Mr. Suen Cho Hung, Paul ("Mr. Suen") is entitled to receive a director's fee of HK$10,000 per annum under the letter of appointment entered into between Mr. Suen and the Company and a remuneration of HK$1,300,000 per annum under the service contract entered into between Mr. Suen and the Group. The director's fee and the remuneration have been approved by the Remuneration Committee.

2. Mr. Sue Ka Lok ("Mr. Sue") is entitled to receive a director's fee of HK$10,000 per annum under the letter of appointment entered into between Mr. Sue and the Company and a remuneration of HK$390,000 per annum under the service contract entered into between Mr. Sue and the Group. The director's fee and the remuneration of Mr. Sue have been approved by the Remuneration Committee.

3. Mr. Ching Man Chun, Louis ("Mr. Ching") is entitled to receive a director's fee of HK$10,000 per annum under the letter of appointment entered into between Mr. Ching and the Company and a remuneration of HK$650,000 per annum under the service contract entered into between Mr. Ching and the Group. The director's fee and the remuneration of Mr. Ching have been approved by the Remuneration Committee.

4. Mr. Chu Kin Wang, Peleus ("Mr. Chu") is entitled to receive a director's fee of HK$150,000 per annum under the letter of appointment entered into between Mr. Chu and the Company. The director's fee of Mr. Chu has been recommended by the Remuneration Committee and approved by the Board.

5. Mr. Lau Yuen Sun, Adrian ("Mr. Lau") is entitled to receive a director's fee of HK$150,000 per annum under the letter of appointment entered into between Mr. Lau and the Company. The director's fee of Mr. Lau has been recommended by the Remuneration Committee and approved by the Board.

6. Mr. Yam Kwong Chun ("Mr. Yam") is entitled to receive a director's fee of HK$150,000 per annum under the letter of appointment entered into between Mr. Yam and the Company. The director's fee of Mr. Yam has been recommended by the Remuneration Committee and approved by the Board.

7. Mr. Chu has been appointed as an independent non-executive director of China Huishan Dairy Holdings Company Limited (stock code: 6863), a company listed on the Main Board of the Hong Kong Stock Exchange, with effect from 22nd June, 2017.

8. Mr. Sue was re-designated from an executive director to a non-executive director of Birmingham Sports Holdings Limited (stock code: 2309) with effect from 1st May, 2017. Mr. Sue also resigned as the company secretary of China Strategic Holdings Limited (stock code: 235) with effect from 2nd May, 2017. Mr. Sue has been appointed as an executive director of PYI Corporation Limited (stock code: 498) with effect from 25th April, 2017. All of the above companies are listed on the Main Board of the Hong Kong Stock Exchange.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March, 2017, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporations, within the meaning of Part XV of the SFO, as recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules were as follows:

(a) Long positions in shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of shares held	Approximate percentage of the issued share capital of the Company
Mr. Suen	Interest of controlled corporation	1,158,676,465 *(Note)*	68.63%

Note: These interests were held by Ace Pride Holdings Limited ("Ace Pride"), which was wholly owned by Ace Way Global Limited ("Ace Way") which in turn was wholly owned by Mr. Suen. Mr. Suen is the sole director of Ace Pride and Ace Way. Accordingly, Mr. Suen was deemed to be interested in 1,158,676,465 shares of the Company under the SFO.

(b) Long positions in shares, underlying shares and debentures of PYI Corporation Limited ("PYI")

Name of Director	Capacity	Number of shares held	Approximate percentage of the issued share capital of PYI
Mr. Suen	Interest of controlled corporation	1,305,311,695	28.45%

(c) Long positions in shares, underlying shares and debentures of Burcon NutraScience Corporation ("Burcon")

Name of Director	Capacity	Number of shares held	Number of underlying shares (in respect of the share options (unlisted equity derivatives) held)	Approximate percentage of the issued share capital of Burcon
Chau Mei Wah, Rosanna	Beneficial owner	448,634	–	1.19%
Chau Mei Wah, Rosanna	Beneficial owner	–	145,844	0.39%

As at 31st March, 2017, PYI and Burcon were associated corporations of the Company within the meaning of Part XV of the SFO.

Mr. Suen was, by virtue of his deemed interests in approximately 68.63% of the issued share capital of the Company as at 31st March, 2017, deemed to be interested in the shares and underlying shares (in respect of equity derivatives), if any, of the associated corporations (within the meaning of Part XV of the SFO) of the Company held by the Group under Part XV of the SFO.

Save as disclosed above, as at 31st March, 2017, none of the directors and chief executives of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The share option scheme of the Company was adopted on 19th August, 2011 (the "Share Option Scheme"). No share options were granted, exercised, cancelled or lapsed during the year. At 31st March, 2017, there was no outstanding share option granted by the Company pursuant to the Share Option Scheme.

Save for the Share Option Scheme, at no time during the year was the Company or any of its subsidiaries a party to any arrangements which objects are to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate, and none of the directors, chief executives or their spouse or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during the year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 36 to the consolidated financial statements and the section below headed "Connected Transactions", no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party and in which a director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the directors of the Company were interested in any business apart from the Group's businesses which compete or is likely to compete, either directly or indirectly, with the businesses of the Group as at 31st March, 2017.

CONNECTED TRANSACTIONS

On 14th November, 2014, ITC Management Limited ("ITCM"), an indirect wholly owned subsidiary of the Company, entered into a tenancy agreement (the "Tenancy Agreement") with Great Intelligence Limited ("Great Intelligence"), an indirect wholly owned subsidiary of ITC Properties Group Limited ("ITC Properties"), as landlord in respect of the leasing of portion of 30th Floor and two car parking spaces of Bank of America Tower, 12 Harcourt Road, Central, Hong Kong for a lease term of 3 years commencing from 16th November, 2014 at a fixed rental of HK$217,000 per month and the management fee and air-conditioning charges of HK$15,870 in aggregate (subject to adjustments) per month. The aggregate maximum amount of the rental, management fee and air-conditioning charges payable by ITCM under the Tenancy Agreement for the current year were not exceeding HK$3.0 million.

Whilst the terms of the Tenancy Agreement remained unchanged, the transaction thereunder became a continuing connected transaction for the Company because ITC Properties (including Great Intelligence) became an associate of Dr. Chan Kwok Keung, Charles ("Dr. Chan"), the then Executive Director, the then Chairman of the Board and the former controlling shareholder of the Company pursuant to Rules 14A.12 and 14A.14 of the Listing Rules following the acquisition of shares of the Company on 23rd April, 2015 whereby Dr. Chan's shareholding in the Company increased to over 50%. On 24th January, 2017, Dr. Chan disposed of his entire shareholding interest in the Company, being approximately 67.96% of the total number of issued shares of the Company and resigned as an Executive Director and the Chairman of the Board on 28th March, 2017. As at 31st March, 2017, Great Intelligence was still an associate of Dr. Chan. The Tenancy Agreement, which was carried out on a continuing basis and in the ordinary and usual course of business of the Company, constituted a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules. Details of the Tenancy Agreement were set in the announcement of the Company dated 6th May, 2015 (the "Tenancy Announcement"). The total sum paid by the Group under the Tenancy Agreement for the year ended 31st March, 2017 was approximately HK$2,794,000 and accordingly, had not exceeded its annual cap disclosed in the Tenancy Announcement.

The Independent Non-executive Directors have reviewed the above continuing connected transaction and confirmed that such transaction has been entered into by the Group in the ordinary and usual course of business of the Group, on normal commercial terms, and in accordance with the relevant agreement governing such transaction on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company (the "Auditor") had performed review work on the above continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants and reported that in respect of the continuing connected transaction during the year ended 31st March, 2017 as stated above, (i) nothing has come to the Auditor's attention that causes them to believe that the said continuing connected transaction has not been approved by the Board; (ii) nothing has come to the Auditor's attention that causes them to believe that the transaction was not entered into, in all material respects, in accordance with the relevant agreement governing such transaction; and (iii) with respect to the aggregate amount of the said continuing connected transaction, nothing has come to the Auditor's attention that causes them to believe that the said continuing connected transaction has exceeded the annual cap disclosed in the Tenancy Announcement.

On 11th October, 2016, Great Intelligence Holdings Limited, an indirect wholly owned subsidiary of the Company, acquired 4.75% senior guaranteed notes due 2021 of principal amount of US$1.8 million ("ITC Properties Notes") in the secondary market through a financial institution for a consideration of approximately US$1.78 million (equivalent to approximately HK$13.8 million) (the "Acquisition"). The ITC Properties Notes were issued by Treasure Generator Limited, a direct wholly owned subsidiary of ITC Properties, and unconditionally and irrevocably guaranteed by ITC Properties. As Treasure Generator Limited is an associate of Dr. Chan pursuant to Rules 14A.12 and 14A.14 of the Listing Rules, the Acquisition constituted a connected transaction of the Company. Details of the Acquisition were set out in the announcement of the Company dated 14th October, 2016.

Save as disclosed above, during the year ended 31st March, 2017, there was no connected transaction or continuing connected transaction of the Company required to be disclosed pursuant to Chapter 14A of the Listing Rules and none of the other related party transactions set out in note 36 to the consolidated financial statements was required to be disclosed pursuant to Chapter 14A of the Listing Rules.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31st March, 2017, so far as is known to the directors and the chief executives of the Company, the interests or short positions of substantial Shareholders in the shares and underlying shares of the Company as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number of shares held	Approximate percentage of the issued share capital of the Company
Mr. Suen	Interest of controlled corporation	1,158,676,465 *(Note)*	68.63%
Ace Way	Interest of controlled corporation	1,158,676,465 *(Note)*	68.63%
Ace Pride	Beneficial owner	1,158,676,465 *(Note)*	68.63%

Note: These interests were held by Ace Pride, which was wholly owned by Ace Way which in turn was wholly owned by Mr. Suen. Mr. Suen is the sole director of Ace Pride and Ace Way. Accordingly, Mr. Suen was deemed to be interested in 1,158,676,465 shares of the Company under the SFO.

The interests of Mr. Suen, Ace Way and Ace Pride in 1,158,676,465 shares of the Company referred to in the note above related to the same parcel of shares.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31st March, 2017.

RETIREMENT BENEFIT SCHEMES

Information on the Group's retirement benefit schemes is set out in note 31 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws, or the applicable laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed minimum public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

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

During the year ended 31st March, 2017, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 39 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

Other than the Share Option Scheme as disclosed in note 28 to the consolidated financial statements, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the financial year under review.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

The Bye-laws provide that subject to the Companies Act 1981 of Bermuda (as amended), every director of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto. Such provisions were in force during the course of the financial year ended 31st March, 2017 and remained in force as of the date of this report. Directors' liability insurance is in place to protect the Directors of the Company or of its subsidiaries against any potential costs and liabilities arising from claims brought against the Directors.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as the external auditor of the Company.

On behalf of the Board

Suen Cho Hung, Paul
Chairman and Managing Director

Hong Kong, 23rd June, 2017

The Company is committed to maintaining a high standard of corporate governance practices and procedures. The Company believes that good corporate governance practices are essential for effective corporate management to enhancing Shareholders' value. The corporate governance principles of the Company emphasise a quality Board, sound internal controls, and transparency and accountability to all Shareholders.

CORPORATE GOVERNANCE CODE

The Company has, throughout the year ended 31st March, 2017, complied with the code provisions of the CG Code contained in Appendix 14 to the Listing Rules except for the following deviation with reason as explained:

Chairman and Chief Executive

Code provision A.2.1

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Deviation:

Following the resignation of Dr. Chan Kwok Keung, Charles from the positions of Executive Director and Chairman of the Board on 28th March, 2017, Mr. Suen Cho Hung, Paul has taken up the positions of Chairman of the Board and Managing Director of the Company. The Board considers that vesting the roles of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans and the Board believes that the balance of power and authority is adequately ensured.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has continued to adopt the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding securities transactions by the directors of the Company. All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 31st March, 2017.

The Company has also continued to adopt a code of conduct governing securities transactions by employees who may possess or have access to inside information of the Company or its securities.

BOARD OF DIRECTORS

THE BOARD

The members of the Board are individually and collectively responsible for the leadership and control, and for promoting the success, of the Company by directing and supervising the Company's affairs. As at the date of this report, the Board comprises seven Directors, four of which are Executive Directors, namely Mr. Suen Cho Hung, Paul ("Mr. Suen") (Chairman and Managing Director), Ms. Chau Mei Wah, Rosanna (Deputy Chairman), Mr. Sue Ka Lok ("Mr. Sue") and Mr. Ching Man Chun, Louis and three are Independent Non-executive Directors, namely Mr. Chu Kin Wang, Peleus ("Mr. Chu"), Mr. Lau Yuen Sun, Adrian and Mr. Yam Kwong Chun. The Board has a balanced composition of executive and independent non-executive directors so that strong independent elements are included in the Board, enabling the Board to exercise judgment independently and make decision objectively in the interests of the Company and its Shareholders as a whole.

The Company recognises and embraces the benefits of having a diverse Board and therefore has adopted a policy on Board diversity in June 2013. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. Board diversity would be considered based on a number of measurable objectives, including but not limited to skills, knowledge, experience, gender, age, length of services and cultural and educational background. All Board candidates will be considered and appointed based on meritocracy, contribution that the selected candidates will bring to the Board against objective criteria, having due regard for the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the policy, as appropriate, and recommend any proposed changes to the Board for approval.

The Nomination Committee has obligation to review the size, structure and composition of the Board on an annual basis. The Company has a diversified Board composition which meets the aforesaid measurable objectives of the Board diversity policy. Biographical details of the Directors are set out on pages 10 to 12 of this annual report. A list containing the names of all directors and their roles and functions is published on the respective websites of the Hong Kong Stock Exchange and the Company, which would be updated from time to time when there are any changes.

As at the date of this report, Mr. Suen is an executive director and the chairman of, and a controlling shareholder indirectly holding approximately 50.52% of the issued share capital in, EPI (Holdings) Limited ("EPI") (stock code: 689) of which Mr. Sue is an executive director and the chief executive officer. Mr. Suen is also a controlling shareholder indirectly holding approximately 60.78% of the issued share capital of Birmingham Sports Holdings Limited ("Birmingham Sports") (formerly known as Birmingham International Holdings Limited) (stock code: 2309) of which Mr. Sue is a non-executive director. Mr. Suen is also holding approximately 9.89% of the issued share capital of China Strategic Holdings Limited ("China Strategic") (stock code: 235) of which Mr. Sue is an executive director. The shares of EPI, Birmingham Sports and China

Strategic are listed on the Main Board of the Hong Kong Stock Exchange. Mr. Suen is also indirectly holding approximately 19.08% of the issued share capital of Courage Marine Group Limited, the shares of which are primarily listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1145) and secondarily listed on the Singapore Exchange Securities Trading Limited (stock code: ATL.SI) of which Mr. Sue is an executive director and the chairman. Mr. Sue is a non-executive director of Tianli Holdings Group Limited (stock code: 117), a company listed on the Main Board of the Hong Kong Stock Exchange, of which Mr. Chu is an independent non-executive director. Save as disclosed, as at the date of this report, the Board members have no other financial, business, family or other material/relevant relationship with each other.

As part of an ongoing process of director's training, the directors keep abreast of the latest developments to enhance and refresh their knowledge and skills. All directors are provided with reading materials from time to time. During the year under review, each of the directors of the Company participated in continuous professional development by way of reading materials relating to updates on the Companies Ordinance of Hong Kong, the SFO, the Codes on Takeovers and Mergers, the Listing Rules and environmental, social and governance reporting.

A summary of the training received by the directors for the year ended 31st March, 2017 based on their training records provided to the Company is as follows:

Name of Director	Reading materials	Briefings/seminars
Executive Directors		
Mr. Suen Cho Hung, Paul *(Chairman and Managing Director)*	✓	–
Ms. Chau Mei Wah, Rosanna *(Deputy Chairman)*	✓	✓
Mr. Sue Ka Lok	✓	✓
Dr. Chan Kwok Keung, Charles	✓	✓
Mr. Chan Kwok Chuen, Augustine	✓	✓
Mr. Chan Fut Yan	✓	✓
Mr. Chan Yiu Lun, Alan	✓	✓
Independent Non-executive Directors		
Mr. Chu Kin Wang, Peleus	✓	✓
Mr. Lau Yuen Sun, Adrian	✓	–
Mr. Yam Kwong Chun	✓	✓
Mr. Chuck, Winston Calptor	✓	✓
Mr. Lee Kit Wah	✓	✓
Mr. Shek Lai Him, Abraham	✓	✓

The Board is responsible for the success and sustainable development of the Company. It has delegated the Executive Board with authority and responsibility for handling the management functions and operations of the day-to-day business of the Company, while reserving certain key matters for the approval by the Board. The types of decisions to be taken by the Board include annual and interim period financial reporting and control, equity fund raising, declaration of interim dividend and making recommendation of final dividend or other distributions, notifiable transactions under Chapters 14 and 14A of the Listing Rules and making recommendation for capital reorganisation or scheme of arrangement of the Company.

During the year under review, four regular Board meetings were held with at least fourteen days' notice given to all directors and additional Board meeting(s) were held as and when necessary. Directors are provided with relevant information to make informed decisions. The Chairman met with the independent non-executive directors without the executive directors being present during the year. The Board and each director have separate and independent access to the Company's senior management. A director who considers a need for independent professional advice in order to perform his/her duties as a director may convene, or request the secretary of the Company (the "Company Secretary") to convene, a meeting of the Board to approve the seeking of independent legal or other professional advice. The Company has arranged directors and officers liability insurance coverage in respect of legal action against the directors.

The attendance of each individual member of the following meetings during the year under review is set out in the following table:

	Meetings attended/Eligible to attend					
Name of Director	**Board**	**Audit Committee**	**Corporate Governance Committee**	**Nomination Committee**	**Remuneration Committee**	**General meetings**
Executive Directors						
Mr. Suen Cho Hung, Paul *(Chairman and Managing Director) (Note 1)*	1/1					
Ms. Chau Mei Wah, Rosanna *(Deputy Chairman)*	7/7		2/2	2/2	2/2	2/2
Mr. Sue Ka Lok *(Note 1)*	1/1					
Dr. Chan Kwok Keung, Charles *(Note 2)*	6/6					2/2
Mr. Chan Kwok Chuen, Augustine *(Note 2)*	3/6					2/2
Mr. Chan Fut Yan *(Note 2)*	6/6		2/2			2/2
Mr. Chan Yiu Lun, Alan *(Note 2)*	5/6					1/2
Independent Non-executive Directors						
Mr. Chu Kin Wang, Peleus *(Note 1)*	1/1					
Mr. Lau Yuen Sun, Adrian *(Note 1)*	1/1					
Mr. Yam Kwong Chun *(Note 1)*	1/1					
Mr. Chuck, Winston Calptor *(Note 2)*	6/6	2/2	2/2	2/2	2/2	2/2
Mr. Lee Kit Wah *(Note 2)*	6/6	2/2	2/2	2/2	2/2	2/2
Mr. Shek Lai Him, Abraham *(Note 2)*	6/6	2/2		2/2		2/2

Notes:

1. appointed on 8th March, 2017
2. resigned on 28th March, 2017

CHAIRMAN AND MANAGING DIRECTOR

Prior to the resignation of Dr. Chan Kwok Keung, Charles from the positions of Executive Director and Chairman of the Board on 28th March, 2017, the roles of the Chairman and Managing Director are segregated and are held by different individuals. The Chairman is responsible for the Group's strategic planning and the management of the operations of the Board, while the Managing Director takes the lead in the Group's operations and business development. There is a clear division of responsibilities between the Chairman and Managing Director of the Company which provides a balance of power and authority. However, commencing from 28th March, 2017, Mr. Suen Cho Hung, Paul has taken up the positions of Chairman of the Board and Managing Director of the Company. The Board considers that vesting the posts of chairman and chief executive in the same person enables more effective and efficient planning and implementation of business plans and the Board believes that the balance of power and authority is adequately ensured.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Independent Non-executive Directors are appointed for a specific term, subject to retirement by rotation at least once every three years in accordance with the Bye-laws. Mr. Lee Kit Wah (who has resigned as an Independent Non-executive Director on 28th March, 2017), Mr. Chu Kit Wang, Peleus (appointed as an Independent Non-executive Director on 8th March, 2017) and Mr. Yam Kwong Chun (appointed as an Independent Non-executive Director on 8th March, 2017) have appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10 of the Listing Rules. The Company has received the annual confirmation of independence from each of the Independent Non-executive Directors as required under Rule 3.13 of the Listing Rules. The Company considers all Independent Non-executive Directors to be independent.

NOMINATION, APPOINTMENT AND RE-ELECTION OF DIRECTORS

Under the Bye-laws, the directors shall have the power to appoint any person as a director at any time either to fill a casual vacancy on the Board or as an addition to the existing Board and such person is subject to retirement and re-election at the first general meeting or first annual general meeting respectively after his/her appointment. All directors are subject to retirement and re-election by the Shareholders on a rotation basis and pursuant to the Bye-laws, at each annual general meeting, one-third of the directors for the time being shall retire from office by rotation such that each director shall be subject to retirement by rotation at least once every three years at the annual general meeting. The Board published the procedures for Shareholders to propose a person for election as a director on the Company's website and delegated its authority to the Nomination Committee for making recommendation to the Board on the appointment or re-appointment of directors.

NOMINATION COMMITTEE

The members of the Nomination Committee during the year and up to the date of this report were:

Mr. Yam Kwong Chun (appointed as Chairman of the Nomination Committee on 28th March, 2017)
Mr. Chu Kin Wang, Peleus (appointed as member of the Nomination Committee on 28th March, 2017)
Mr. Lau Yuen Sun, Adrian (appointed as member of the Nomination Committee on 28th March, 2017)
Mr. Shek Lai Him, Abraham (ceased as Chairman of the Nomination Committee on 28th March, 2017)
Ms. Chau Mei Wah, Rosanna (ceased as member of the Nomination Committee on 28th March, 2017)
Mr. Chuck, Winston Calptor (ceased as member of the Nomination Committee on 28th March, 2017)
Mr. Lee Kit Wah (ceased as member of the Nomination Committee on 28th March, 2017)

The terms of reference of the Nomination Committee adopted by the Board, which follow closely the requirements of the code provisions of the CG Code as set out in Appendix 14 to the Listing Rules, have been posted on the websites of the Company and the Hong Kong Stock Exchange.

The appointment of a new director shall first be considered by the Nomination Committee. In considering the appointment of a director, the Nomination Committee applies the criteria in the nomination policy of the Company and identifies suitably qualified candidate to become Board members to complement the Company's corporate strategy. The recommendations of the Nomination Committee will then be put to the Board for consideration and approval. A candidate to be appointed as independent non-executive director must also satisfy the independence criteria set out in Rule 3.13 of the Listing Rules.

During the year under review, the Nomination Committee had reviewed the structure, size and composition of the Board, reviewed the policy on Board diversity and the progress on achieving the measurable objectives under such policy, reviewed the independence of independent non-executive directors, made recommendation to the Board for putting forward directors, who are subject to retirement by rotation, for re-appointment as directors at the annual general meeting. The Nomination Committee also reviewed the independency of the newly appointed independent non-executive directors and made recommendation to the Board for the appointment of new directors.

REMUNERATION COMMITTEE

The members of the Remuneration Committee during the year and up to the date of this report were:

Mr. Lau Yuen Sun, Adrian (appointed as Chairman of the Remuneration Committee on 28th March, 2017)
Mr. Chu Kin Wang, Peleus (appointed as member of the Remuneration Committee on 28th March, 2017)
Mr. Yam Kwong Chun (appointed as member of the Remuneration Committee on 28th March, 2017)
Mr. Chuck, Winston Calptor (ceased as Chairman of the Remuneration Committee on 28th March, 2017)
Ms. Chau Mei Wah, Rosanna (ceased as member of the Remuneration Committee on 28th March, 2017)
Mr. Lee Kit Wah (ceased as member of the Remuneration Committee on 28th March, 2017)

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for all remuneration of directors and the senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration. The Remuneration Committee, pursuant to its terms of reference, has power either (i) to determine, with delegated responsibility, the remuneration packages of executive directors and senior management; or (ii) to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. During the year under review, the Remuneration Committee determined, with delegated responsibility, the remuneration of executive directors and the company secretary. The terms of reference of the Remuneration Committee adopted by the Board, which follow closely the requirements of the code provisions of the CG Code, have been posted on the websites of the Company and the Hong Kong Stock Exchange. The Remuneration Committee is provided with sufficient resources to discharge its duties.

During the year under review, the Remuneration Committee had principally performed the followings: making recommendation to the Board on directors' fees for the approval by the Shareholders at the annual general meeting, approving/recommending the directors' fees of directors and reviewing and approving the discretionary bonus of executive directors and the company secretary.

With the recommendation of the Remuneration Committee, the Board sets the remuneration policy for the directors and senior management of the Company. This policy is to ensure that its remuneration structure is appropriate and aligns with the Company's goals and objectives which should be sufficient to attract, retain and motivate the directors and senior management of the Company to run the Group successfully without paying more than necessary. The Remuneration Committee shall consult the Chairman and/or the Managing Director of the Company about its proposals relating to remuneration packages of the directors and the senior management of the Company. The emoluments of the directors and the senior management of the Company are based on their skills, knowledge and involvement in the Company's affairs and are determined by reference to the Company's performance, as well as remuneration benchmark in the industry and the prevailing market conditions. The ultimate objective of the remuneration is to ensure that the Company is able to attract, retain and motivate a high-calibre team which is essential to the success of the Company.

Information on emoluments of the directors of the Company for the year ended 31st March, 2017 is set out in note 6 to the consolidated financial statements. During the year under review, none of the directors or any of their associates was involved in deciding their own remuneration.

CORPORATE GOVERNANCE COMMITTEE

The members of the Corporate Governance Committee during the year and up to the date of this report:

Mr. Sue Ka Lok (appointed as Chairman of the Corporate Governance Committee on 28th March, 2017)
Mr. Chu Kin Wang, Peleus (appointed as member of the Corporate Governance Committee on 28th March, 2017)
Mr. Lau Yuen Sun, Adrian (appointed as member of the Corporate Governance Committee on 28th March, 2017)
Mr. Yam Kwong Chun (appointed as member of the Corporate Governance Committee on 28th March, 2017)
Ms. Chau Mei Wah, Rosanna (ceased as Chairman of the Corporate Governance Committee on 28th March, 2017)
Mr. Chan Fut Yan (ceased as member of the Corporate Governance Committee on 28th March, 2017)
Mr. Chuck, Winston Calptor (ceased as member of the Corporate Governance Committee on 28th March, 2017)
Mr. Lee Kit Wah (ceased as member of the Corporate Governance Committee on 28th March, 2017)

The principal duties of the Corporate Governance Committee include making recommendations to the Board on the Company's policies and practices on corporate governance; reviewing and monitoring (i) the training and continuous professional development of the directors and the senior management of the Company; (ii) the Company's policies and practices on compliance with legal and regulatory requirements; (iii) the code of conduct and compliance manual (if any) applicable to the Company's employees and directors; and (iv) the Company's compliance with the Code and disclosure in the Corporate Governance Report. The terms of reference of the Corporate Governance Committee, which follow closely the requirements of the CG Code, was adopted by the Board. The Corporate Governance Committee is provided with sufficient resources to discharge its duties.

During the year under review, the Corporate Governance Committee reviewed the corporate governance policy and the compliance policy of the Company, and the code of conduct for the directors and the employees of the Company, reviewed the compliance of the Code for the year ended 31st March, 2016 and for the six months ended 30th September 2016, made recommendation to the Board for the approval of the Corporate Governance Report, and reviewed the training and continuous professional development of the directors and the Company Secretary.

AUDIT COMMITTEE

The members of the Audit Committee during the year and up to the date of this report were:

Mr. Chu Kin Wang, Peleus (appointed as Chairman of the Audit Committee on 28th March, 2017)
Mr. Lau Yuen Sun, Adrian (appointed as member of the Audit Committee on 28th March, 2017)
Mr. Yam Kwong Chun (appointed as member of the Audit Committee on 28th March, 2017)
Mr. Lee Kit Wah (ceased as Chairman of Audit Committee on 28th March, 2017)
Mr. Chuck, Winston Calptor (ceased as member of the Audit Committee on 28th March, 2017)
Mr. Shek Lai Him, Abraham (ceased as member of the Audit Committee on 28th March, 2017)

Due to the amendments to the CG Code, the terms of reference of the Audit Committee has been amended to include the duty to review the risk management system of the Company with effect from 1st April, 2016. Accordingly the principal duties of the Audit Committee include reviewing the Company's financial reporting system, risk management and internal control systems (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), reviewing the Group's financial information and reviewing the relationship with the external auditor of the Company. The terms of reference of the Audit Committee adopted by the Board, which follow closely the requirements of the code provisions of the Code, have been posted on the websites of the Hong Kong Stock Exchange and the Company. The Audit Committee is provided with sufficient resources to discharge its duties.

The Audit Committee performed the responsibilities under its terms of reference and other duties as set out in code provisions of the CG Code applicable to the Audit Committee. It met with the directors and external auditors to review the interim/annual results and reports. It considered and discussed the reports with external auditors, with a view of ensuring that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong.

During the year under review, the Audit Committee reviewed and made recommendation for the Board's approval of the draft audited financial statements of the Group for the year ended 31st March, 2016 and the draft unaudited interim financial statements of the Group for the six months ended 30th September, 2016, discussed the accounting policies and practices which may affect the Group with the management and the Company's external auditor, made recommendation on the re-appointment of external auditor for the approval of the Shareholders in the annual general meeting of the Company, approved the fees charged by the external auditor; reviewed the internal audit reports prepared by the internal audit department and reviewed the risk management and internal control systems of the Group.

AUDITOR'S REMUNERATION

Messrs. Deloitte Touche Tohmatsu ("Deloitte"), the Group's principal auditor, was re-appointed by the Shareholders at the annual general meeting of the Company held on 17th August, 2016 as the Company's external auditor until the next annual general meeting. For the year ended 31st March, 2017, the total fee paid/payable in respect of statutory audit and non-audit services provided by Deloitte is set out in the following table:

Services rendered	**Fee paid/payable** ***HK$'000***
Audit services	1,200
Non-audit services:	
Taxation advisory	35
Review of interim results	330
Special engagement	567
Total fee paid/payable for the year	2,132

Note: Statutory audit fee charged to profit and loss for the year ended 31st March, 2017 was HK$1,251,000, comprising amounts of HK$1,200,000 and HK$51,000 paid and payable to Deloitte and other auditors of certain subsidiaries of the Company respectively.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31st March, 2017, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are fair and reasonable and prepared the financial statements on a going concern basis. The statement made by the auditor of the Company regarding their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 47 and 52 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has the overall responsibility for maintaining a sound and effective system of risk management and internal control and for reviewing its effectiveness, particularly in respect of the controls on financial, operational, compliance and risk management, to achieve the Company's business strategies and the Group's business operations. The Directors have adopted an internal control policy for the Group. The internal control policy is fundamental to the successful operation and day-to-day running of a business and it assists the Company in achieving its business objectives.

The policy has been developed with a primary objective of providing general guidance and recommendations on a basic framework of risk management and internal control. The Company's risk management and internal control systems comprises a well established organisational structure and comprehensive policies and standards. Procedures have been designed to safeguard assets against unauthorised use or disposition, to ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and to ensure compliance with applicable laws and regulations. The purpose of the Company's risk management and internal control systems are to provide reasonable and not absolute, assurance against material misstatement or loss and to manage rather than eliminate risks of failure to achieve Company's business objectives.

The following risk management and internal control systems have been established and executed within the Group:

- control environment including organisational structure, limit of authority, reporting lines and responsibilities;
- risk management self-assessment and internal control review conducted from time to time by the Group;
- appropriate risk management measures such as written policies and procedures; and
- effective information platforms to facilitate internal and external information flow.

The Board oversees the Group's risk management and internal control systems on an ongoing basis. The Board has conducted an annual review of the effectiveness of the systems of risk management and internal control systems of the Group for the year ended 31st March, 2017, covering all material controls, including financial, operational and compliance controls and particularly the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, and financial reporting functions. The Board considers the risk management and internal control systems effective and adequate.

The Company has an internal audit department which monitors and evaluates the effectiveness of the risk management and internal controls within the Group's operating and financial reporting systems. The Board/Audit Committee are supported by the internal audit department in reviewing the effectiveness of the risk management and internal control systems. Procedures are in place to identify, evaluate and manage significant risks on operational control, financial control and compliance control. If there are any material internal control defects, the internal audit department will report and recommend measures for improvement to the Board/Audit Committee. The Company adopted inside information policy which set out procedures and controls for the handling the dissemination of inside information.

COMPANY SECRETARY

Following the resignation of Ms. Kam Suet Fan as the Company Secretary, Ms. Chan Yuk Yee ("Ms. Chan") has been appointed as the Company Secretary with effect from 8th March, 2017. The Company Secretary is responsible for facilitating the Board process, as well as communications among Board members. Biographical details of Ms. Chan are set out under the section headed "Biographies of Directors and Company Secretary" on page 12 to the annual report.

Each of Ms. Kam Suet Fan and Ms. Chan Yuk Yee confirmed that she has complied with all the qualifications and training requirements under the Listing Rules during the year ended 31st March, 2017.

COMMUNICATION WITH SHAREHOLDERS

The Board makes its endeavour to maintain an ongoing and transparent communication with the Shareholders and, in particular, uses general meetings to communicate with them and encourage their participation. The Company also uses various other means of communication with the Shareholders, such as publication of annual and interim reports, announcements, circulars and additional information on the Group's business activities and development on the Company's website: www.ptcorp.com.hk.

A shareholders communication policy was adopted to ensure that Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company.

During the year under review, there is no change to the memorandum of association of the Company and the Bye-laws. A copy of the memorandum of association and the Bye-laws is available at the "Corporate Governance" section of the Company's website.

During the year under review, all resolutions put forward at the general meetings were conducted by way of poll and poll results were posted on the websites of the Company and the Hong Kong Stock Exchange in compliance with the requirements of the Listing Rules. Details of procedure for conducting a poll was explained at each general meeting of the Company and questions from Shareholders regarding the voting procedures were answered. Notices of not less than 20 clear business days and 10 clear business days were sent to the Shareholders for the annual general meeting and the special general meeting of the Company respectively during the year under review.

SHAREHOLDERS' RIGHTS

Shareholder(s) carrying not less than one-tenth of the total voting right at general meeting of the Company have the right, by signed written requisition to the Company's registered office and principal place of business in Hong Kong, to require a special general meeting to be called for the business specified in such requisition.

Shareholder(s) carrying not less than one-twentieth of the total voting right at general meeting or not less than 100 Shareholders have the following rights by depositing the following documents at the Company's registered office and principal place of business in Hong Kong:

(i) not less than six weeks before the annual general meeting, a signed written request for a proposed resolution (other than a proposal for election as a director) to be moved at that meeting; and

(ii) not less than one week before the general meeting, a signed statement of not more than 1,000 words with respect to any proposed resolution or business to be dealt with in that general meeting.

For the above purpose, the Shareholder(s) concerned shall also deposit with the Company a sum of money reasonably sufficient to meet the expenses in serving the request/statement to all Shareholders. Procedures for Shareholder(s) to propose a person for election as a director of the Company are available at the "Corporate Governance" section of the Company's website.

Shareholders who have enquires to the Board may write to the Company Secretary at the Company's principal place of business in Hong Kong.

By Order of the Board

Chan Yuk Yee
Company Secretary

Hong Kong, 23rd June, 2017

Environmental, Social and Governance Report

GENERAL

The Directors are pleased to present the Environmental, Social and Governance Report for the year ended 31st March, 2017 (the" Reporting Period") in compliance with the applicable code provision set out in the Environmental, Social and Governance Guide (the "ESG Guide") as set out in Appendix 27 to the Listing Rules. The Environmental, Social and Governance Report has been reviewed and approved by the Board.

OVERVIEW

The Company and its subsidiaries are principally engaged in investment holding, the provision of finance, property investment and treasury investment. With its mission of "to become a leading, diversified-investment conglomerate that excels at investing in and maximizing returns of companies with high growth potential" as its guiding principle, the Company is embedded with a strong corporate culture for corporate social responsibilities that forms an integral part of its business strategies. The Group endeavours to create a harmonious and sustainable community through cultivating its responsible corporate citizenship and integrates Environmental, Social and Governance ("ESG") concerns into its businesses and operations with an aim of aligning the interests and benefits of its valuable Shareholders, key stakeholders, the wider community, the society at large and the environment as a whole.

A. Environmental

With a view to undertaking environmental protection as part of the Group's corporate responsibilities and achieving sustainable development in its business operations, the Group has implemented a number of green management measures and initiatives, such as reducing carbon emissions, increasing energy efficiency and conserving natural resources in order to deliver its long-standing commitment to the environmental protection according to its environmental policies. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to the environmental issues.

A1. Emissions

As a diversified-investment conglomerate, the Group understands that its business activities inevitably give rise to certain environmental impacts, especially due to the air emissions, water discharges and wastes generated directly or indirectly from its operations. Therefore, the Group strives to conduct its businesses in a responsible manner according to its Waste Management Policy and encourages sound environmental management practices to reduce the air emissions and greenhouse gases, waste disposal and generation of hazardous and non-hazardous wastes, aiming at achieving sustainable development for the Group, the wider community, the society at large and the environment as a whole.

Air Emissions

No significant greenhouse gases emissions were generated directly from the Group's operations during the Reporting Period since its principal businesses are strategic investments, both directly or indirectly, in a number of listed companies.

Waste Management

Being committed to taking part in the waste management, the Group upholds its Waste Management Policy in applying the "4Rs" (i.e. "reduce", "reuse", "recycle" and "replace") waste management principles on the proper handling and disposal of all wastes generated in compliance with the relevant laws and regulations. These principles have been incorporated into the Group's business activities.

The major type of waste generated from the Group's direct-managed activities was paper used for work-related purposes. During the Reporting Period, there were no significant hazardous wastes produced directly from its operations.

The Group has implemented various waste handling and reduction measures across its operations. Internally, a waste classification system in its principal office for recycling and reuse has been established to alleviate burden on landfills. The general non-hazardous wastes, such as kitchen wastes, bottles, paper, etc. are properly handled in an environmentally responsible manner on a regular basis. In addition, recycling facilities have been placed in its operations as well. The procurement of environmentally friendly consumables was encouraged to be made by the recycled materials with minimal packaging and was reusable. Meanwhile, used computers and other accessories were donated to charitable organizations. Besides, the Group has substituted paper materials to electronic ones and making double-sided printing as a mandate for reducing paper waste. Most of the paper consumed by the Group was Forest Stewardship Council (FSC) certified.

Greenhouse Gas Emissions

The Group's major sources of the carbon emissions were from the consumption of electricity and disposal of wastes. The Group has put in place a series of initiatives to help reduce its carbon footprint. Please refer to the "A2. Use of Resources" section below for details.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations and it did not have any major incident relating to the environmental pollution.

A2. Use of Resources

Aiming at achieving operational optimization, the Group advocates the effective and efficient use of resources and enhances the recycling and reuse of wastes and resources in order to make a positive difference for both the global environment through the conservation of resources and its financial performance. In view of achieving its sustainable development in the environmental performance, the Group has implemented its Environmental Policy to endeavour its efforts in lowering energy and water consumption not only in the stages of operations but throughout life-cycle and carbon footprints in its business operations and resulting in a reduction of its operating costs in the short run and improving its operational efficiency in the long run.

Energy and water were the two major types of resources of the Group. During the Reporting Period, the respective reduction measures are listed as follows:

Energy Consumption

During the Reporting Period, the Group's main type of energy consumption was electricity that directly consumed by its principal office.

The Group has implemented a series of the following reduction measures in its principal office to help reduce its energy consumption:

- use of energy efficient lightings;
- regular reporting of energy consumption and resources usage; and
- procurement of energy saving electrical appliances.

In addition, the Group promotes environmental protection among its employees by enhancing their awareness about energy conservation through establishment of a low-carbon workplace by electricity and paper economization in its daily operations, including a diverse set of the following energy saving programs:

- habit of turning off electrical appliances and lights during lunch hours and for office spaces not in use;
- installation of LED lighting in the office areas to further reduce energy consumption;
- control of temperature settings of air conditioners in its principal office to save energy;
- switching off office equipment and electrical appliances to energy-saving mode when not in use;
- use of green signages and energy saving tips to promote best practices and increase staff awareness;

- duplex printing and copying, recycling used paper and scrapping of paper for notepads; and

- telephone conferencing meetings instead of face-to-face meetings for counterparties in different locations.

Water Consumption

In order to consume water responsibly, the Group has formulated the following water conservation initiatives which not only bring about environmental benefits but also reduce water usage across its principal office:

- installation of water efficient and/or low-flow water fixtures including faucet and showerhead;

- reuse of water to maximise utilisation;

- regular reporting of water consumption and saving measures; and

- promotion of water saving awareness and best practices.

Packaging Materials

During the Reporting Period, no material packaging materials were identified by the Group due to its business nature.

A3. The Environment and Natural Resources

In order to assist in the creation of a green living environment, the Group is a supporter of environmental protection with an aim to constantly improving operational efficiencies and reducing adverse operational impacts on the global environment through its Environment and Natural Resources Policy with various initiatives, including implementation of long-term environmental initiatives, introduction of eco-friendly low-carbon measures to minimize wastage in its daily operations and business management, and promotion of resource-efficient and environmentally-responsible practices.

The Group regularly evaluates its business activities to identify potential environmental risks and timely implements mitigating actions to ensure that adequate controls and measures are in place. The Group upholds its environmental protection policies with various measures in its ordinary course of business development.

During the Reporting Period, the Group has dedicated its efforts in improving the following environmental issues:

Indoor Air Quality

The Group recognizes the importance of indoor air quality to human health. Regular cleaning of dust filters has been performed by the respective building managers at its principal office. Air purifiers have also been used to control airborne allergens, viruses, bacteria and odours. The Group has committed to use materials with minimal or no Volatile Organic Compound (VOC) as possible for its renovation and pest control work to maintain high air quality for its employees.

Workplace Hygiene

The Group has engaged green, certified cleaning service providers to perform regular cleaning and pest control so as to maintain good hygiene conditions in its workplace.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to the environment-related issues.

B. Social

Being a socially responsible corporate citizen, the Group aims to build a mutually beneficial relationship with its key stakeholders (including the Shareholders and investors, employees, suppliers, business partners, community, regulatory bodies and government authorities).

Employment and Labour Practices

BI. Employment

Employment Practices and Relations

The Group values high-quality talent as an important asset to its corporate contribution and a comprehensive Human Resources Policy has been developed covering various human resources aspects, including recruitment, compensation, promotion, movement, working hour, rest period and equal opportunity as a guiding principle for reinforcing satisfaction, loyalty and commitment of its employees. Attractive and competitive remuneration packages are offered to its employees and reviewed individually at least on an annual basis with reference to performance, contribution and development of its staff. Other fringe benefits include comprehensive medical and life insurance coverage and retirement fund contribution. Share options are also granted as a motivation to its employees by building direct correlation between their rewards and the Group's performance. Annual dinner and festive luncheons at which its employees can interact socially and enjoy fellowships are organized by the Group. In addition, long service awards are presented as a token to appreciate dedication and contribution to its loyal staff members serving the Group. Seasonal presents are given to its staff members by the Group on special days, such as Mid-Autumn Festival, Christmas and Chinese New Year. Furthermore, office closes early on these special occasions such that staff can enjoy longer quality personal hours.

As at 31st March, 2017, the total number of employees of the Group was 55 (2016: 60).

The Group is an equal opportunity employer and believes that each individual has his or her unique strengths and contributions that can be harnessed to add values to the Group and the society at large. The Group is also explicitly against any kind of discrimination on age, gender, marital status, race, nationality, religion, disability and family status. In addition, the Group strictly abides by all of its internal code of conduct, rules and regulations, as well as labour laws and employment guidelines in its business operations and offices.

The Group encourages its staff to maintain a well-balanced life and supports its staff to actively pursue their personal development by participating in different roles and activities in the community. Moreover, the Group is devoted to strengthening a sense of belonging of its people by demonstrating care and support in all aspects.

During the Reporting Period, the Group strictly followed all labour-related laws, rules and regulations in human resources practices with no non-compliance cases noted relating to the employment, and no discrimination cases were reported.

B2. Health and Safety

Workplace Health and Safety

As human resources are valued as a key to success and maintaining sustainability of the corporation, the Group dedicatedly provides a fair, safe, healthy and harmonious working environment with a great sense of team spirit and employee involvement that is conductive to personal growth and career development.

The Group is committed to providing and maintaining a healthy and safe workplace for its staff and other persons likely to be affected by its business activities and operations. Through its Health and Safety Policy, the Group promotes a high degree of awareness and accountability of health and safety at work to its employees, with regular trainings, standard codes of practices and various health and safety measures to be implemented by the Group so as to promote an injury-free culture.

Periodic cleaning of air-conditioning systems, regular floor care maintenance, routine pest control service and disinfection treatment of carpets are carried out to ensure a hygienic working environment. The Group also participates in the annual fire and evacuation drill organized by the respective building management offices so that staff members are familiarized with the fire evacuation route and strengthened their awareness of fire precaution. In addition, the Group conducts a regular inspection of the facilities and safety measures at its workplace.

Besides, the Group advocates a high standard of occupational safety and protection from occupational hazards. Throughout the year, all of the Group's workplace practices and arrangements were in accordance with the applicable laws, rules, regulations and other related requirements.

During the Reporting Period, no injury case was reported and the Group was not aware of any material non-compliance with the laws, rules and regulations relating to the health and safety issues.

B3. Development and Training

Talent Development

Employee development is an important area of human capital investment to pursue long-term enhancement of its internal capacity. In order to enhance personal development, technical advancement and professional achievement of its employees and achieve a sustainable growth together with its staff, the Group has established its Development and Training Policy to reinforce its manpower and define its corporate principles on developing its human capital by providing a wide spectrum of in-house and external training and development courses, seminars, workshops and conferences to equip its staff members with knowledge, skills and experience in performing their job duties effectively and efficiently and serving its key stakeholders with a high level of standard. Corporate orientation programs and briefings are introduced to its new staff to help them in familiarizing with its corporate culture and practices. Continuous professional development training programs and briefings are provided to the directors of the Company and senior management of the Group.

B4. Labour Standards

No Child and Forced Labour

The Group respects human rights and strongly prohibits child and forced labour by having effective controls in its recruitment process. A No Child and Forced Labour Policy has been established to ensure that no abuse, physical punishment and assignment of tasks with extremely high risks of all kinds are allowed in its workplace and business operations.

As the Group strictly adheres to the labour legislations in its business operations, no child or forced labour was permitted under any circumstances and there were no cases of non-compliance against child or forced labour related regulations during the Reporting Period.

Operating Practices

B5. Supply Chain Management

Fair and Green Procurement Practices

The Group, through its Supply Chain Management Policy, continues to work closely with its supply chain partners in order to facilitate its effective governance of supply chain practices and enhance a close connection to have shared values and responsibilities with its supply chain management system in pursuing its business integrity, service excellence and long-term mutually beneficial relationships with its valuable key stakeholders. The Group has established diverse and stringent procedures for the selection of suppliers with a regular monitoring and periodic review as key assessments of sustainability performance of its suppliers. This Policy stresses on fair and transparent treatments of all key stakeholders so as to ensure equitable business dealings and compliance with applicable laws and regulations. Furthermore, this Policy also emphasizes green procurement by considering ESG performance in its purchases in terms of all relevant financial, environmental and social costs and benefits over the entire lifecycle of the delivery of products and services.

In order to promote its sustainable development, the Group assures that its suppliers are in compliance with all the applicable laws and regulations; and they have no instances of child and forced labour, discrimination, bribery, corruption or other unethical practices and environmental pollution.

B6. Product Responsibility

Products and Services Standards

The Group has established its Products and Services Responsibility Policy to offer socially responsible products and services to the public and direct its efforts in being a green company while increasing its Shareholders' values. This Policy advocates environmental sustainability and utmost business ethics when serving the public through its businesses and operations.

The Group has implemented various measures to ensure that its product and services are in accordance with health and safety standards and are under close supervision and monitoring in compliance with applicable laws and regulations.

During the Reporting Period, the Group did not note any non-compliance cases of the relevant laws and regulations relating to the products and services standards.

Customer Services

The Group, through its Customer Services Policy, strives to demonstrate professionalism, responsiveness and care. The Group’s service offerings are stakeholder-focused, community-oriented and environmentally-friendly.

Data Privacy and Information Security

In view of high public concern over data privacy especially in recent years, the Group, through its Data Privacy Policy, strictly adheres to legal requirements relating to data privacy protection in order to fulfill its key stakeholders' expectations on information security and confidentiality.

The Group strongly ensures a high standard of security and confidentiality of personal data throughout its businesses and operations, requiring its staff to fully comply with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and similar regulations overseas in handling information of its business partners and employees in the collection, processing, use and keeping of their personal data.

During the Reporting Period, no violations of laws and regulations were observed relating to data privacy.

B7. Anti-corruption

Anti-bribery and Anti-corruption

In order to cultivate an ethical corporate culture and maintain a fair and equitable business environment, the Group has established its Code of Conduct and Anti-corruption Policy to emphasize the principles of anti-bribery and anti-corruption, in which integrity, honesty, respect, trust and judgment are its core values to counter bribery, corruption, extortion, money-laundering and other fraudulent activities. The Group complies with relevant laws and regulations and implements proper internal controls and reporting mechanisms for preventing, detecting and handling cases of bribery, corruption, extortion, money-laundering and other fraudulent activities.

The Group requires its staff to possess high ethical standard and demonstrate professional conducts in its businesses and operations. Employees are notified not to have any form of corruption and also not to request, receive or accept any form of benefits from any persons, companies or organizations having business transactions with the Group. The Group initiates the selection of suppliers by provision of competitive quotations for comparison.

During the Reporting Period, no legal cases regarding bribery, corruption, extortion, fraud and money laundering-related laws and regulations were brought against the Group or its employees.

Community

B8. Community Investment

Corporate Citizenship

As a global corporate citizen, the Group actively serves the society in a number of ways through community investment. The Group is strongly committed to serving the community with love and care through various charitable services, donations, fund-raisings, sponsorships and volunteering services.

The Group, as a long-standing supporter of a number of charity groups, has established its Community Investment Policy which sets out its mission of leveraging its resources to improve the community in which it operates and encourage its stakeholder engagement in a regular and strategic manner.

Staff members are encouraged to participate in charitable events and activities, such as "Dress Casual Day" organized by The Community Chest of Hong Kong, "Blood Donation Campaign" organized by Hong Kong Red Cross and "Organ Donation" organized by Department of Health etc.

C. Governance

Referring to its mission, the Group upholds a high standard of corporate governance practices and procedures, business ethics and corporate integrity and ensures a high level of compliance with the legal and regulatory requirements in order to maximize the Shareholders' values and benefits and to convey a sense of balance and responsibility for its key stakeholders over the long-term perspectives in a sustainable manner.

The Group believes that ESG should be embedded in its core businesses and operations. Its sound corporate governance system and professional working team have enabled the Group to lay a solid foundation for its ESG initiatives so as to enhance accountability, integrity, transparency and honesty which drives the Group forward.

The Company's highest governance body is the Board, which currently comprises seven (7) members including four (4) executive directors and three (3) independent non-executive directors. A balanced composition with diverse backgrounds and experiences ensures that the Board's judgment is exercised independently. A list of policies and code of conduct setting out clear guidelines to have fair operations and to avoid any misconduct are approved by the Board for the Group.

Adhering to the principles of segregation of duties and delegation of powers, the Board has established delegated committees, including the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee with specific written terms of reference, authorities and responsibilities and implementation of policies, including the Board Diversity Policy, the Nomination Policy, the Remuneration Policy, the Compliance Policy, the Corporate Governance Policy, the Shareholders' Communication Policy, the Internal Control Policy, the Investment Policy and the Policy on Disclosure of Inside Information, etc. The governance practices and procedures are reviewed from time to time to ensure they remain in compliance with the legal and regulatory requirements.

The Group has adopted a well-established internal control and effective risk management system for reviewing the effectiveness of controls on finance, operations and compliance in order to achieve its business strategies and managing emerging and potential risks and opportunities that arise as part of its business operations. Moreover, the Group has an internal audit department which conducts analysis and appraisal on the effectiveness of the internal control measures of the Group on an on-going basis and regularly reports its findings and recommendations to the management and the Audit Committee. In addition, the Group adopted the procedures for its employees to raise concerns about any improprieties in financial reporting, internal controls or other matters and the Audit Committee has been delegated to review such procedures and related arrangements.

For more information on the "**Governance**" section, please refer to the Company's Corporate Governance Report on pages 24 to 35 of this annual report for details.

During the Reporting Period, no incidents of misconduct were identified.

LOOKING FORWARD

As a forward-looking corporation, the Group will continue to uphold its mission as a core stone in actively fulfilling ESG responsibilities and strongly adhering to the path of its sustainable growth and development.

The Group will further enhance corporate governance that goes beyond law and regulatory compliance, particularly with a robust system of internal controls and risk management which is integral to putting sustainability at the heart of its corporate strategies and maximizing its economic benefits over the long-term perspectives.

Going forward, the Group will strive to demonstrate its continued stakeholder-centric commitment with a comprehensive materiality assessment through on-going communication with the Shareholders and its key stakeholders.

Facing the immense challenges associated with climate change and environmental degradation, the Group will efficiently use resources, optimise energy and water consumption and minimize environmental footprints arising from its businesses and operations through its green procurement, eco-friendly policies and various saving initiatives and recycling measures.

In order to create values and maximize returns to its key stakeholders and the Shareholders in the long run, the Group will continuously manage its sustainable supply chain network through close collaboration and mutually beneficial relationships with its business partners with an aim of enhancing operational efficiency and providing high-quality products and excellent services.

In pursuit of a talented workforce to support its sustainable operations, the Group will continue to encourage best practices in workplace with stringent policies, maintain a health and safety framework for its human capital, promote work-life balance to its employees and motivate their potentials by extensive training and development programmes.

Looking ahead in the years to come, the Group with a harmonious culture and a strong enthusiasm in public welfare will keenly support various kinds of charitable initiatives and contribute its community engagements with care and warmth to those in need and the society at large.

On behalf of the Board

Suen Cho Hung, Paul
Chairman and Managing Director

Hong Kong, 23rd June, 2017

Deloitte. 德勤

TO THE SHAREHOLDERS OF
PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED
(FORMERLY KNOWN AS ITC CORPORATION LIMITED)

OPINION

We have audited the consolidated financial statements of PT International Development Corporation Limited (formerly known as ITC Corporation Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 53 to 131, which comprise the consolidated statement of financial position as at 31st March, 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of interest in an associate	
We identified the impairment assessment of interest in PYI Corporation ("PYI"), an associate, as a key audit matter due to the significance of the Group's interests in PYI in the context of the Group's consolidated financial statements as a whole, combined with the significant judgements involved in management's impairment assessment of the interests in associates. PYI is listed in Hong Kong and the carrying value of the Group's interest in PYI as at 31st March, 2017 amounted to approximately HK$730,712,000, which represented approximately 63% of the net assets of the Group. As disclosed in note 4 to the consolidated financial statements, the carrying value of the Group's interest in PYI exceeded the market value of the Group's holding therein as at 31st March, 2017. As disclosed in note 18(c)(iii) to the consolidated financial statements, management has assessed the recoverable amount of the Group's interest in PYI using value in use calculations based on the present value of the estimated future cash flows expected to arise from dividends to be received. During the year ended 31st March, 2017, an impairment loss of approximately HK$385,000,000 was recognised in profit or loss.	Our procedures in relation to the impairment assessment of interest in an associate included: • Obtaining an understanding of the basis adopted in the valuation methodology prepared by management; and • Assessing the reasonableness of key inputs and assumptions used by management in their estimation of recoverable amounts, including projections of future cash flows expected to arise from dividends to be received and discount rates applied.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
We identified the valuation of investment properties as a key audit matter due to the significant judgments involved in determining the fair value of the investment properties. As disclosed in note 16 to the consolidated financial statements, the Group's investment properties are located in Canada and carried at approximately HK$40,907,000 as at 31st March, 2017. A net increase in fair value of approximately HK$803,000 was recognised in profit or loss for the year ended 31st March, 2017. The Group's investment properties are measured at fair value based on valuations performed by an independent firm of qualified professional valuer (the "Valuer"). The fair values were determined based on the direct comparison method. Details of the valuation technique and key inputs used in the valuation are disclosed in note 16 to the consolidated financial statements.	Our procedures in relation to evaluating the appropriateness of valuation of investment properties included: • Evaluating the competence, capabilities and objectivity of the Valuer as well as the appropriateness of the Valuer's scope of work; • Reviewing the valuation report issued by the Valuer and holding discussion with management and the Valuer to understand the valuation basis, methodology used and underlying assumptions applied; and • Evaluating the reasonableness of the underlying data including comparable market transactions used by the Valuer and the adjusting factors.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Chiu Mei Hing.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
23rd June, 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2017

	NOTES	2017 HK$'000	2016 HK$'000
Revenue	5	**16,726**	15,027
Management and other related service income		**3,182**	3,417
Interest income		**5,040**	9,667
Property rental income		**3,625**	926
Other income and gains		**6,643**	4,866
Net loss on financial instruments	7	**(5,190)**	(5,106)
Net increase in fair values of investment properties	16	**803**	3,327
Administrative expenses		**(60,022)**	(57,578)
Finance costs	8	**(536)**	(194)
Loss on net decrease in interests in associates	9	**(5,001)**	(3,730)
Share of results of associates			
– share of results		**114,692**	390,271
– gain on acquisitions of additional interests in associates	18	**31,816**	90,468
Impairment loss on interest in an associate	18	**(385,000)**	–
(Loss) profit before taxation and loss on assets distributed to shareholders		**(289,948)**	436,334
Loss on assets distributed to shareholders	10	**(1,003,612)**	–
(Loss) profit before taxation	11	**(1,293,560)**	436,334
Taxation	12	**(418)**	(416)
(Loss) profit for the year		**(1,293,978)**	435,918

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st March, 2017

	NOTE	**2017** **HK$'000**	2016 HK$'000
Other comprehensive (expenses) income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(953)**	(528)
Share of other comprehensive expenses of associates		**(68,521)**	(49,209)
Reclassification adjustments:			
– reserves released on net decrease in interests in associates		**(40)**	57
– reserves released on assets distributed to shareholders		**22,479**	–
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land and buildings		**554**	539
Share of other comprehensive expenses of associates		**(425)**	(49,949)
Deferred tax arising on revaluation of land and buildings		**(70)**	(67)
Other comprehensive expenses for the year		**(46,976)**	(99,157)
Total comprehensive (expenses) income for the year		**(1,340,954)**	336,761
		HK cents	*HK cents*
(Loss) earnings per share	14		
Basic		**(77.13)**	27.70
Diluted		**(77.13)**	27.70

Consolidated Statement of Financial Position

At 31st March, 2017

	NOTES	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment	15	**6,842**	7,229
Investment properties	16	**40,907**	21,966
Intangible assets	17	**150**	1,120
Interests in associates	18	**730,712**	3,054,405
Convertible note	19	**12,555**	–
Equity investments	20	**–**	40,600
		791,166	3,125,320
Current assets			
Debtors, deposits and prepayments	21	**28,240**	266,264
Amounts due from associates	36(b)	**–**	1,691
Loans receivable	22	**60,000**	110,000
Debt instrument	19	**13,158**	–
Equity investments	20	**60,090**	50,830
Short-term bank deposits, bank balances and cash	23	**227,968**	51,886
		389,456	480,671
Current liabilities			
Creditors and accrued expenses	24	**7,568**	8,483
Bank borrowings - due within one year	25	**198**	–
Bank overdrafts	25	**–**	61,918
		7,766	70,401
Net current assets		**381,690**	410,270
Total assets less current liabilities		**1,172,856**	3,535,590

Consolidated Statement of Financial Position

At 31st March, 2017

	NOTES	2017 HK$'000	2016 HK$'000
Non-current liabilities			
Bank borrowings - due over one year	25	**6,958**	–
Deferred tax liabilities	26	**2,215**	1,727
		9,173	1,727
Net assets		**1,163,683**	3,533,863
Capital and reserves			
Share capital	27	**16,883**	16,677
Share premium and reserves		**1,146,800**	3,517,186
Total equity		**1,163,683**	3,533,863

The consolidated financial statements on pages 53 to 131 were approved and authorised for issue by the Board of Directors on 23rd June, 2017 and are signed on its behalf by:

Suen Cho Hung, Paul
Chairman and Managing Director

Chau Mei Wah, Rosanna
Deputy Chairman

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2017

	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000 (Note (a))	Reserve on acquisition HK$'000 (Note (b))	Capital redemption reserve HK$'000	Other reserve HK$'000 (Note (c))	Property revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Translation reserve HK$'000	Accumulated profits HK$'000	Total HK$'000
At 1st April, 2015	14,338	728,315	196,676	(24,993)	908	21,895	2,770	(78,235)	128,182	2,117,679	3,107,535
Profit for the year	–	–	–	–	–	–	–	–	–	435,918	435,918
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	–	(528)	–	(528)
Share of other comprehensive expenses of associates	–	–	–	–	–	–	–	(49,949)	(49,209)	–	(99,158)
Share of transfer upon disposal of financial assets designated as at fair value through other comprehensive income of an associate	–	–	–	–	–	–	–	391	–	(391)	–
Reserves released on net decrease in interests in associates	–	–	–	1	–	–	–	555	56	(555)	57
Gain on revaluation of land and buildings	–	–	–	–	–	–	539	–	–	–	539
Deferred tax arising on revaluation of land and buildings	–	–	–	–	–	–	(67)	–	–	–	(67)
Total comprehensive income (expenses) for the year	–	–	–	1	–	–	472	(49,003)	(49,681)	434,972	336,761
Issue of shares											
– on placing of shares	1,200	104,400	–	–	–	–	–	–	–	–	105,600
– scrip dividend	1,139	73,920	–	–	–	–	–	–	–	–	75,059
Transaction costs on issue of shares	–	(2,811)	–	–	–	–	–	–	–	–	(2,811)
Dividend paid *(note 13)*	–	(75,059)	–	–	–	–	–	–	–	(19,633)	(94,692)
Decrease in associates' equity attributable to the Group's interests arising on equity transactions of the associates	–	–	–	–	–	855	–	–	–	5,556	6,411
At 31st March, 2016	16,677	828,765	196,676	(24,992)	908	22,750	3,242	(127,238)	78,501	2,538,574	3,533,863

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2017

	Share capital	Share premium	Contributed surplus	Reserve on acquisition	Capital redemption reserve	Other reserve	Property revaluation reserve	Investment revaluation reserve	Translation reserve	Accumulated profits	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(Note (a))	*(Note (b))*		*(Note (c))*					
At 1st April, 2016	16,677	828,765	196,676	(24,992)	908	22,750	3,242	(127,238)	78,501	2,538,574	3,533,863
Loss for the year	–	–	–	–	–	–	–	–	–	(1,293,978)	(1,293,978)
Exchange differences arising on translation of foreign operations	–	–	–	–	–	–	–	–	(953)	–	(953)
Share of other comprehensive expenses of associates	–	–	–	–	–	–	–	(425)	(68,521)	–	(68,946)
Reserves released on net decrease in interests in associates	–	–	–	–	–	–	–	–	(40)	–	(40)
Reserves released on assets distributed to shareholders	–	–	–	–	–	–	–	–	22,479	–	22,479
Gain on revaluation of land and buildings	–	–	–	–	–	–	554	–	–	–	554
Deferred tax arising on revaluation of land and buildings	–	–	–	–	–	–	(70)	–	–	–	(70)
Total comprehensive income (expenses) for the year	–	–	–	–	–	–	484	(425)	(47,035)	(1,293,978)	(1,340,954)
Issue of shares											
– scrip dividend	206	11,356	–	–	–	–	–	–	–	–	11,562
Transaction costs on issue of shares	–	(51)	–	–	–	–	–	–	–	–	(51)
Distributions *(note 13)*											
– dividend paid	–	(11,562)	–	–	–	–	–	–	–	(38,468)	(50,030)
– assets distributed to shareholders	–	–	(196,676)	–	–	–	–	–	–	(794,006)	(990,682)
Reserves released on net decrease in interest in associates	–	–	–	54	–	(53)	–	291	–	(292)	–
Reserves released on assets distributed to shareholders	–	–	–	257	–	–	–	69,874	–	(70,131)	–
Decrease in associates' equity attributable to the Group's interests arising on equity transactions of the associates	–	–	–	–	–	361	–	–	–	(386)	(25)
At 31st March, 2017	16,883	828,508	–	(24,681)	908	23,058	3,726	(57,498)	31,466	341,313	1,163,683

Notes:

(a) The contributed surplus of the Group comprises the difference between the nominal amount of the ordinary share capital issued by the Company in exchange for the nominal amount of the share capital of a subsidiary acquired pursuant to a corporate reorganisation on 24th January, 1992 and the credits arising from the changes in the capital and reserves of the Company in capital reorganisation and the distribution of special dividend by way of distribution in specie during the year ended 31st March, 2017 as disclosed in note 10.

(b) The reserve on acquisition represents the amount of fair value changes shared by the Group in relation to the acquisition of additional interest in a subsidiary by an associate.

(c) Included in the balance as at 31st March, 2017 is the Group's share of reserves of its associates, representing share of the statutory reserve of subsidiaries incorporated in the People's Republic of China (the "PRC") of an associate standing to the credit of HK$23,058,000 (2016: HK$22,750,000).

The PRC statutory reserve is required by the relevant laws in the PRC applicable to the entities incorporated in the PRC, whereas the allocation to which is mandatory at certain rates of profit after taxation of the relevant entities prepared under the PRC Generally Accepted Accounting Principles until the balance of the reserve reaches certain levels of the contributed capital of the relevant entities.

When an associate of the Group increases its interest in an entity that is already controlled by the associate, it is accounted for as equity transaction by the associate. The carrying amounts of the equity attributable to the owners of the associate and its non-controlling interests are adjusted to reflect the changes in their relative interests in that entity. The difference between the amount by which the relevant non-controlling interests are adjusted and the fair value of the consideration paid by the associate is recognised directly in the equity of the associate.

Consolidated Statement of Cash Flows

For the year ended 31st March, 2017

	2017 HK$'000	2016 HK$'000
OPERATING ACTIVITIES		
(Loss) profit before taxation	**(1,293,560)**	436,334
Adjustments for:		
Amortisation of intangible assets	**4**	69
Depreciation of property, plant and equipment	**1,454**	1,277
Net increase in fair values of investment properties	**(803)**	(3,327)
Gain on disposals of property, plant and equipment	**(10)**	(525)
Interest income	**(5,040)**	(9,667)
Interest expenses	**536**	194
Net loss on financial instruments	**5,190**	5,106
Loss on net decrease in interests in associates	**5,001**	3,730
Share of results of associates	**(146,508)**	(480,739)
Unrealised exchange loss (gain)	**500**	(4,010)
Allowance for doubtful debts	**361**	–
Gain on disposal of subsidiaries	**(1,392)**	–
Loss on assets distributed to shareholders	**1,003,612**	–
Impairment loss on interest in an associate	**385,000**	–
Operating cash flows before movements in working capital	**(45,655)**	(51,558)
Increase in debtors, deposits and prepayments	**(9,941)**	(9,980)
Decrease in amounts due from associates	**1,691**	1,021
Decrease (increase) in loans receivable	**50,000**	(110,000)
Increase in equity investments held for trading	**(2,999)**	(61,023)
(Decrease) increase in creditors and accrued expenses	**(881)**	1,684
Cash used in operations	**(7,785)**	(229,856)
Dividends received from equity investments	**3,203**	210
Dividends received from associates	**43,655**	11,484
Interest received	**4,563**	11,554
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**43,636**	(206,608)

Consolidated Statement of Cash Flows

For the year ended 31st March, 2017

	NOTES	2017 HK$'000	2016 HK$'000
INVESTING ACTIVITIES			
Refund of (payment of) earnest money	21	**247,293**	(238,059)
Proceeds from disposal of equity investments		**34,000**	–
Proceeds from disposal of subsidiaries	32	**2,211**	–
Proceeds from disposals of property, plant and equipment		**10**	641
Acquisition of investment properties	16	**(19,091)**	–
Acquisition of debt instrument		**(13,806)**	–
Acquisition of convertible note		**(12,127)**	–
Acquisition of additional interests in associates		**(9,473)**	(39,296)
Additions to property, plant and equipment	15	**(594)**	(2,615)
Repayment of promissory note receivable		**–**	300,000
Acquisition of equity investments		**–**	(35,723)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**228,423**	(15,052)
FINANCING ACTIVITIES			
Dividends paid		**(38,468)**	(19,633)
Transaction cost on assets distributed to shareholders		**(2,276)**	–
Interest paid		**(536)**	(194)
Repayment of bank borrowings		**(98)**	–
Transaction costs on issue of shares		**(51)**	(2,811)
New borrowings raised		**7,408**	–
Proceeds from placing of shares		**–**	105,600
NET CASH (USED IN) FROM FINANCING ACTIVITIES		**(34,021)**	82,962
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**238,038**	(138,698)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		**(10,032)**	128,694
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(38)**	(28)
CASH AND CASH EQUIVALENTS CARRIED FORWARD		**227,968**	(10,032)
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Short-term bank deposits, bank balances and cash		**227,968**	51,886
Bank overdrafts		**–**	(61,918)
		227,968	(10,032)

1. GENERAL

The Company is an exempted company incorporated in Bermuda with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). On 24th January, 2017, Ace Pride Holdings Limited and Ace Way Global Limited, private limited companies incorporated in the British Virgin Islands, became the immediate holding company and ultimate holding company of the Company respectively. The ultimate controlling party is Suen Cho Hung, Paul, who is also the Chairman and Managing Director of the Company. Pursuant to a special resolution passed by the shareholders of the Company at the special general meeting held on 8th May, 2017 and the subsequent approvals of the Registrar of Companies in Bermuda and the Registrar of Companies in Hong Kong, the name of the Company has been changed from "ITC Corporation Limited" to "PT International Development Corporation Limited". The addresses of the registered office and the principal place of business of the Company are disclosed in the "Corporate Information" section of this annual report.

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries and the Group's principal associates are set out in notes 38 and 18, respectively.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied, for the first time, the following new amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are mandatorily effective for the current year:

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle

The application of the new amendments to HKFRSs in the current year has had no material effect on the amounts reported and/or disclosures set out in the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 9 (2014)	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related Amendments[1]
HKFRS 16	Leases[2]
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration[1]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 - 2016 Cycle[5]

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

HKFRS 9 (2014) "Financial Instruments"

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets. In particular, HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets and was early adopted by the Group with a date of initial application on 1st April, 2014.

Key requirement of HKFRS 9 (2014) that is relevant to the Group, other than those relating to classification and measurement of financial assets covered in HKFRS 9 (2009) which has been early adopted by the Group, is described as follows:

In relation to the impairment of financial assets, HKFRS 9 (2014) requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 "Financial Instruments: Recognition and Measurement". The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

HKFRS 9 (2014) "Financial Instruments" (continued)

Based on the Group's financial instruments and risk management policies as at 31st March, 2017, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 "Revenue from Contracts with Customers"

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

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

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

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

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

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures. However, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

HKFRS 16 "Leases"

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

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

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31st March, 2017, the Group has non-cancellable operating lease commitments of approximately HK$3,069,000 as disclosed in note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until a detailed review has been completed.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") (continued)

Amendments to HKAS 7 "Disclosure Initiative"

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specifically, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively to the Group for annual period beginning on 1st April, 2017. The application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. When the associate uses accounting policies that differ from those of the Group for like transactions and events in similar circumstances, appropriate adjustments have been made to conform the associate's accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9 (2009), the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Acquisition or deemed acquisition of additional interests in associates

On acquisition or deemed acquisition of additional interests in associates, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of that associate attributable to the additional interests obtained is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities attributable to the additional interests obtained over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Disposal or deemed disposal of partial interests in associates

On disposal or deemed disposal of partial interests in associates without losing significant influence, the difference between the carrying values of the interests in associates disposed of and the consideration received, if any, is credited or charged to the profit or loss as gain/loss on disposal of interests in associates. In addition, the Group reclassifies to profit or loss in relation to the partial interests disposed of a proportionate amount of the gain or loss previously recognised in other comprehensive income if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Distribution of non-cash assets to shareholders

The Group recognises a liability to pay a dividend when the dividend is appropriately authorised and is no longer at the discretion of the Group. In respect of a dividend by way of distribution in specie of non-cash assets, the liability to distribute the non-cash assets as a dividend is measured at the fair value of the assets to be distributed. When the Group settles the dividend payable, it recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable in profit or loss and presents such difference as a separate line item under "loss on assets distributed to shareholders".

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Service income is recognised when services are rendered.

Dividend income from investments is recognised when the Group's rights to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Property, plant and equipment

Property, plant and equipment, other than land and buildings, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Land and buildings held for use in the supply of services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Any revaluation increases arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in property revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in net carrying amount arising on revaluation of an asset is recognised in profit or loss to the extent that it exceeds the balance, if any, on the property revaluation reserve relating to a previous revaluation of the same asset. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus is transferred to accumulated profits.

No depreciation is provided in respect of freehold land.

Depreciation is recognised so as to write off the cost or fair value of items of property, plant and equipment over their estimated useful lives, using the straight line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any differences between the carrying amount and the fair value of that item at the date of transfer are recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to accumulated profits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight line basis over the terms of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease terms.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

Intangible assets

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effective of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

On initial recognition, the Group classifies its financial assets as subsequently measured at either amortised cost or fair value through profit or loss or fair value through other comprehensive income, depending on its business model for managing the financial assets and contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

Debt instruments and hybrid contracts that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Group designates such investment that is not held for trading as at fair value through other comprehensive income ("FVTOCI") on initial recognition.

A financial asset is held for trading if it has been acquired principally for the purpose of selling it in the near term or it is a derivative that is not designated and effective as a hedging instrument. Debt instruments that do not meet the amortised cost criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria but are designated as at FVTPL are measured at FVTPL. A debt instrument may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss, which excludes any interest earned on the financial assets at FVTPL. The net gain or loss recognised in profit or loss is included in net loss on financial instruments.

Financial assets at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's rights to receive the dividends is established in accordance with HKAS 18 "Revenue", unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment losses of financial assets

Financial assets, other than those at FVTPL and FVTOCI, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors and amounts due from associates, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

The Group's financial liabilities (including trade and other creditors, bank borrowings and bank overdrafts) are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, except for a financial asset that is classified as at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of a financial asset that is classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

The Group derecognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 "Income Taxes" (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees after deducting any amount already paid.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. CRITICAL ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment assessment of interest in an associate

The Group's interests in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associates. As at 31st March, 2017, the carrying value of the Group's interest in a listed associate (2016: interests in certain listed associates) in Hong Kong exceeded the market value of the Group's holding therein. Management has assessed the recoverable amount of the Group's interest in the listed associates using value in use calculations based on the present value of the estimated future cash flows expected to arise from dividends to be received. As a result of the impairment assessment, an impairment loss of HK$385 million (2016: nil) was recognised in profit or loss during the year ended 31st March, 2017.

Valuation of investment properties

Investment properties are carried in the consolidated statement of financial position as at 31st March, 2017 at their fair values of approximately HK$41 million (2016: HK$22 million). The fair values were determined based on valuations performed by an independent firm of professional valuer. The fair values were determined based on the direct comparison approach, which makes reference to the recent transactions for similar properties in the proximity and adjusted for a number of unobservable inputs. Changes to these unobservable inputs would result in changes in the fair values of the Group's investment properties and the corresponding adjustments to the amount of net gains on fair values of investment properties reported in the consolidated statement of profit or loss. Note 16 provides detailed information about the valuation technique and key inputs used in the determination of the fair values of the investment properties.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from outside customers for the year. An analysis of the Group's revenue for the year is as follows:

	2017	2016
	HK$'000	*HK$'000*
Management and other related service income	**3,182**	3,417
Interest income from provision of finance	**3,842**	9,667
Interest income from investments	**1,198**	–
Property rental income	**3,625**	926
Gain on disposal of equity investments	**1,322**	483
Dividend income from equity investments	**3,203**	210
Others	**354**	324
	16,726	15,027

Segment information

The Group's operating segments, based on information reported to the chief operating decision maker, being the executive directors of the Company, for the purposes of resource allocation and performance assessment are as follows:

Finance	–	loan financing services
Long-term investment	–	investments including convertible notes and other long-term equity investments
Other investment	–	investment in other financial assets and trading of securities
Others	–	leasing of investment properties, leasing of motor vehicles and management services

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

Information regarding the above operating segments, which are also reportable segments of the Group, is reported below.

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

For the year ended 31st March, 2017

	Finance *HK$'000*	Long-term investment *HK$'000*	Other investment *HK$'000*	Others *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
SEGMENT REVENUE							
External sales	3,765	866	4,857	7,238	16,726	–	16,726
Inter-segment sales	4,173	–	–	–	4,173	(4,173)	–
Total	7,938	866	4,857	7,238	20,899	(4,173)	16,726
RESULT							
Segment result	6,901	(6,355)	1,881	2,043	4,470	–	4,470
Central administration costs							(50,389)
Finance costs							(536)
Loss on net decrease in interests in associates							(5,001)
Share of results of associates							
– share of results							114,692
– gain on acquisitions of additional interest in an associate							31,816
Impairment loss on interest in an associate							(385,000)
Loss before taxation and loss on assets distributed to shareholders							(289,948)
Loss on assets distributed to shareholders							(1,003,612)
Loss before taxation							(1,293,560)

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment information (continued)

For the year ended 31st March, 2016

	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Others HK$'000	Segment total HK$'000	Eliminations HK$'000	Consolidated HK$'000
SEGMENT REVENUE							
External sales	9,485	–	693	4,849	15,027	–	15,027
Inter-segment sales	3,979	–	–	–	3,979	(3,979)	–
Total	13,464	–	693	4,849	19,006	(3,979)	15,027
RESULT							
Segment result	13,266	4,730	(9,983)	4,037	12,050	–	12,050
Central administration costs							(52,531)
Finance costs							(194)
Loss on net decrease in interest in an associate							(3,730)
Share of results of associates							
– share of results							390,271
– gain on acquisitions of additional interests in associates							90,468
Profit before taxation							436,334

Inter-segment sales are charged at prevailing market rates or at terms determined and agreed by both parties.

Segment result represents the result of each segment without allocation of central administration costs, including directors' salaries, finance costs, loss on assets distributed to shareholders and items related to interests in associates.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

As at 31st March, 2017

	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Others HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
SEGMENT ASSETS							
Segment assets	61,140	12,555	73,258	41,817	188,770	–	188,770
Interests in associates	–	–	–	–	–	730,712	730,712
Unallocated corporate assets	–	–	–	–	–	261,140	261,140
Total assets	61,140	12,555	73,258	41,817	188,770	991,852	1,180,622

As at 31st March, 2016

	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Others HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
SEGMENT ASSETS							
Segment assets	112,223	40,600	50,835	23,704	227,362	–	227,362
Interests in associates	–	–	–	–	–	3,054,405	3,054,405
Unallocated corporate assets	–	–	–	–	–	324,224	324,224
Total assets	112,223	40,600	50,835	23,704	227,362	3,378,629	3,605,991

For the purposes of monitoring segment performance and allocating resources among segments:

- all assets are allocated to operating segment other than interests in associates, intangible assets, short-term bank deposits, bank balances and cash, certain property, plant and equipment, certain debtors and prepayments, and amounts due from associates.

- no segment liabilities information is provided as no such information is regularly provided to the chief operating decision maker of the Group on making decision for resources allocation and performance assessment.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

Interest income was allocated to segments. However, the related short-term bank deposits and bank balances are not reported to the Group's chief operating decision maker as part of segment assets. This is the measure reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Other information

For the year ended 31st March, 2017

	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Others HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measurement of segment result or segment assets:						
Additions to property, plant and equipment	–	–	–	6	588	594
Additions to investment properties	–	–	–	19,091	–	19,091
Depreciation and amortisation	–	–	–	235	1,223	1,458
Interest income	3,765	866	332	77	–	5,040
Net increase in fair values of investment properties	–	–	–	803	–	803
Net (loss) gain on financial instruments	–	(6,524)	1,334	–	–	(5,190)

For the year ended 31st March, 2016

	Finance HK$'000	Long-term investment HK$'000	Other investment HK$'000	Others HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measurement of segment result or segment assets:						
Additions to property, plant and equipment	–	–	–	71	2,544	2,615
Depreciation and amortisation	–	–	–	212	1,134	1,346
Interest income	9,485	–	–	182	–	9,667
Increase in fair value of investment property	–	–	–	3,327	–	3,327
Net gain (loss) on financial instruments	–	4,877	(9,983)	–	–	(5,106)

5. REVENUE AND SEGMENT INFORMATION (continued)

Geographical information

The Group's operations are located in Hong Kong and Canada.

Information about the Group's revenue from external customers or counterparties is presented based on the locations of transactions conducted. Information about the Group's non-current assets is presented based on the physical locations of the assets. Information about the Group's interests in associates is presented based on the places of listing of the associates.

	Revenue		Carrying amount of non-current assets *(Note)*	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**9,039**	10,677	**734,436**	3,059,855
Canada	**7,687**	4,350	**44,175**	24,865
	16,726	15,027	**778,611**	3,084,720

Note: Non-current assets exclude financial assets.

Information about major customers

For the year ended 31st March, 2017, no individual customer accounted for over 10% of the Group's total revenue. For the year ended 31st March, 2016, revenue from a customer of the Finance segment accounted for approximately 48% of the Group's total revenue.

Major revenue by services and investments

The Group's major revenue by services and investments was disclosed in the segment revenue above.

6. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

The emoluments paid or payable to each of the directors and the chief executive were as follows:

(a) Directors' emoluments

	Fees *HK$'000*	Salaries and other benefits *HK$'000*	Retirement benefit scheme contributions *HK$'000*	Discretionary bonus *HK$'000*	Total *HK$'000*
2017					
Executive directors:					
Suen Cho Hung, Paul *(Note (i))*	–	–	–	–	–
Chau Mei Wah, Rosanna	10	3,840	384	4,500	8,734
Sue Ka Lok *(Note (i))*	–	–	–	–	–
Chan Kwok Keung, Charles *(Note (ii))*	10	3,809	352	15,000	19,171
Chan Kwok Chuen, Augustine *(Note (ii))*	10	2,262	113	1,500	3,885
Chan Fut Yan *(Note (ii))*	10	595	55	–	660
Chan Yiu Lun, Alan *(Note (ii))*	10	2,619	18	3,500	6,147
Independent non-executive directors:					
Chu Kin Wang, Peleus *(Note (iii))*	–	–	–	–	–
Lau Yuen Sun, Adrian *(Note (iii))*	–	–	–	–	–
Yam Kwong Chun *(Note (iii))*	–	–	–	–	–
Chuck, Winston Calptor *(Note (iv))*	198	–	–	–	198
Lee Kit Wah *(Note (iv))*	198	–	–	–	198
Shek Lai Him, Abraham *(Note (iv))*	198	–	–	–	198
Total	644	13,125	922	24,500	39,191

6. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' emoluments (continued)

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2016					
Executive directors:					
Chan Kwok Keung, Charles *(Note (ii))*	10	3,840	384	15,000	19,234
Chau Mei Wah, Rosanna	10	3,840	384	4,500	8,734
Chan Kwok Chuen, Augustine *(Note (ii))*	10	2,280	114	1,500	3,904
Chan Fut Yan *(Note (ii))*	10	600	60	–	670
Chan Yiu Lun, Alan *(Note (ii))*	10	2,640	18	3,500	6,168
Independent non-executive directors:					
Chuck, Winston Calptor *(Note (iv))*	200	–	–	–	200
Lee Kit Wah *(Note (iv))*	200	–	–	–	200
Shek Lai Him, Abraham *(Note (iv))*	200	–	–	–	200
Total	650	13,200	960	24,500	39,310

Notes:

(i) Suen Cho Hung, Paul and Sue Ka Lok were appointed as executive directors of the Company on 8th March, 2017.

(ii) Chan Kwok Keung, Charles, Chan Kwok Chuen, Augustine, Chan Fut Yan and Chan Yiu Lun, Alan resigned as executive directors of the Company on 28th March, 2017.

(iii) Chu Kin Wang, Peleus, Lau Yuen Sun, Adrian and Yam Kwong Chun were appointed as independent non-executive directors of the Company on 8th March, 2017.

(iv) Chuck, Winston Calptor, Lee Kit Wah and Shek Lai Him, Abraham resigned as independent non-executive directors of the Company on 28th March, 2017.

6. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' emoluments (continued)

Ms. Chau Mei Wah, Rosanna has been the chief executive of the Company until 28th March, 2017 and her emoluments disclosed above include those for services rendered by her as the chief executive. On 28th March, 2017, Chau Mei Wah, Rosanna resigned as the chief executive of the Company and Suen Cho Hung, Paul was appointed as the chief executive of the Company.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and its subsidiaries. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(b) Five highest paid employees

The five highest paid employees of the Group during the year included four (2016: four) directors, details of whose emoluments are set out in Note (a) above. Details of the remuneration for the year of the remaining one (2016: one) highest paid employee who is neither a director nor chief executive of the Company are as follows:

	2017	2016
	HK$'000	*HK$'000*
Salaries and other benefits	**2,280**	2,160
Discretionary bonus	**1,200**	1,000
Retirement benefit scheme contributions	**18**	18
	3,498	3,178

The emoluments of the above individual were within the band of HK$3,000,001 to HK$3,500,000 (2016: HK$3,000,001 to HK$3,500,000).

During the year, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, neither the chief executive nor any of the directors has waived any emoluments during the year.

The discretionary bonus is based on the directors' and employees' skills, knowledge and involvement in the Group's affairs and determined by reference to the Group's performance, as well as remuneration benchmark in the industry and the prevailing market conditions.

7. NET LOSS ON FINANCIAL INSTRUMENTS

	2017 *HK$'000*	2016 *HK$'000*
Net (decrease) increase in fair value of equity investments:		
– held at the end of the reporting period	**(2,529)**	(5,799)
– disposed of during the year	**(5,278)**	483
	(7,807)	(5,316)
Dividend income from equity investments	**3,203**	210
Increase in fair value of convertible note	**76**	–
Decrease in fair value of debt instrument	**(662)**	–
	(5,190)	(5,106)

8. FINANCE COSTS

The amount represented interests on the Group's bank loan and bank overdrafts during the year.

9. LOSS ON NET DECREASE IN INTERESTS IN ASSOCIATES

The loss for the years ended 31st March, 2017 and 2016 was mainly resulted from the deemed disposal of partial interests in associates which was resulted from the dilution effect of exercise of share options and the issuance of scrip dividends by the associates.

10. LOSS ON ASSETS DISTRIBUTED TO SHAREHOLDERS

On 16th January, 2017, the shareholders of the Company approved a special dividend by way of distribution in specie of all shares of ITC Properties Group Limited ("ITC Properties") held by the Group on the basis of 9 shares of ITC Properties for every 50 shares of the Company held (the "Distribution in Specie"). Out of the total of 306,180,916 shares of ITC Properties held by the Group, a total of 303,890,057 shares of ITC Properties had been distributed, and the remaining 2,290,859 undistributed shares of ITC Properties had been sold in the market and net proceeds of such sale had been retained by the Group. The loss amounting to approximately HK$1,003,612,000 was determined with reference, amongst others, to the market price per share of ITC Properties on 25th January, 2017, being the date of the distribution, and the carrying value of the Group's interest in ITC Properties as an associate.

11. (LOSS) PROFIT BEFORE TAXATION

	2017 *HK$'000*	2016 *HK$'000*
(Loss) profit before taxation has been arrived at after charging:		
Staff costs, including directors' emoluments:		
Salaries and other benefits	**34,250**	35,788
Retirement benefit scheme contributions	**1,688**	1,600
	35,938	37,388
Auditor's remuneration - audit services	**1,251**	1,472
Depreciation of property, plant and equipment	**1,454**	1,277
Amortisation of intangible assets	**4**	69
Minimum lease payments under operating leases in respect of rented premises	**3,164**	3,144
Allowance for doubtful debts	**361**	–
and after crediting:		
Gain on disposal of subsidiaries	**1,392**	–
Gain on disposals of property, plant and equipment	**10**	525
Net foreign exchange gain	**4,686**	3,980
Rental income under operating leases, net of negligible outgoings, in respect of:		
– investment properties	**3,625**	926
– motor vehicles	**328**	324

12. TAXATION

Taxation represents the deferred tax recognised by the Group. Details are set out in note 26.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong for both years.

The taxation for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2017	2016
	HK$'000	*HK$'000*
(Loss) profit before taxation	**(1,293,560)**	436,334
Tax (credit) charge at the Hong Kong Profits Tax rate of 16.5%	**(213,437)**	71,995
Tax effect of expenses not deductible for tax purposes	**232,622**	2,932
Tax effect of income not taxable for tax purposes	**(1,934)**	(1,750)
Tax effect of tax losses not recognised	**7,341**	6,561
Tax effect of share of results of associates	**(24,174)**	(79,322)
Taxation for the year	**418**	416

13. DISTRIBUTIONS

	2017	2016
	HK$'000	*HK$'000*
Dividends recognised as distributions to owners of the Company during the year:		
Final dividend for 2016 - HK3.0 cents (2016: HK4.0 cents for 2015) per share	**50,030**	62,151
Interim dividend for 2017 - Nil (2016: HK2.0 cents per share for 2016)	**–**	32,541
	50,030	94,692
Dividends in form of:		
Cash	**38,468**	19,633
Scrip dividend	**11,562**	75,059
	50,030	94,692

In addition, as detailed in note 10, the Company distributed 303,890,057 shares in ITC Properties with a carrying amount of HK$990,682,000 to its shareholders on 25th January, 2017.

The directors of the Company have resolved not to recommend the payment of a final dividend for the year ended 31st March, 2017 (2016: HK3.0 cents per share amounted to approximately HK$50,030,000).

14. (LOSS) EARNINGS PER SHARE

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

	2017	2016
	HK$'000	*HK$'000*
(Loss) profit for the year attributable to the owners of the Company for the purposes of basic and diluted (loss) earnings per share	**(1,293,978)**	435,918

	Number of shares	
	2017	2016
Weighted average number of shares for the purposes of basic and diluted (loss) earnings per share	**1,677,657,976**	1,573,876,138

For the year ended 31st March, 2017, the computation of diluted loss per share (2016: diluted earnings per share) does not assume the conversion of the share options and warrants of the Group's associates since their assumed exercise would result in a decrease in loss per share (2016: increase in earnings per share).

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000	Plant, machinery and office equipment HK$'000	Yacht and motor vehicles HK$'000	Furniture and fixtures HK$'000	Total HK$'000
COST OR VALUATION					
At 1st April, 2015	2,838	4,157	29,397	3,111	39,503
Translation adjustments	(66)	(6)	(19)	(37)	(128)
Additions	–	255	2,300	60	2,615
Disposals	–	(126)	(2,561)	–	(2,687)
Transfer to investment properties	(312)	–	–	–	(312)
Revaluation increase	439	–	–	–	439
At 31st March, 2016	2,899	4,280	29,117	3,134	39,430
Translation adjustments	(73)	(7)	(17)	(41)	(138)
Additions	–	20	570	4	594
Disposal of a subsidiary	–	–	(550)	–	(550)
Disposals	–	(190)	(1,283)	(100)	(1,573)
Revaluation increase	442	–	–	–	442
At 31st March, 2017	3,268	4,103	27,837	2,997	38,205
Comprising:					
At cost	–	4,103	27,837	2,997	34,937
At valuation - 2017	3,268	–	–	–	3,268
	3,268	4,103	27,837	2,997	38,205
DEPRECIATION					
At 1st April, 2015	–	3,592	27,442	2,609	33,643
Translation adjustments	1	(6)	(19)	(24)	(48)
Provided for the year	99	310	761	107	1,277
Eliminated on disposals	–	(126)	(2,445)	–	(2,571)
Reversal on revaluation	(100)	–	–	–	(100)
At 31st March, 2016	–	3,770	25,739	2,692	32,201
Translation adjustments	(2)	(6)	(17)	(32)	(57)
Provided for the year	114	278	948	114	1,454
Disposal of a subsidiary	–	–	(550)	–	(550)
Eliminated on disposals	–	(190)	(1,283)	(100)	(1,573)
Reversal on revaluation	(112)	–	–	–	(112)
At 31st March, 2017	–	3,852	24,837	2,674	31,363
CARRYING VALUES					
At 31st March, 2017	3,268	251	3,000	323	6,842
At 31st March, 2016	2,899	510	3,378	442	7,229

15. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight line basis at the following rates per annum:

Freehold land	Nil
Buildings	4%
Plant, machinery and office equipment	20% - $33^1/_3$%
Yacht and motor vehicles	20%
Furniture and fixtures	20%

The carrying value of land and buildings held by the Group as at the end of the reporting period represented freehold land and property in Canada.

If the land and building had not been revalued, they would have been included in these consolidated financial statements at historical cost less accumulated depreciation of HK$700,000 (2016: HK$732,000). Details of the fair value measurements of the Group's land and buildings are set out in note 16.

16. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1st April, 2015	18,759
Translation adjustments	(432)
Transfer from property, plant and equipment	312
Increase in fair value recognised in profit or loss, unrealised	3,327
At 31st March, 2016	21,966
Translation adjustments	(953)
Additions	19,091
Net increase in fair values recognised in profit or loss, unrealised	803
At 31st March, 2017	40,907

The fair values of the Group's investment properties at the end of the reporting period have been arrived on the basis of valuations carried out on that date by RHL Appraisal Limited, an independent qualified professional valuer not connected with the Group, who has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The Group examined the appropriateness for valuation techniques and inputs for fair value measurements.

16. INVESTMENT PROPERTIES (continued)

The fair value measurements for the Group's land and buildings (included in property, plant and equipment) and investment properties are categorised as Level 3 (see note 3). The fair values were determined based on the direct comparison method, which makes references to the recent transactions for similar properties in the proximity and adjusted for a number of unobservable inputs, including adjustments ranging from 3% to 17% (2016: 5% to 10%) for the spread between the fair values and transaction prices of the properties, etc., between the comparable properties and the subject matters. A slight change in any of the unobservable inputs above holding all other factors constant would have no significant effect to the fair values of the land and buildings and the investment properties. In estimating the fair values of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique or level of fair value hierarchy during the year.

The Group's investment properties represented properties in Canada held to earn rental and for capital appreciation purposes, which are measured using the fair value model and are classified and accounted for as investment properties. Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Level 3 and fair value at 31st March,	
	2017	2016
	HK$'000	*HK$'000*
Office premises located in Canada	**24,760**	21,966
Hotel strata lots located in Canada	**16,147**	–
	40,907	21,966

Investment properties of HK$16,147,000 (2016: nil) were pledged by the Group to secure a bank loan of the Group.

17. INTANGIBLE ASSETS

	HK$'000
COST	
At 1st April, 2015 and 31st March, 2016	2,736
Disposals of subsidiaries	(2,050)
At 31st March, 2017	686
AMORTISATION AND IMPAIRMENT	
At 1st April, 2015	1,547
Provided for the year	69
At 31st March, 2016	1,616
Provided for the year	4
Disposal of subsidiaries	(1,084)
At 31st March, 2017	536
CARRYING VALUES	
At 31st March, 2017	150
At 31st March, 2016	1,120

Intangible assets represented club memberships in Hong Kong and the PRC. As at 31st March, 2017, the club memberships with carrying value of HK$150,000 (2016: HK$1,116,000) had indefinite useful life. The remaining club memberships had definite useful lives. The directors of the Company have reviewed the carrying amounts of the intangible assets and considered that, under the current market conditions, no impairment loss would be recognised in profit or loss for both years.

18. INTERESTS IN ASSOCIATES

(a) Investments in associates

	2017	2016
	HK$'000	*HK$'000*
Share of consolidated net assets of associates:		
– listed in Hong Kong	**1,114,535**	3,053,228
– listed overseas	**–**	–
Goodwill	**1,177**	1,177
	1,115,712	3,054,405
Impairment losses recognised	**(385,000)**	–
	730,712	3,054,405
Market value of listed securities:		
Hong Kong	**215,376**	1,142,788
Overseas	**96,587**	149,728
	311,963	1,292,516

18. INTERESTS IN ASSOCIATES (continued)

(b) Particulars of the Group's associates at 31st March, 2017 and 2016

Name of associate	Place of listing	Place of incorporation/ registration	Principal place of operations	Percentage of issued share capital and voting rights held indirectly by the Company 2017 %	2016 %	Principal activities
ITC Properties *(Note)*	Hong Kong	Bermuda	Hong Kong	**–**	33.61	Investment holding in companies engaged in property development and investment in Macau, the PRC, Hong Kong and Canada, development, investment and operation of hotels and leisure business in the PRC, Hong Kong and Canada, securities investments and the provision of loan financing services
PYI Corporation Limited ("PYI")	Hong Kong	Bermuda	Hong Kong	**28.45**	28.52	Investment holding in companies engaged in port and infrastructure development and investment, and the operation of ports and logistics facilities, land and property development and investment in association with ports and infrastructure development and provision of comprehensive engineering and property-related services
Burcon NutraScience Corporation ("Burcon")	Canada, United States and Germany	Canada	Canada	**20.87**	20.87	Investment holding in company engaged in the development of commercial plant protein

Note: On 16th January, 2017, the shareholders of the Company approved a special dividend by way of distribution in specie of all shares of ITC Properties held by the Group as disclosed in note 10.

18. INTERESTS IN ASSOCIATES (continued)

(c) Summarised consolidated financial information of associates

Summarised consolidated financial information in respect of each of the Group's material associates is set out below. The other associate invested by the Group is not individually material. The summarised consolidated financial information below represents amounts shown in the associates' consolidated financial statements prepared in accordance with HKFRSs.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Material associates

	2017	2016	
	PYI	PYI	ITC Properties
	HK$'000	*HK$'000*	*HK$'000*
	(Note (i))	*(Note (i))*	*(Note (ii))*
Financial information of financial performance			
Revenue	**553,977**	488,052	143,402
(Loss) profit for the year, attributable to the owners of the associates	**(34,143)**	(297,902)	1,460,094
Other comprehensive expenses for the year, attributable to the owners of the associates	**(258,637)**	(249,132)	(93,477)
Total comprehensive (expenses) income for the year, attributable to the owners of the associates	**(292,780)**	(547,034)	1,366,617
Dividends declared by the associates during the year, attributable to the Group	**–**	6,466	79,633
Financial information of financial position			
Property, plant and equipment	**1,414,065**	1,522,323	215,212
Investment properties	**1,089,605**	1,137,733	1,254,000
Project under development	**171,200**	180,269	–
Interests in associates and joint ventures	**1,832,939**	1,872,406	3,005,993
Other non-current assets	**859,169**	959,262	879,946
Stock of properties	**1,464,070**	1,528,231	400,256
Other current assets	**950,508**	1,225,589	1,923,723
Other current liabilities	**(1,622,909)**	(1,697,489)	(1,913,998)
Other non-current liabilities	**(1,350,041)**	(1,605,169)	(250,234)
Net assets of the associates	**4,808,606**	5,123,155	5,514,898

18. INTERESTS IN ASSOCIATES (continued)

(c) Summarised consolidated financial information of associates (continued)

Material associates (continued)

	2017	2016	
	PYI	PYI	ITC Properties
	HK$'000	*HK$'000*	*HK$'000*
	(Note (i))	*(Note (i))*	*(Note (ii))*
Reconciliation to the carrying amounts of interests in the associates:			
Net assets of the associates	**4,808,606**	5,123,155	5,514,898
Less:			
Attributable to:			
– holders of share options granted by the associates	**(5,639)**	(4,970)	(2,928)
– non-controlling interests	**(799,432)**	(823,579)	1,851
Net assets attributable to the owners of the associates	**4,003,535**	4,294,606	5,513,821
Net assets attributable to the Group's interests in the associates	**1,114,535**	1,199,986	1,853,242
Goodwill	**1,177**	1,177	–
Impairment loss recognised	**(385,000)**	–	–
Carrying amount of the Group's interests in the associates	**730,712**	1,201,163	1,853,242
Fair value of listed associates, valued based on the quoted prices in active markets for the identical asset directly, and categorised as Level 1 of the fair value hierarchy	**215,376**	234,956	907,832

18. INTERESTS IN ASSOCIATES (continued)

(c) Summarised consolidated financial information of associates (continued)

Other associate

	2017 **HK$'000**	2016 HK$'000
The Group's share of:		
Loss and total comprehensive expenses for the year	**(6,177)**	(7,949)
Carrying amount of the Group's interest in the associate	**–**	–

Notes:

(i) PYI

There was no acquisition of shares of PYI during the year ended 31st March, 2017. During the year ended 31st March, 2016, the Group acquired shares of PYI in the open market for an aggregate consideration of approximately HK$13.6 million. A gain on acquisition of the additional interests in PYI of HK$62.7 million was recognised in the profit or loss.

(ii) ITC Properties

During the year ended 31st March, 2017, the Group elected scrip shares of ITC Properties for the final and special dividend for the year ended 31st March, 2016 (2016: final dividend for the year ended 31st March, 2015 and interim dividend for the six months ended 30th September, 2015). Furthermore, the Group acquired shares of ITC Properties in the open market for an aggregate consideration of approximately HK$3.3 million (2016: HK$18.2 million). A gain on acquisition of the additional interests in ITC Properties of HK$31.8 million (2016: HK$27.7 million) was recognised in the profit or loss.

During the year ended 31st March, 2017, the Group has shared ITC Properties' profit for the period and other comprehensive income amounting to HK$131.0 million and HK$4.3 million respectively. Following the completion of the Distribution in Specie as set out in note 10, the Group held no shares in ITC Properties and ITC Properties ceased to be the Group's associate. Accordingly, the relevant interest in associate has been derecognised.

18. INTERESTS IN ASSOCIATES (continued)

(c) Summarised consolidated financial information of associates (continued)

Notes: (continued)

(iii) Assessment for impairment of associates

As at 31st March, 2017, as the carrying value of the interest in associate listed in Hong Kong is higher than the market value of its listed securities, the directors of the Company have assessed the recoverable amount of the interest in an associate using value in use calculations for the assessment of impairment on the interest in associate.

In determining the estimated value in use of the interest in associate, the directors of the Company estimated the present value of the estimated future cash flows expected to arise from dividends to be received using a discount rate of 8% per annum. Cash flows beyond the five-year period are extrapolated with zero growth rate. As a result of the impairment assessment, an impairment loss of HK$385 million (2016: nil) was recognised in profit or loss during the year ended 31st March, 2017.

(iv) Unrecognised share of losses of an associate

The Group has discontinued recognition of its share of losses of an associate. The amount of the cumulative unrecognised share of the associate, extracted from the relevant audited consolidated financial statements of the associate is as follows:

	2017 ***HK$'000***	2016 *HK$'000*
The unrecognised share of losses of the associate for the year	**425**	376
Accumulated unrecognised share of losses of the associate	**7,080**	6,655

19. CONVERTIBLE NOTE AND DEBT INSTRUMENT

	2017	2016
	HK$'000	*HK$'000*
Financial assets carried at FVTPL:		
Non-current:		
Convertible note *(Note (a))*	**12,555**	–
Current:		
Debt instrument *(Note (b))*	**13,158**	–

Notes:

(a) Convertible note

In April 2016, the Group entered into a convertible note agreement with its associate, Burcon, to subscribe for a 3-year unlisted convertible note issued by Burcon. The convertible note was issued on 12th May, 2016 with a principal amount of Canadian Dollar ("C$") 2,000,000 (equivalent to approximately HK$12,127,000) and a maturity date on 12th May, 2019, entitling the Group to convert the convertible note into shares of Burcon at an initial conversion price of C$4.01 per share (subject to adjustments) from 1st July, 2016 until 12th May, 2019. The coupon rate of the convertible note is 8% (2016: nil) per annum. As at 31st March, 2017, the carrying value of the convertible note is C$2,155,000 (equivalent to approximately HK$12,555,000). The increase in fair value of convertible note of C$13,000 (equivalent to approximately HK$76,000) is recognised to profit or loss during the year ended 31st March, 2017.

19. CONVERTIBLE NOTE AND DEBT INSTRUMENT (continued)

Notes: (continued)

(a) Convertible note *(continued)*

The convertible note is accounted for as a financial asset at fair value through profit or loss in accordance with HKFRS 9 (2009). The Group determined the appropriate valuation technique and inputs for Level 3 fair value measurements. In estimating the fair value of the convertible note, the Group uses market-observable data to the extent it is available. The fair value of the convertible note as at 31st March, 2017 was determined by the directors of the Company with reference to the valuation performed by RHL Appraisal Limited, an independent qualified valuer, using discounted cash flow method for the liability component and the Binomial Option Pricing Model for the conversion and call feature of the convertible note. The valuation is performed at the end of each reporting period. Details of the method and assumptions used in the valuation of the convertible note are as follows:

	2017
Stock price	**C$2.10**
Conversion price (as adjusted)	**C$3.99**
Expected volatility	**58.15%**
Expected dividend yield	**–**
Discount rate	**12.62%**
Option life	**2.12 years**
Risk-free rate	**0.76%**

There was no transfer among different levels of the fair value hierarchy in the current year.

(b) Debt instrument

In October 2016, the Group acquired a debt instrument in the secondary market at a consideration of United States Dollars ("US$") 1,778,000 (equivalent to approximately HK$13,806,000). The debt instrument represented a 5-year senior guaranteed note with a principal amount of US$1,800,000 (equivalent to approximately HK$13,973,000) and a maturity date on 14th October, 2021, which is issued by Treasure Generator Limited, a directly wholly-owned subsidiary of ITC Properties, and is guaranteed by ITC Properties. The coupon rate of the senior guaranteed note is 4.75% (2016: nil) per annum. The investment is accounted for as a financial asset at fair value through profit or loss in accordance with HKFRS 9 (2009). The fair value measurement of the debt instrument is categorised as Level 2 (see note 3). The fair value was determined and adjusted with reference to the quoted bid price of the debt instrument. As at 31st March, 2017, the carrying value of the debt instrument is US$1,693,000 (equivalent to approximately HK$13,158,000). The decrease in fair value of debt instrument of US$85,000 (equivalent to approximately HK$662,000) is recognised to profit or loss during the year ended 31st March, 2017.

20. EQUITY INVESTMENTS

	2017	2016
	HK$'000	*HK$'000*
Financial assets carried at FVTPL:		
Current:		
Listed equity securities in Hong Kong *(Note (a))*	**60,090**	50,830
Non-current:		
Unlisted equity securities in Hong Kong *(Note (b))*	**–**	40,600
	60,090	91,430

Notes:

(a) As at 31st March, 2017 and 2016, the fair value measurement of listed equity securities is categorised as Level 1 (see note 3) as the fair values of the investments were determined by quoted bid prices in an active market.

(b) As at 31st March, 2016, the unlisted equity securities represented the investment in an unlisted entity that indirectly held an equity investment listed in Hong Kong. The fair value measurement of unlisted equity securities was categorised as Level 2 (see note 3). The fair value was determined and adjusted with reference to the quoted bid price of the listed equity investment in an active market. The investment has been disposed of during the year ended 31st March, 2017.

21. DEBTORS, DEPOSITS AND PREPAYMENTS

	2017 HK$'000	2016 HK$'000
Trade debtors	**1,552**	3,319
Other debtors, deposits and prepayments	**26,688**	264,289
	28,240	267,608
Less: Allowance for doubtful debts	**–**	(1,344)
	28,240	266,264

Trade debtors arising from leasing of investment properties business are payable monthly in advance and the credit terms granted by the Group to other trade debtors normally ranged from 30 days to 90 days. For interest receivable, there is no credit terms granted by the Group.

The following is an aged analysis of trade debtors presented based on the invoice date at the end of the reporting period:

	2017 HK$'000	2016 HK$'000
Trade debtors		
0 - 30 days	**1,548**	2,412
31 - 60 days	**4**	–
Over 90 days	**–**	907
	1,552	3,319

21. DEBTORS, DEPOSITS AND PREPAYMENTS (continued)

Before accepting any new customer, the Group will assess the potential customer's credit quality. The directors of the Company will continuously assess the recoverability of the receivables.

No trade debtors were past due but not impaired as at 31st March, 2017. As at 31st March, 2016, the trade debtors of HK$907,000 aged over 90 days was past due but not impaired. In the opinion of the directors of the Company, all trade debtors that are neither past due nor impaired have good credit quality at the end of the reporting period with reference to past settlement history.

During the year ended 31st March, 2017, an earnest money of C$40,500,000 (equivalent to approximately HK$247,293,000) included in other debtors as at 31st March, 2016 was refunded to the Group.

Movements in the allowance for doubtful debts are as follows:

	2017 ***HK$'000***	2016 *HK$'000*
Balance at beginning of the year	**1,344**	1,744
Allowance for doubtful debts	**361**	–
Written off	**(1,705)**	(400)
Balance at end of the year	**–**	1,344

The above balance of allowance for doubtful debts on trade and other debtors as at 31st March, 2016 represented individually impaired debtors which had been in severe financial difficulties. The Group did not hold any collateral over these balances.

22. LOANS RECEIVABLE

	2017 ***HK$'000***	2016 *HK$'000*
Unsecured	**60,000**	111,898
Less: Impairment loss recognised	**–**	(1,898)
	60,000	110,000

As at 31st March, 2016, the unimpaired loans receivable were unsecured and repayable on demand. They carried variable interests at contractual rates ranging from the best lending rate of HK$ quoted by The Hongkong and Shanghai Banking Corporation Limited (the "Best Lending Rate") minus 2.75% to the Best Lending Rate plus 2% per annum with the effective interest rates ranging from 2.25% to 7.00% per annum.

22. LOANS RECEIVABLE (continued)

As at 31st March, 2017, loans receivable were unsecured and repayable within one year. They carried fixed interests at contractual interest rates (which were also equal to the effective interest rates) ranging from 2.75% to 5.00% per annum.

Before approving any loans to new borrowers, the Group will assess the potential borrower's credit quality and defines credit limits individually. Limits attributed to borrowers are reviewed at the end of each year. The directors of the Company will continuously assess the recoverability of the loans receivable.

In the opinion of the directors of the Company, the borrowers have sound financial background and there has not been a significant change in credit quality. As a result, the amounts were considered to be recoverable.

The impairment loss of HK$1,898,000 as at 31st March, 2016 related to an individually impaired loan receivable for which the debtor was in severe financial difficulties. The Group did not hold any collateral over this balance. The amount had been written off during the year ended 31st March, 2017. As at 31st March, 2017, there were no loans receivable that were past due but not impaired (2016: nil).

23. SHORT-TERM BANK DEPOSITS, BANK BALANCES AND CASH

The short-term bank deposits and bank balances carried interests at prevailing market rates ranging from 0.50% to 1.75% (2016: 0.01% to 2.00%) per annum.

24. CREDITORS AND ACCRUED EXPENSES

Included in creditors and accrued expenses were trade creditors of HK$345,000 (2016: HK$1,029,000) and their aged analysis presented based on the invoice date at the end of the reporting period is as follows:

	2017	2016
	HK$'000	*HK$'000*
Trade creditors		
0 - 30 days	**337**	1,019
31 - 60 days	**8**	10
	345	1,029

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

25. BANK BORROWINGS/BANK OVERDRAFTS

	2017 HK$'000	2016 HK$'000
Bank loan	**7,156**	–
Bank overdrafts	**–**	61,918
	7,156	61,918
Secured	**7,156**	–
Unsecured	**–**	61,918
	7,156	61,918
The carrying amounts of the above bank borrowings based on scheduled repayment dates set out in the loan agreements:		
Within one year	**198**	61,918
Within a period of more than one year but not exceeding two years	**204**	–
Within a period of more than two years but not exceeding five years	**6,754**	–
	7,156	61,918
Less: Amounts due within one year shown under current liabilities	**(198)**	(61,918)
Amounts shown under non-current liabilities	**6,958**	–

The bank borrowings carry variable interests at prevailing market rates. The effective interest rate on bank borrowings is 3.20% (2016: ranges from 4.00% to 4.88%) per annum as at 31st March, 2017.

As at 31st March, 2017, the bank borrowing was secured by investment properties of HK$16,147,000 (2016: nil).

26. DEFERRED TAX LIABILITIES

The following table summarises the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation	Revaluation of properties	Tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2015	1,065	783	(604)	1,244
Charge (credit) to profit or loss	202	416	(202)	416
Charge to other comprehensive income	–	67	–	67
At 31st March, 2016	1,267	1,266	(806)	1,727
(Credit) charge to profit or loss	(69)	418	69	418
Charge to other comprehensive income	–	70	–	70
At 31st March, 2017	1,198	1,754	(737)	2,215

At 31st March, 2017, the Group has unused tax losses of HK$793,947,000 (2016: HK$763,649,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$4,467,000 (2016: HK$4,884,000) of such losses. No deferred tax asset in respect of the remaining tax losses of HK$789,480,000 (2016: HK$758,765,000) has been recognised due to the unpredictability of future profit streams. Other than tax losses of HK$2,966,000 (2016: HK$3,184,000) that will expire throughout the years from 2028 to 2035, other tax losses may be carried forward indefinitely.

27. SHARE CAPITAL

	Number of shares	Value HK$'000
Ordinary shares of HK$0.01 each:		
Authorised:		
At 1st April, 2015, 31st March, 2016 and 31st March, 2017	102,800,000,000	1,028,000
Issued and fully paid:		
At 1st April, 2015	1,433,771,074	14,338
Issue of shares - on placing of shares *(Note (a))*	120,000,000	1,200
Issue of shares - scrip dividend *(Note (b))*	113,883,719	1,139
At 31st March, 2016	1,667,654,793	16,677
Issue of shares - scrip dividend *(Note (c))*	20,628,034	206
At 31st March, 2017	1,688,282,827	16,883

Notes:

(a) On 10th June, 2015, the Company completed a placement, through a placing agent, of 120,000,000 new shares of the Company at a price of HK$0.88 per share to certain independent third parties.

(b) 73,298,347 shares of HK$0.01 each were issued by the Company to the shareholders who had elected to receive scrip dividend in respect of the final dividend for the year ended 31st March, 2015 on 5th October, 2015 at HK$0.6681 per share and 40,585,372 shares at HK$0.01 each were issued by the Company to the shareholders who had elected to receive scrip dividend in respect of the interim dividend for the six months ended 30th September, 2015 on 27th January, 2016 at HK$0.6428 per share.

(c) 20,628,034 shares of HK$0.01 each were issued by the Company to the shareholders who had elected to receive scrip dividend in respect of the final dividend for the year ended 31st March, 2016 on 6th October, 2016 at HK$0.5605 per share.

These shares rank pari passu with the then existing shares of the Company in all respects.

28. SHARE OPTIONS

The Company's existing share option scheme (the "Share Option Scheme") was adopted at the annual general meeting of the Company on 19th August, 2011 (the "Adoption Date").

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, the Company and its subsidiaries and/or any invested entity(ies) and its subsidiaries.

The Board of Directors of the Company may in its absolute discretion, subject to the terms of the Share Option Scheme, grant options to, inter alia, employees or executives, including executive directors of the Company, the controlling shareholder of the Company and any invested entity and their respective subsidiaries, non-executive directors of the Company and any invested entity and their respective subsidiaries, supplier, advisor, agent, consultant or contractor for the provision of goods or services to any member of the Group or any invested entity and its subsidiaries and any vendor, customer or celebrity of any member of the Group or any invested entity and its subsidiaries or any person or entity that provides research, development or other technological support to the Group and any invested entity and its subsidiaries.

At the time of adoption by the Company of the Share Option Scheme on 19th August, 2011, the aggregate number of shares which may be issued upon the exercise of all options to be granted by the Company under the Share Option Scheme and any other share option scheme(s) adopted by the Company must not exceed 10% of the total number of issued shares of the Company as at the date of shareholders' approval of the Share Option Scheme. The Company may refresh such limit by an ordinary resolution of its shareholders at a general meeting provided that the limit so refreshed does not exceed 10% of the then total number of issued shares of the Company as at the date(s) of the shareholders' approvals. Share options previously granted under any share option scheme(s) (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed. As at the date of which these consolidated financial statements authorised for issuance, the total number of shares available for issue under the Share Option Scheme is 166,765,479 (2016: 155,377,107) shares, which represented approximately 10% (2016: 9%) of the number of shares in issue of the Company as at the date of which these consolidated financial statements authorised for issuance. Notwithstanding the foregoing, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not, in aggregate, exceed 30% of the total number of issued shares of the Company from time to time.

28. SHARE OPTIONS (continued)

Unless approved by the shareholders of the Company in general meeting, the total number of shares of the Company issued and to be issued upon exercise of the options granted and to be granted (whether exercised, cancelled or outstanding) under the Share Option Scheme and any other share option scheme(s) of the Company to any eligible person in any 12-month period up to and including the date of further grant shall not exceed 1% of the total number of the Company's shares in issue from time to time. Options granted to a substantial shareholder and/or an independent non-executive director of the Company or any of their respective associates (as defined in the Listing Rules) in any 12-month period in excess of 0.1% of the total number of shares of the Company in issue and having an aggregate value exceeding HK$5 million must be approved by the shareholders of the Company in general meeting in advance.

The period within which the options may be exercised under the Share Option Scheme will be determined by the directors of the Company at the time of grant. This period must expire in any event not later than the day falling 10 years after the date on which the offer relating to such option is duly approved by the Board of Directors. The Share Option Scheme does not provide for any minimum period for which an option must be held before it can be exercised. Options may be granted at an initial payment of HK$1.00 for each acceptance of grant of option(s). The directors of the Company shall specify a date, being a date not later than 30 days after (i) the date on which the offer of the options is issued, or (ii) the date on which the conditions for the offer are satisfied, by which the eligible person must accept the offer or be deemed to have declined it.

The exercise price of the options will be determined by the directors of the Company (subject to adjustments as provided in the rules of the Share Option Scheme) which shall not be lower than the nominal value of the shares of the Company and shall be at least the higher of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of the offer, which must be a business day; and (ii) the average of the closing prices of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer.

Subject to early termination in accordance with the provisions of the Share Option Scheme, the Share Option Scheme is valid and effective for a period of ten years commencing after the Adoption Date, after which period no further options shall be granted.

As at 31st March, 2017 and 2016, there were no outstanding share options granted by the Company pursuant to the Share Option Scheme. No share options were granted, exercised, cancelled or lapsed during the current and prior years.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debts, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, accumulated profits and other reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2017	2016
	HK$'000	*HK$'000*
Financial assets		
FVTPL	**85,803**	91,430
Amortised cost (including cash and cash equivalents)	**315,380**	429,163
Financial liabilities		
Amortised cost	**10,504**	66,060

(b) Financial risk management objectives and policies

The Group's financial instruments include convertible note, equity investments, debt instrument, trade and other debtors, amounts due from associates, loans receivable, short-term bank deposits, bank balances and cash, trade and other creditors, bank borrowings and bank overdrafts. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. There has been no significant change to the Group's exposure to these risks or the manner in which it manages and measures the risks.

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risks

(i) Currency risk

At the end of the reporting period, the carrying amount of the Group's net monetary assets and advances to foreign operations which are subsidiaries within the Group denominated in currencies other than the respective functional currencies of the relevant group entities amounted to HK$43,516,000 (2016: HK$260,632,000), which was denominated in C$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

On this basis, there will be a decrease/increase in post-tax loss for the year by HK$1,817,000 (2016: an increase/decrease in post-tax profit for the year by HK$10,881,000) where C$ strengthens/weakens against HK$ by 5%. Management has closely monitored foreign exchange exposure to mitigate the foreign currency risk.

(ii) Interest rate risk

As at 31st March, 2017, the Group is exposed to fair value interest rate risk in relation to fixed-rate loans receivable. There was no exposure to such risk as at 31st March, 2016.

As at 31st March, 2017, the Group is exposed to cash flow interest rate risk in relation to short-term bank deposits and bank balances and bank borrowings (2016: loans receivable, short-term bank deposits and bank balances and bank borrowings) which are mainly arranged at floating rates.

Management has employed a treasury team to closely monitor interest rate movement and manage the potential risk. The Group currently does not have an interest rate hedging policy. However, management monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. As at 31st March, 2017, the Group's cash flow interest rate risk is mainly concentrated on the fluctuation of prime rate quoted by the respective banks offering the Group the relevant banking facilities (the "Prime Rate") arising from the Group's bank borrowing that is denominated in C$ (2016: the Best Lending Rate for loans receivable denominated in HK$ and Prime Rate for bank borrowing denominated in HK$ and C$).

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risks (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the financial instruments at the end of the reporting period which carried floating market interest rates. The analysis is prepared assuming the assets and liabilities outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis points increase or decrease for short-term bank deposits and bank balances and 50 basis points for bank borrowings (2016: loans receivable and bank borrowings) are used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates for short-term bank deposits and bank balances (2016: short-term bank deposits and bank balances) had been 10 basis points higher/lower, interest rates for bank borrowings (2016: loans receivable and bank borrowings) had been 50 basis points higher/lower, and all other variables held constant, the Group's post-tax loss for the year would decrease/increase by HK$155,000 (2016: post-tax profit for the year increase/decrease by HK$244,000).

(iii) Other price risk

The Group is exposed to equity price risk through its investments in listed and unlisted convertible note, debt instrument and equity investments. Management manages this exposure by maintaining a portfolio of investments with different risks. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risks at the end of the reporting period.

If prices of the respective debt instrument and equity investments had been 5% higher/lower, post-tax loss for the year would decrease/increase by HK$3,058,000 (2016: post-tax profit for the year increase/decrease by HK$4,152,000) as a result of the changes in fair values of debt instrument and equity investments measured at FVTPL.

For the convertible note, if the stock price of Burcon had been 5% higher/lower, post-tax loss for the year would decrease/increase by HK$28,000 (2016: nil) as a result of the changes in fair values of the convertible note measured at FVTPL.

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

As at 31st March, 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group is the amount stated in the consolidated statement of financial position. In order to minimise the credit risk, management of the Group has determined credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and loan debtor at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at 31st March, 2017, the Group has concentration of credit risk as the loans receivable were made to two (2016: three) counterparties. As at 31st March, 2016, the Group also had concentration of credit risk as the earnest money as disclosed in note 21 was paid to a single counterparty.

The credit risk on liquid fund is limited because the counterparties are banks and other financial institutions with high credit ratings. The Group does not have significant concentration of credit risk on liquid fund.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayable terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Liquidity tables

	Weighted average interest rate	Less than 3 months	3 months to 1 year	1 year to 5 years	Total undiscounted cash flows	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2017						
Trade and other creditors	–	3,348	–	–	3,348	3,348
Bank borrowings	3.20	106	318	7,664	8,088	7,156
		3,454	318	7,664	11,436	10,504
2016						
Trade and other creditors	–	4,142	–	–	4,142	4,142
Bank overdrafts	4.82	61,918	–	–	61,918	61,918
		66,060	–	–	66,060	66,060

(c) Fair value measurements of financial instruments

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1: fair value measurements are derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Financial assets	Fair value as at 2017 HK$'000	Fair value as at 2016 HK$'000	Fair value hierarchy	Valuation techniques and key inputs
Equity investments - Listed equity securities	**60,090**	50,830	Level 1	Quoted closing prices in an active market
Equity investments - Unlisted equity securities	**–**	40,600	Level 2	Adjusted quoted closing prices in an active market
Debt instrument	**13,158**	–	Level 2	Adjusted quoted closing prices in an active market
Convertible note	**12,555**	–	Level 3	Discounted cash flow method and the Binomial Option Pricing Model. The major significant unobservable inputs used include the discount rate and the expected volatility adopted *(Note)*.

Note: A slight increase in the discount rate adopted would result in a decrease in the fair value measurement of the convertible note, and vice versa. A 5% increase/decrease in the discount rate adopted holding all other variables constant would decrease/increase the carrying amount of the convertible note by HK$130,000 (2016: nil).

A slight increase in the expected volatility would result in an increase in the fair value measurement of the convertible note, and vice versa. At 5% increase/decrease in the expected volatility holding all other variables constant would increase/decrease the carrying amount of the convertible note by HK$17,000 (2016: nil).

There were no transfers into and out of Levels 1, 2 and 3 during the current and prior periods.

30. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Reconciliation of Level 3 fair value measurements of financial asset

	Convertible note *HK$'000*
As at 1st April, 2016	–
Purchases	12,127
Interest income recognised in profit or loss	866
Increase in fair value recognised in profit or loss	76
Exchange loss recognised in profit or loss	(514)
As at 31st March, 2017	12,555

For financial instruments that are recorded at amortised cost, fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis. The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period. There were no significant changes in the business or economic circumstances that would affect the fair values of the Group's financial instruments.

31. RETIREMENT BENEFIT SCHEMES

The Group operates a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance for qualifying employees. The assets of the scheme are separately held in funds under the control of trustees.

The cost charged to profit or loss represents contributions paid and payable to the funds by the Group at rates specified in the rules of the scheme. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

At the end of the reporting period, there were no significant forfeited contributions which arose upon employees leaving the scheme prior to their interests in the Group's contributions becoming fully vested and which are available to reduce the contributions payable by the Group in future years.

The Group also joined a Mandatory Provident Fund Scheme ("MPF Scheme"). The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contributions are available to reduce the contributions payable in future years.

32. DISPOSAL OF SUBSIDIARIES

During the year ended 31st March, 2017, the Company disposed of its entire equity interests in certain subsidiaries for an aggregate consideration of approximately HK$2,358,000. Most of these subsidiaries are inactive and certain of them are investment holding companies.

The net assets of the subsidiaries disposed of on the relevant dates of disposals were as follows:

	HK$'000
Consideration received and receivable:	
Cash received	2,211
Consideration receivable (included in debtors, deposits and prepayments)	147
	2,358
Analysis of the aggregate assets and liabilities over which control was lost:	
Property, plant and equipment	–
Intangible assets	966
Net assets disposed of	966
Aggregate gain on disposal of the subsidiaries:	
Consideration received and receivable	2,358
Net assets disposed of	(966)
Gain on disposal (included in other income)	1,392
Cash inflow arising on the disposals:	
Cash consideration received	2,211

33. OPERATING LEASE ARRANGEMENTS/COMMITMENTS

(a) The Group as a lessee

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

	2017	2016
	HK$'000	*HK$'000*
Within one year	**2,138**	3,120
In the second to fifth year inclusive	**931**	3,081
	3,069	6,201

Leases are negotiated, and monthly rentals are fixed, for an average term of two years (2016: three to five years).

As at 31st March, 2016, included in the sums above was an amount of HK$4,232,000 where the counterparty was an associate of the Group.

(b) The Group as a lessor

At the end of the reporting period, the Group had contracted with a tenant for future minimum lease payments which fall due as follows:

	2017	2016
	HK$'000	*HK$'000*
Within one year	**503**	516
In the second to fifth year inclusive	**796**	1,290
	1,299	1,806

The investment property held has a committed tenant for the next two years (2016: three years).

34. PLEDGE OF ASSETS

As at 31st March, 2017, investment properties of HK$16,147,000 (2016: nil) were pledged by the Group to secure a bank loan granted to the Group.

35. CAPITAL COMMITMENT

During the year ended 31st March, 2016, the Group entered into a shareholders' agreement with an investee, pursuant to which the Group had agreed to provide funding to the investee to subscribe for new shares to be issued upon the issuance of funding notice by the investee up to the funding commitment of HK$18,000,000. Such a commitment has been released upon disposal of the relevant equity investment during the year ended 31st March, 2017.

36. RELATED PARTY DISCLOSURES

(a) Related party transactions

During the year, the Group had transactions with related parties, details of which are as follows:

		2017 ***HK$'000***	2016 *HK$'000*
Related parties	**Nature of transactions**		
ITC Properties and its subsidiaries *(Note (i))*	Rentals and related building management fee charged by the Group	**294**	264
	Rentals and related building management fee paid by the Group *(Note (ii))*	**2,794**	2,794
	Interest income received or receivable by the Group *(Note (iii))*	**332**	–
Associate of the Group	Rentals and related building management fee charged by the Group	**443**	414
	Service fees charged by the Group	**47**	134
	Interest income received or receivable by the Group	**866**	–

36. RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

Notes:

(i) As set out in note 10, the Company distributed all of its equity interests in ITC Properties held by the Group to its shareholders during the year ended 31st March, 2017 and ITC Properties ceased to be an associate of the Group. ITC Properties remained to be a related party of the Group as it was controlled by an executive director of the Company until his resignation on 28th March, 2017.

(ii) The transaction represented rentals and related building management fee paid by the Group to Great Intelligence Limited, an indirectly wholly-owned subsidiary of ITC Properties. The transaction constituted a continuing connected transaction as defined in Chapter 14A of the Listing Rules. The details of this continuing connected transaction were disclosed under the "Connected Transactions" section of the Directors' Report.

(iii) As disclosed in note 19, in October 2016, the Group acquired a senior guaranteed note issued by Treasure Generator Limited, a directly wholly-owned subsidiary of ITC Properties, with the principal amount of US$1,800,000 (equivalent to approximately HK$13,973,000) in the secondary market for a consideration of approximately US$1,778,000 (equivalent to approximately HK$13,805,000). Interest income on the senior guaranteed note amounting to approximately HK$332,000 was recognised in profit or loss during the year ended 31st March, 2017. The acquisition constituted a connected transaction as defined in Chapter 14A of the Listing Rules. The details of this connected transaction were disclosed under the "Connected Transactions" section of the Directors' Report.

(b) Non-trade balances

As at 31st March, 2016, the amounts due from associates were unsecured, non-interest bearing and were repayable upon request for repayment. These amounts were neither past due nor impaired and had no loan default history.

(c) Compensation of key management personnel

Only the directors and chief executive are considered to be the key management personnel of the Group. The remuneration of directors and the chief executive is disclosed in note 6. The remuneration of directors is determined by the Board of Directors of the Company and its remuneration committee having regard to the performance of individuals and market trends.

37. FINANCIAL INFORMATION OF THE COMPANY

	2017	2016
	HK$'000	*HK$'000*
Non-current asset		
Investments in subsidiaries	**–**	–
Current assets		
Other receivables	**291**	242,365
Amounts due from subsidiaries	**661,548**	1,666,493
Short-term bank deposits, bank balances and cash	**216,067**	10,010
	877,906	1,918,868
Current liabilities		
Other payables	**1,444**	2,120
Bank overdraft	**–**	9,948
	1,444	12,068
Net current assets	**876,462**	1,906,800
	876,462	1,906,800
Capital and reserves		
Share capital	**16,883**	16,677
Share premium and reserves *(Note)*	**859,579**	1,890,123
Total equity	**876,462**	1,906,800

37. FINANCIAL INFORMATION OF THE COMPANY (continued)

Note: Details of movements in the Company's share premium and reserves are as follows:

	Share premium	Contributed surplus	Capital redemption reserve	Accumulated profits	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2015	728,315	222,435	908	861,070	1,812,728
Loss and total comprehensive expenses for the year	–	–	–	(3,422)	(3,422)
Issue of shares					
– on placing of shares	104,400	–	–	–	104,400
– scrip dividend	73,920	–	–	–	73,920
Transaction costs on issue of shares	(2,811)	–	–	–	(2,811)
Dividend paid	(75,059)	–	–	(19,633)	(94,692)
At 31st March, 2016	828,765	222,435	908	838,015	1,890,123
Loss and total comprehensive expenses for the year	–	–	–	(1,137)	(1,137)
Issue of shares					
– scrip dividend	11,356	–	–	–	11,356
Transaction costs on issue of shares	(51)	–	–	–	(51)
Distributions					
– dividend paid	(11,562)	–	–	(38,468)	(50,030)
– assets distributed to shareholders	–	(222,435)	–	(768,247)	(990,682)
At 31st March, 2017	828,508	–	908	30,163	859,579

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 31st March, 2017 and 2016 are as follows:

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid share capital	Percentage of issued share capital held by the Company		Percentage of issued share capital attributable to the Group		Principal activities
			2017 %	2016 %	**2017 %**	2016 %	
Directly owned							
All Combine Investments Limited	British Virgin Islands	US$1 ordinary share	**100**	100	**100**	100	Investment holding
Great Intelligence Limited	British Virgin Islands	US$1 ordinary share	**100**	100	**100**	100	Investment holding
Treasure Investment Holdings Limited (formerly known as ITC Investment Holdings Limited)	British Virgin Islands	US$1 ordinary share	**100**	100	**100**	100	Investment holding
ITC Management Group Limited	British Virgin Islands	US$2 ordinary shares	**100**	100	**100**	100	Investment holding
Large Scale Investments Limited	British Virgin Islands	US$1 ordinary share	**100**	100	**100**	100	Investment holding
Indirectly owned							
Burcon Group Limited	Canada	C$1,000 class A common shares	**100**	100	**100**	100	Investment and property holding
Great Intelligence Holdings Limited	Hong Kong	HK$2 ordinary shares	**100**	100	**100**	100	Securities trading and treasury investment
ITC Finance Limited	Hong Kong	HK$2 ordinary shares	**100**	100	**100**	100	Provision of finance
ITC Management Limited	Hong Kong	HK$2 ordinary shares	**100**	100	**100**	100	Provision of management, administration and financial services and treasury investment
1081346 B.C. Limited	Canada	C$1 common share	**100**	–	**100**	–	Property holding

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

None of the subsidiaries had issued any debt securities at the end of the year.

All of the above subsidiaries are limited companies.

Other than Burcon Group Limited and 1081346 B.C. Limited which operate in Canada, all of the above subsidiaries have their principal place of operations in Hong Kong.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of the Group for the year or formed a substantial portion of the assets of the Group at the end of the year. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

39. EVENTS AFTER THE REPORTING PERIOD

In May 2017, the Group's associate, PYI, has placed 915,470,000 new shares at a price of HK$0.156 per share to not less than six independent third parties (the "PYI Placing"). As a result of the PYI Placing, the Group's interest in PYI decreases from 28.45% to 23.71%. As at the date of this report, the directors of the Company are in the process of estimating the financial impact arising therefrom.

Financial Summary

RESULTS

	Year ended 31st March,				
	2013	2014	2015	2016	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Revenue	17,798	7,121	9,099	15,027	**16,726**
Profit (loss) before taxation	214,136	109,710	240,528	436,334	**(1,293,560)**
Taxation	(8)	(122)	(40)	(416)	**(418)**
Profit (loss) for the year attributable to owners of the Company	214,128	109,588	240,488	435,918	**(1,293,978)**

ASSETS AND LIABILITIES

	As at 31st March,				
	2013	2014	2015	2016	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Total assets	3,013,732	3,115,635	3,125,597	3,605,991	**1,180,622**
Total liabilities	(159,340)	(110,454)	(18,062)	(72,128)	**(16,939)**
Shareholders' funds attributable to owners of the Company	2,854,392	3,005,181	3,107,535	3,533,863	**1,163,683**