HERITAGE INTERNATIONAL HOLDINGS LIMITED
漢基控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 412)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

FINANCIAL RESULTS

The Boards of Directors (the "Board") of Heritage International Holdings Limited (the "Company") announced that the consolidated results of the Company and its subsidiaries (collectively the "Group) for the year ended 31 March 2014 together with the comparative figures for the corresponding period in the prior year are as follow:

* *For identification purposes only*

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2014

	Note	**2014** **HK$'000**	2013 HK$'000 (restated)
REVENUE	5	**14,484**	19,634
Other income		**381**	451
Changes in inventories and consumables used		**(474)**	(353)
Impairment loss on property, plant and equipment		**(6,654)**	–
Impairment loss on goodwill		**(3,720)**	–
(Losses)/gains arising from changes in fair value of investment properties, net		**(2,150)**	9,647
Fair value gains/(losses) on investments at fair value through profit or loss, net		**385,433**	(52,526)
Fair value gain on conversion options embedded in a convertible bond		**331**	–
Fair value gains on derivative financial instruments		**1,972**	1,822
Loss on disposal of subsidiaries		**(500)**	–
Employee benefit expenses		**(11,665)**	(11,262)
Depreciation		**(6,466)**	(5,141)
Amortisation			
• prepaid lease payments		**(1,066)**	–
• intangible assets		**(16,364)**	–
Minimum lease payments under operating leases in respect of land and buildings		**(9,525)**	(8,974)
Other expenses		**(28,000)**	(23,645)
Finance costs	7	**(39,083)**	(649)
PROFIT/(LOSS) BEFORE TAX	6	**276,934**	(70,996)
Income tax credit/(expense)	8	**4,091**	(598)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**281,025**	(71,594)
EARNINGS/(LOSS) PER SHARE FOR PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic	10	**HK$0.11**	HK$(0.07)
Diluted	10	**HK$0.11**	HK$(0.07)

Details of dividend payable to owners of the Company are set out in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

	Note	**2014** **HK$'000**	2013 HK$'000
PROFIT/(LOSS) FOR THE YEAR		**281,025**	(71,594)
OTHER COMPREHENSIVE (LOSS)/INCOME			
Items that may be reclassified subsequently to profit or loss:			
Changes in fair value of available-for-sale investments	16	**54**	100
Exchange difference arising on translation of financial statements of foreign operations		**(3,328)**	–
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(3,274)**	100
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		**277,751**	(71,494)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Note	**2014** **HK$'000**	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**69,731**	81,001
Prepaid lease payments	12	**44,807**	–
Intangible assets	13	**847,954**	–
Biological assets	14	**70,737**	–
Investment properties	15	**–**	44,800
Deposits paid for purchases of items of property, plant and equipment		**1,423**	108
Available-for-sale investments	16	**17,606**	4,600
Conversion options embedded in a convertible bond	17	**2,379**	–
Deposits	18	**700**	470,700
Loans receivable	19	**–**	24,800
Investments at fair value through profit or loss	20	**112,800**	112,800
Total non-current assets		**1,168,137**	738,809
CURRENT ASSETS			
Inventories		**172**	131
Loans receivable	19	**30,000**	83,863
Investments at fair value through profit or loss	20	**514,502**	212,540
Derivative financial instruments		**19,763**	17,791
Tax recoverable		**38**	–
Prepayments, deposits and other receivables	18	**2,792**	12,744
Cash and cash equivalents		**6,122**	6,023
Total current assets		**573,389**	333,092
CURRENT LIABILITIES			
Other payables and accruals		**4,731**	4,935
Borrowings	21	**25,533**	32,802
Total current liabilities		**30,264**	37,737
NET CURRENT ASSETS		**543,125**	295,355
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,711,262**	1,034,164
NON-CURRENT LIABILITIES			
Borrowings	21	**9,300**	–
Deferred tax liabilities		**192,888**	598
Total non-current liabilities		**202,188**	598
Net assets		**1,509,074**	1,033,566
EQUITY			
Equity attributable to owners of the Company			
Issued capital	22	**2,824**	1,877
Reserves		**1,506,250**	1,031,689
Total equity		**1,509,074**	1,033,566

Notes:

1. CORPORATE INFORMATION

Heritage International Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, and 29th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong, respectively.

During the year, the Company continues to act as an investment holding company and its subsidiaries (together with the Company, collectively referred to as the "Group") continue to involve in property investment, investments in securities, money lending, investment holding and Chinese medicine clinic operations. Following the completion of the acquisition (the "Acquisition") of Global Castle Investments Limited ("Global Castle") and its subsidiaries (collectively referred to as "Global Castle Group") on 5 April 2013, the Group was newly involved in management of the forestlands (the "Forestlands"). Details of the Acquisition are set out in note 24.

The consolidated financial statements are presented in Hong Kong dollar ("HKD"), which is the same as the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the HKICPA, and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis, except for investment properties, available-for-sale investments, conversion options embedded in a convertible bond, biological assets, derivative financial instruments and investments at fair value through profit or loss, which have been measured at fair values or fair values less costs of disposal, as appropriate.

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its 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 that quoted prices included with 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.

Basis of consolidation

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

- has the power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use the 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 income statement 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 and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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 intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND CHANGE IN PRESENTATION

Application of new and revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied the following new and revised standards and amendments ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which have become effective for the accounting period beginning on 1 April 2013.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 cycle
HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 13	Fair Value Measurement
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – INT 20	Stripping Costs in the Production Phase of a Surface Mine.

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HKFRS 10 "Consolidated Financial Statements"

HKFRS 10 replaces the requirements in HKAS 27 "Consolidated and Separate Financial Statements" relating to the preparation of consolidated financial statements and HK(SIC)-Int 12 "Consolidation – Special Purpose Entities". It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities at 1 April 2013.

HKFRS 13 "Fair Value Measurement"

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, 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 (e.g. net realisable value for the purposes of measuring inventories or value-in-use for impairment assessment purposes).

HKFRS 13 contains a new definition for "fair value" and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. However, HKAS 1 still permits entities to use other titles. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Annual Improvements to HKFRSs 2009 – 2011 Cycle

The Group has applied the amendments to HKAS 1 "Presentation of Financial Statements" as part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle for the first time in the current year.

The amendment to HKAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

An opening statement of financial position as at the beginning of the preceding period must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented. From the current year onwards, the Group decides to change the presentation of gains/losses on sale of investments at fair value through profit or loss, details of which are set out below. Since the change in presentation does not have any effect on the consolidated statement of financial position, the opening statement of financial position as at the beginning of the preceding period is not presented.

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective in these financial statements:

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010 – 2012 Cycle [4]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011 – 2013 Cycle [2]
HKFRS 7, HKFRS 9 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures [3]
HKFRS 9	Financial Instruments [3]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities [1]
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operations [6]
HKFRS 14	Regulatory Deferral Accounts [5]
HKAS 16 and HKAS 32 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation [6]
HKAS 19 (Amendments)	Defined Benefit Plans: Employee Contributions [2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities [1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets [1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting [1]
HK(IFRIC) – Int 21	Levies [1]

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

[2] Effective for annual periods beginning on or after 1 July 2014.

[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

[4] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

[5] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

[6] Effective for annual periods beginning on or after 1 January 2016.

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. It is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

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

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company anticipate that the adoption of the amendments to HKAS 36 will only extend the disclosures requirements regarding the fair value hierarchy, key assumptions and valuation techniques used for the property, plant and equipment and CGU to which goodwill had been allocated, as they have been impaired during the year and their recoverable amounts were determined based on their fair values less costs of disposal. Other than the additional disclosures, the application of the amendments to HKAS 36 has not had any material impact on the amounts recognised in the consolidated financial statements when the Group first applies the amendments from 1 April 2014.

Change in presentation

Change in presentation of gains/losses on sales of investments at fair value through profit or loss

Previously, the Group presented the gains/losses on sale of investments at fair value through profit or loss as revenue in the consolidated income statement. From the current year onwards, the directors of the Company decided to reclassify gains/losses on sale of investments at fair value through profit or loss out of revenue and present the realised and unrealised gains/losses as fair value gains/losses on investments at fair value through profit or loss. The change in presentation of gains/losses on sale of investments at fair value through profit or loss would provide more relevant information about the Group's operations. The comparative figures have been restated to conform to the revised presentation. There is no impact to the results and the financial position of the Group for both years stated herein.

4. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports that are used to make strategic decisions reviewed by the chief operating decision maker ("CODM"). For the year ended 31 March 2013, the Group had only five reportable operating segments. Following the Acquisition and from the current year onwards, the Group has an additional reportable operating segment, being the management of the Forestlands segment. Details are as follows:

(i) the property investment segment engages primarily in the investments in properties for rental income potential and/or appreciation in values;

(ii) the investments in securities segment engages primarily in the purchase and sale of securities and the holding of equity and debt investments primarily for interest income, dividend income and capital appreciation;

(iii) the money lending segment engages primarily in money lending operations in Hong Kong;

(iv) the investment holding segment engages primarily in investment holding for a continuing strategic or long term purpose, primarily for dividend income and capital appreciation;

(v) the Chinese medicine clinic segment engages primarily in Chinese medicine clinic operations in Hong Kong; and

(vi) the management of the Forestlands segment engages primarily in management of the Forestlands located in Qinglong Manchu Autonomous County ("Qinglong") of the People's Republic of China (the "PRC").

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that unallocated finance costs and unallocated expenses are excluded from such measurement.

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

- all assets are allocated to reportable segments other than tax recoverable and unallocated corporate assets. Goodwill is allocated to the management of the Forestlands segment as described in note 13; and

- all liabilities are allocated to reportable segments other than current and deferred tax liabilities, and unallocated corporate liabilities.

	Property investment		Investments in securities		Money lending		Investment holding		Chinese medicine clinic		Management of the Forestlands		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (restated)	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (restated)
Segment revenue:														
Revenue from external customers	2,157	1,020	3,563	10,525	6,284	5,830	–	–	2,480	2,259	–	–	14,484	19,634
Other income	–	–	372	–	–	9	5	432	–	10	4	–	381	451
Total	2,157	1,020	3,935	10,525	6,284	5,839	5	432	2,480	2,269	4	–	14,865	20,085
Segment results	(2,857)	9,827	387,203	(43,789)	2,092	5,335	(10)	(6,103)#	(6,613)	(6,776)	(25,993)	–	353,822	(41,506)
Reconciliation:														
Impairment loss on property, plant and equipment, unallocated													(6,654)	–
Unallocated finance costs													(37,592)	(237)
Unallocated expenses													(32,642)	(29,253)
Profit/(loss) before tax													276,934	(70,996)

Including acquisition-related costs for the Acquisition as further detailed in note 24.

	Property investment		Investments in securities		Money lending		Investment holding		Chinese medicine clinic		Management of the Forestlands		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (restated)	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (restated)
Other segment information:														
Finance costs – allocated	(125)	(412)	(1,366)	–	–	–	–	–	–	–	–	–	(1,491)	(412)
Finance costs – unallocated													(37,592)	(237)
													(39,083)	(649)
Depreciation – allocated	–	–	–	–	–	–	–	–	(1,945)	(1,945)	(214)	–	(2,159)	(1,945)
Depreciation – unallocated													(4,307)	(3,196)
													(6,466)	(5,141)
Amortisation	–	–	–	–	–	–	–	–	–	–	(17,430)	–	(17,430)	–
Impairment of goodwill	–	–	–	–	–	–	–	–	–	–	(3,720)	–	(3,720)	–
Loss on disposal of subsidiaries	(500)	–	–	–	–	–	–	–	–	–	–	–	(500)	–
(Losses)/gains arising from changes in fair value of investment properties, net	(2,150)	9,647	–	–	–	–	–	–	–	–	–	–	(2,150)	9,647
Fair value gains/(losses) on investments at fair value through profit or loss, net	–	–	385,433	(52,526)	–	–	–	–	–	–	–	–	385,433	(52,526)
Fair value gains on derivative financial instruments	–	–	–	–	–	–	–	–	1,972	1,822	–	–	1,972	1,822
Fair value gains on conversion options embedded in a convertible bond	–	–	331	–	–	–	–	–	–	–	–	–	331	–
(Impairment)/reversal of impairment of loans receivable	–	–	–	–	(3,600)	9	–	–	–	–	–	–	(3,600)	9
Capital expenditure – allocated*	–	2,053	–	–	–	–	–	–	–	–	447	–	447	2,053
Capital expenditure – unallocated*													444	90
													891	2,143

* *Capital expenditure consists of additions to property, plant and equipment and investment properties.*

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

	2014	2013
	HK$'000	*HK$'000*
Segment assets:		
Property investment	**–**	44,989
Investment in securities	**530,033**	222,790
Money lending	**30,133**	109,913
Investment holding	**112,800**	582,811
Chinese medicine clinic	**25,078**	25,054
Management of the Forestlands	**973,242**	–
	1,671,286	985,557
Tax recoverable	**38**	–
Unallocated assets	**70,202**	86,344
Total assets	**1,741,526**	1,071,901
Segment liabilities:		
Property investment	**–**	6,542
Investment in securities	**100**	–
Money lending	**–**	486
Investment holding	**–**	50
Chinese medicine clinic	**78**	94
Management of the Forestlands	**101**	–
	279	7,172
Deferred tax liabilities	**192,888**	598
Unallocated liabilities	**39,285**	30,565
Total liabilities	**232,452**	38,335

Revenue from external customers

The Group's revenue is substantially derived from its external customers in Hong Kong.

Geographical information

The Group's operations are mainly located in Hong Kong and other parts of the PRC. All segments are carried out in Hong Kong except for the management of the Forestlands that is carried out in other parts of the PRC. The geographical location of the non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, investment properties, prepaid lease payments, favourable lease asset included in intangible assets, biological assets, and investment properties, and the location of the operation to which they are allocated, in the case of goodwill included in intangible assets, deposits paid for purchase of items of property, plant and equipment, and deposits other than those classified as financial assets. The information about the Group's non-current assets by geographical location of the assets is set out below:

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**68,539**	125,909
Mainland China	**966,113**	470,000
	1,034,652	595,909

Note: Non-current assets exclude available-for-sale investments, conversion options embedded in a convertible bond, investments at fair value through profit or loss, loans receivable and financial assets included in deposits.

5. REVENUE

Revenue, which is also the Group's turnover, represents gross rental income received and receivable; interest income from money lending operations; dividend and interest income from investments at fair value through profit or loss; and income from Chinese medicine clinic operations earned during the year.

An analysis of revenue is as follows:

	2014	2013
	HK$'000	*HK$'000*
		(restated)
Revenue		
Gross rental income	**2,157**	1,020
Interest income from money lending operations	**6,284**	5,830
Interest income from investments at fair value through profit or loss	**72**	3,624
Dividend income from investments at fair value through profit or loss	**3,491**	6,901
Income from Chinese medicine clinic operations	**2,480**	2,259
	14,484	19,634

6. PROFIT/(LOSS) BEFORE TAX

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

	2014	2013
	HK$'000	*HK$'000*
Auditors' remuneration:		
– audit services	**1,330**	1,768
– non-audit services	**200**	260
Cost of inventories sold and consumables used	**474**	353
Employee benefit expense (including directors' remuneration):		
Directors' remuneration:		
– Fee	**480**	480
– Salaries and allowances excluding an estimated value of a director's quarter plus the related charges borne by the Group totaling HK$2,088,000 (2013: HK$1,015,000)	**5,270**	5,887
– Retirement benefit scheme contributions (defined contribution scheme)*	**56**	67
	5,806	6,434
Other staff's costs:		
– Salaries and allowances	**5,625**	4,616
– Retirement benefit scheme contributions (defined contribution scheme)*	**234**	212
	5,859	4,828
Total employee benefit expenses	**11,665**	11,262
Fair value (gains)/losses on investments at fair value through profit or loss, net:		
– realised (gains)/losses	**(18,975)**	27,771
– unrealised (gains)/losses	**(366,458)**	24,755
	(385,433)	52,526
Impairment loss/(reversal of impairment loss) of loans receivable	**3,600**	(9)
Net foreign exchange loss	**184**	–
Gross rental income from investment properties	**(141)**	(1,020)
Less: direct operating expenses arising on rental-earning investment properties	**12**	125
	(129)	(895)
Direct operating expenses arising on non-rental-earning investment properties	**128**	102

* At 31 March 2014, the Group had no material forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (2013: Nil).

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2014	2013
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years *(note)*	**565**	649
Interest on margin loans	**1,366**	–
Amortised interest on bonds *(note 21)*	**37,152**	–
	39,083	649

Note:

The Group's bank borrowings containing an on-demand clause have been classified as current liabilities. For the purpose of the above disclosure, the interest on such borrowings is disclosed as "Interest on bank borrowings wholly repayable within five years".

8. INCOME TAX CREDIT/(CHARGE)

No provision for current Hong Kong profits tax has been made for the years ended 31 March 2014 and 2013 as the Group did not generate any assessable profits arising in Hong Kong during both years.

No provision for PRC Enterprise Income Tax has been made as the Group did not generate any assessable profits arising in the PRC during the year ended 31 March 2014 (2013: Nil).

	2014	2013
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax	**–**	–
Deferred tax credit/(charge)	**4,091**	(598)
Total income tax credit/(charge) recognised in profit or loss	**4,091**	(598)

9. DIVIDENDS

No dividend was paid or proposed for the year ended 31 March 2014 (2013: Nil), nor has any dividend been proposed since the end of the reporting period.

10. EARNINGS/(LOSS) PER SHARE FOR PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share amount for the year ended 31 March 2014 is based on the profit for the year attributable to owners of the Company of HK$281,025,000 (2013: loss for the year of HK$71,594,000), and the weighted average number of ordinary shares of 2,667,112,701 (2013: 997,685,322) in issue during the year. The basic earnings/(loss) per share amount for the prior year has been adjusted to reflect the rights issue during the year.

(b) Diluted earnings/(loss) per share

No adjustment has been made to the basic earnings per share amounts presented for the year ended 31 March 2014 as there was no dilutive potential ordinary shares in existence as at 31 March 2014. No adjustment had been made to the basic loss per share amounts presented for the year ended 31 March 2013 in respect of a dilution as the impact of the warrants outstanding during that year had an anti-dilutive effect on the basic loss per share amount presented.

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold land and building *HK$'000*	Leasehold improvements *HK$'000*	Furniture, fixtures and office equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
31 March 2014					
At 31 March 2013 and at 1 April 2013:					
Cost	73,000	12,907	5,668	6,778	98,353
Accumulated depreciation	(1,050)	(6,765)	(3,999)	(5,538)	(17,352)
Net carrying amount	71,950	6,142	1,669	1,240	81,001
At 1 April 2013, net of accumulated depreciation	71,950	6,142	1,669	1,240	81,001
Additions	–	242	278	371	891
Acquisition of subsidiaries *(note 24)*	–	–	121	853	974
Depreciation provided during the year	(2,101)	(2,620)	(963)	(782)	(6,466)
Impairment loss for the year	(6,654)	–	–	–	(6,654)
Exchange realignment	–	–	(2)	(13)	(15)
At 31 March 2014, net of accumulated depreciation and impairment	63,195	3,764	1,103	1,669	69,731
At 31 March 2014:					
Cost	73,000	13,149	6,065	7,989	100,203
Accumulated depreciation and impairment	(9,805)	(9,385)	(4,962)	(6,320)	(30,472)
Net carrying amount	63,195	3,764	1,103	1,669	69,731

During the year ended 31 March 2014, the Group has conducted a review on the Group's leasehold land and building by engaging an independent external valuer to perform valuation on the leasehold land and building and determined that carrying amount of the leasehold land and building was written down their recoverable amounts of approximately HK$63,195,000. Accordingly, an impairment loss of approximately HK$6,654,000 has been recognised in profit or loss in the consolidated income statement for the year ended 31 March 2014. The recoverable amount has been determined based on fair value less costs on disposal, using direct comparison method by reference to recent transaction prices of nearby properties. For the year ended 31 March 2013, no impairment loss was made in profit or loss.

12. PREPAID LEASE PAYMENTS

Group

	HK$'000
Leasehold land in the PRC under medium-term lease:	
At 1 April 2012, 31 March 2013 and 1 April 2013	–
Acquisition of subsidiaries *(note 24)*	47,128
Amortisation of during the year	(1,066)
Exchange realignment	(189)
As at 31 March 2014	45,873
Analysed for reporting purposes as:	
Current assets, included in prepayments, deposits and other receivable *(note 18)*	1,066
Non-current assets	44,807
	45,873

The Group's prepaid lease payments, acquired through the Acquisition, represent the land portion of the Forestlands use rights granted to Global Castle Group and are located in Qinglong of the PRC. The Forestlands use rights will expire in the year 2057. Usage of the Forestlands is regulated by the implementation regulations of the PRC Forest Law promulgated by the State Council of the PRC.

The prepaid lease payments are amortised on a straight-line basis over the remaining term of the lease of the Forestlands.

13. INTANGIBLE ASSETS

Group

	Interest in certain concession rights and interests*	Favourable lease asset	Goodwill	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2012	–	–	–	–
Additions	50,000	–	–	50,000
Disposal *(note 23)*	(50,000)	–	–	(50,000)
At 31 March 2013 and 1 April 2013	–	–	–	–
Acquisition of subsidiaries *(note 24)*	–	722,900	148,635	871,535
Amortisation of during the year	–	(16,364)	–	(16,364)
Impairment during the year	–	–	(3,720)	(3,720)
Exchange realignment	–	(2,901)	(596)	(3,497)
As at 31 March 2014	–	703,635	144,319	847,954

* in respect of certain forest land located in the PRC

(a) Favourable lease asset

Favourable lease asset arising from the Acquisition represents the terms of the Forestlands use rights granted to Global Castle Group which are favourable relative to the market terms as at the date of the Acquisition. Favourable lease asset is amortised on a straight-line basis over the remaining term of the lease of the Forestlands. Details are set out in note 12 above.

(b) Goodwill

Goodwill was arising from the Acquisition and has been allocated to a cash-generating unit ("CGU") that is expected to benefit from the Acquisition. The entire carrying amount of goodwill has been allocated to the management of the Forestlands segment.

The recoverable amount of the CGU is determined based on fair value less costs of disposal of the Forestlands. The fair value less costs of disposal of the Forestlands was determined by an independent professional valuer engaged by the Company, LCH (Asia-Pacific) Surveyors Limited ("LCH"), using Comparable Sales Approach by reference to ask prices of comparable forestlands in the neighbourhood townships, adjusted for the condition and features of the comparable forestlands such as their locations, accessibility, size and tree species planted. LCH determines that the recoverable amount of the CGU was approximately HK$772,274,000. This is categorised as Level 3 fair value hierarchy. Accordingly, the carrying amount of the CGU has been written down to the recoverable amount and an impairment loss on goodwill of approximately HK$3,720,000 was recognised in profit or loss in the consolidated income statement for the year ended 31 March 2014 (2013: Nil).

14. BIOLOGICAL ASSETS

Group

	HK$'000
At 1 April 2012, 31 March 2013 and 1 April 2013	–
Acquisition of subsidiaries *(note 24)*	71,022
Exchange realignment	(285)
As at 31 March 2014	70,737

(a) Nature of activities

Biological assets predominately consist of various standing fruit trees that are attached to the Forestlands, of which the Forestry Right Certificates have been obtained from the Forest Bureau in Qinglong prior to the Acquisition. The Forestlands have a total leasehold land base of 63,035.29 Chinese Mu ("mu") and the rights to use the Forestlands will be expired in the year 2057.

Pursuant to a forest survey report (the "Investigation Report") prepared by an independent licensed forestry professionals and consultants in the PRC (the "Forest Survey Team"), estimated number of 4 major species of fruit trees (the "Relevant Biological Assets") planting on 40,571.54 mu of the Forestlands and owned by the Group at the end of the reporting period is shown as follows:

	2014		2013	
	Estimated number	**Area (mu)**	Estimated number	Area (mu)
Apricot trees	**2,793,254**	**33,653.66**	–	–
Hawthorn trees	**373,881**	**5,341.15**	–	–
Chestnut trees	**69,346**	**990.65**	–	–
Pear trees	**41,026**	**586.08**	–	–
Total	**3,277,507**	**40,571.54**	–	–

There is no gains or losses arising from biological assets during the period since the Acquisition as there is no material physical changes. The Group considers that the costs of harvest outweigh the economic benefits derived from selling the fruits. Accordingly, the Group does not harvest any agricultural produce, being the fruits of the biological assets, during the period since the Acquisition and no gains or losses arising from agricultural produce harvested is recognised.

(b) Value of biological assets

The Group's biological assets are measured at fair value less costs of disposal at the date of the Acquisition and at the end of the reporting period in accordance with HKAS 41 "Agriculture". The fair values of biological assets were determined with reference to the work performed by LCH. LCH has various professional qualifications and extensive experience in the valuation of agricultural and biological assets and its related businesses for the listed companies in Hong Kong. Accordingly, the directors are of the view that LCH is competent to determine the fair value of the Group's biological assets. The Group's management has discussion with LCH on the valuation assumptions and valuation results when the valuation is performed at the end of each reporting period.

As advised by the Forest Survey Team, tree species other than the Relevant Biological Assets attached to the remaining areas of the Forestlands have no significant economic value. Accordingly, LCH determined the fair values of the Relevant Biological Assets as the fair values of the biological assets at the date of the Acquisition and at end of the reporting period.

LCH determined the fair values of the Relevant Biological Assets using the Comparable Sales Approach which based on a special assumption (the "Special Assumption") that Relevant Biological Assets could be sold in an active market which is not the case as the Group does not have any licenses and approvals from the relevant authorises on out planting, cutting, logging, transplanting or selling the biological assets on piecemeal basis (hereinafter the "Relevant Licenses and Approvals") at the date of the Acquisition and at the end of the reporting period. The Group will proceed to obtain the Relevant Licenses and Approvals when deemed necessary. As of the date of this report, the Group has not obtained the Relevant Licenses and Approvals.

Should the Group fails to obtain the Relevant Licenses and Approvals and the alternative estimates of fair value of the biological assets are either not available or determined to be clearly unreliable, the carrying amount of the biological assets may adversely affect. However, the directors consider that no impairment is necessary as at the end of the reporting period as the Group considers that the Relevant Licenses and Approvals are not unobtainable.

15. INVESTMENT PROPERTIES

Group

	2014	2013
	HK$'000	*HK$'000*
Carrying amount at beginning of year	**44,800**	106,100
Additions	**–**	2,053
Net (losses)/gains from fair value adjustments	**(2,150)**	9,647
Disposal of subsidiaries (*note 23)*	**(42,650)**	–
Transfer to owner-occupied property	**–**	(73,000)
	–	44,800

As at 31 March 2014, the Group has no investment properties.

As at 31 March 2013, the Group's investment properties were all situated in Hong Kong and were held under long term leases. The Group's investment properties were revalued on 31 March 2013 by Asset Appraisal Limited, independent professionally qualified valuers, at HK$44,800,000 on an open market, existing use basis.

16. AVAILABLE-FOR-SALE INVESTMENTS

Group

	2014	2013
	HK$'000	*HK$'000*
Club membership debenture, at fair value *(note a)*	**4,500**	4,600
Debt element of a convertible bond, at fair value *(note b)*	**13,106**	–
	17,606	4,600

Note:

(a) Club membership debenture was designated as an available-for-sale financial asset at initial recognition and has no fixed maturity date or coupon rate. The fair value of club membership debenture is based on its quoted price in an open market taking into account the estimated transfer fee upon sale. The Group does not intend to dispose the investments in the near future.

(b) The amount represents the debt element of a convertible bond measured at fair value. Details of the convertible bond are set out in note 17 below. The fair value of debt element is the present value of the contractually determined stream of future cash flows discounted at the interest and providing substantially the same cash flows, on the same terms, but without the conversion options. The discount rate used to compute the fair value of debt element comprises the risk-free rate and a credit spread which is determined by reference to the credit analysis of the issuer and the market rate with similar credit rating. The credit spreads at the date of initial recognition and as at 31 March 2014 are 11.41% and 10.97% respectively.

During the year ended 31 March 2014, net fair value gains on available-for-sale investments amounting to approximately HK$54,000 (2013: HK$100,000) was recognised in statement of other comprehensive income.

17. CONVERSION OPTIONS EMBEDDED IN A CONVERTIBLE BOND

Group

	2014	2013
	HK$'000	*HK$'000*
Fair value of the entire convertible bond	**15,485**	–
Less: debt element of convertible bond included in available-for-sale investments, at fair value *(note 16)*	**(13,106)**	–
Conversion options embedded in a convertible bond, at fair value	**2,379**	–

On 10 December 2013, the Group entered into a subscription agreement with Great Desire International Limited ("Great Desire"), a company incorporated in the British Virgin Islands, in relation to the subscription of convertible bond in the principal amount of HK$30,000,000. On 7 February 2014, the Group subscribed convertible bond in the principal amount of HK$15,000,000. The convertible bond is unsecured, carries interest of 5% per annum, payable half yearly each, and is due on 30 months after the date of issue.

The Group shall have the right exercisable to convert the whole or part of the outstanding principal amount of the convertible bond held by the Group into such number of shares of Great Desire as will be determined by dividing the principal amount of the convertible bond to be converted by the conversion price in effect on the maturity date. The conversion price of the convertible bond should be determined with reference to the net profit of Great Desire in the year 2015 at a price earnings ratio agreed by both parties to the subscription agreement.

The fair values at initial recognition of the debt element and conversion options embedded in a convertible bond amounted to approximately HK$12,952,000 and HK$2,048,000 respectively.

During the year ended 31 March 2014, a net gain arising on change in fair value of approximately HK$331,000 is recognised in the consolidated income statement.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Group

	2014	2013
	HK$'000	*HK$'000*
Non-current assets		
Rental deposit	**700**	700
Deposits paid for the Acquisition *(note)*	**–**	470,000
	700	470,700
Current assets		
Prepaid lease payments *(note 12)*	**1,066**	–
Prepayments	**792**	672
Deposits	**79**	116
Interest receivables	**127**	1,244
Receivables from a financial institution	**–**	10,163
Other receivables	**728**	549
	2,792	12,744

Note: As at 31 March 2013, the amount represented the partial consideration paid for the Acquisition which was completed during the current year. Details of the Acquisition are set out in note 24.

19. LOANS RECEIVABLE

Loans receivable as at 31 March 2014 represented receivables arising from the money lending business of the Group and carry variable interest rate of 2.5% per annum over Hong Kong Dollar prime rate. The effective interest rate of such loans receivable as at 31 March 2014 is 7.5% per annum. As at 31 March 2013, loans receivable arising from the money lending business of the Group carried fixed interest at contractual rates ranging from 0.4% to 15% per annum. The granting of these loans has been approved and monitored by the Company's executive directors in charge of the Group's money lending operations. Overdue balances are reviewed regularly by senior management.

20. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	2014	2013
	HK$'000	*HK$'000*
Non-current assets		
Unlisted equity investments, designated as at fair value through profit or loss upon initial recognition *(note a)*	**112,800**	112,800
Current assets		
Held-for-trading listed equity investments, at fair value *(note b)*:		
Hong Kong	**477,809**	180,619
Elsewhere	**36,693**	31,921
	514,502	212,540

Note:

(a) The unlisted equity investments at 31 March 2014 and 2013 were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss. The unlisted equity investments and the listed equity investments form a group of financial assets which are managed and their performances are evaluated on a fair value basis, in accordance with the Group's investment strategy. Their performances are regularly reviewed by the key management personnel of the Group.

The fair value of unlisted equity investments were estimated by independent professionally qualified valuers with reference to the subscription prices of other recent share allotments of those investees with other independent third parties.

(b) At 31 March 2014 and 2013, the listed equity investments were held for trading and were classified as financial assets at fair value through profit or loss. The fair values of the listed equity investments were determined by quoted bid prices in active markets.

21. BORROWINGS

Group

	2014	2013
	HK$'000	*HK$'000*
Interest-bearing bank borrowings *(note a)*:		
– portion of bank borrowings due for repayment within one year	**1,405**	2,473
– portion of bank borrowings due for repayment after one year which contain a repayment on demand clause	**23,640**	30,329
Bonds due for repayment *(note b)*:		
– within one year	**488**	–
– after one year	**9,300**	–
	34,833	32,802
Less: amount classified as current liabilities	**(25,533)**	(32,802)
Amount classified as non-current liabilities	**9,300**	–
Analysed as:		
Secured	**25,045**	32,802
Unsecured	**9,788**	–
	34,833	32,802

Note:

(a) Interest-bearing bank borrowings

The Group's term loans with an aggregate carrying amount of HK$25,045,000 (2013: HK$32,802,000) containing a repayment on demand clause have been classified in total as current liabilities. Accordingly, a portion of the bank borrowings due for repayment after one year with an aggregate carrying amount of HK$23,640,000 (2013: HK$30,329,000) has been reclassified under current liabilities. For the purpose of the above analysis, the borrowings are included within current interest-bearing bank borrowings and analysed into bank borrowings repayable within one year or on demand.

(b) Bonds

	Group and Company	
	2014	2013
	HK$'000	*HK$'000*
At beginning of year	**–**	–
Gross proceeds from issue of bonds during the year	**360,000**	–
Less: transaction costs arising from issue of bonds	**(26,800)**	–
Net proceeds received on initial recognition	**333,200**	–
Interest charged calculated at an effective interest rate *(note 7)*	**37,152**	–
Less: early redemption during the year	**(360,564)**	–
At end of year	**9,788**	–

On 15 October 2012, the Company entered into a selling agreement (the "Selling Agreement") with Freeman Securities Limited ("Freeman"), pursuant to which Freeman agreed to sell a series of 5% unsecured seven-year straight bonds with an aggregate principal amount to HK$450 million to be issued by the Company during a 6-month selling period ended which was further extended to 30 June 2013. During the year ended 31 March 2014, such straight bonds with an aggregate principal amount of HK$350 million were issued and were fully redeemed.

During the year ended 31 March 2014, the Company also issued a 5% unsecured seven-year straight bonds with principal amount of HK$10 million to an independent third party. The final maturity of the bond issued is in the year 2020.

As at 31 March 2013, the Group and the Company had no bonds issued and outstanding.

22. ISSUED CAPITAL

Authorised and issued capital

	Company	
	2014	2013
	HK$'000	*HK$'000*
Authorised capital:		
500,000,000,000 (2013: 500,000,000,000) ordinary shares of HK$0.001 (2013: HK$0.001) each	**500,000**	500,000
Issued and fully paid:		
2,823,953,041 (2013: 1,877,204,322) ordinary shares of HK$0.001 (2013: HK$0.001) each	**2,824**	1,877

A summary of the movements in the Company's issued ordinary share capital and share premium account is as follows:

	Note	**Number of shares in issue**	**Issued capital**	**Share premium account**	**Total**
			HK$'000	*HK$'000*	*HK$'000*
At 31 March 2013 and at 1 April 2013		1,877,204,322	1,877	1,454,366	1,456,243
Right issues	(a)	939,739,198	940	201,104	202,044
Warrants exercised	(b)	7,009,521	7	1,357	1,364
Share issue expenses		–	–	(5,651)	(5,651)
At 31 March 2014		2,823,953,041	2,824	1,651,176	1,654,000

Note:

(a) On 9 May 2013, a rights issue of one rights share for every two existing share held by members of the Company on the register of members on 9 May 2013 was made by the Company, at an issue price of HK$0.215 per rights share, resulting in the issuance of 939,739,198 ordinary shares of the Company HK$0.001 each for a total cash consideration, before expenses, of approximately HK$202 million. Further details of the rights issue are also set out in the Company's prospectus dated 10 May 2013 and the Company's announcement dated 4 June 2013.

(b) During the year ended 31 March 2014, 2,274,075 shares of HK$0.001 each and 4,735,446 shares of HK$0.001 each were issued for cash at a subscription price of HK$0.20 and HK$0.192 per share respectively, pursuant to the exercise of the Company's warrants for a total cash consideration, before expenses, of approximately HK$1,364,000.

23. DISPOSAL OF SUBSIDIARIES

	2014	2013
	HK$'000	*HK$'000*
Net liabilities disposed of:		
Investment properties *(note 15)*	**42,650**	–
Intangible asset *(note 13)*	**–**	50,000
Prepayments, deposits and other receivables	**265**	–
Other payables and accruals	**(16)**	–
Amounts due to group companies	**–**	(50,548)
Interest-bearing bank borrowing	**(5,319)**	–
	37,580	(548)
Amounts due from subsidiaries disposed of	**–**	50,548
Loss on disposal of subsidiaries	**(500)**	–
	37,080	50,000
Satisfied by:		
Cash	**37,080**	50,000

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2014	2013
	HK$'000	*HK$'000*
Cash consideration and net inflow of cash and cash equivalents in respect of disposal of subsidiaries	**37,080**	50,000

24. ACQUISITION OF SUBSIDIARIES

On 5 April 2013, the Group acquired the entire share capital of Global Castle and the entire shareholder loan and other indebtedness due to Speedy Harvest Holdings Limited (the "Vendor") owed by Global Castle Group pursuant to a sales and purchase agreement dated 5 October 2012 which was supplemented by a supplemental agreement dated 24 December 2012 between the Group and the Vendor, at a total consideration of HK$800,000,000.

As a result of the Acquisition, the Group expects to diversify its business to capture the benefits from the trend of ecotourism in the PRC by utilising the Forestlands in Qinglong in the PRC whose rights to use were held by Global Castle Group at the date of acquisition. Goodwill of approximately HK$148,635,000 arising from the Acquisition is attributable to the management of the Forestlands segment of the Group.

None of the goodwill recognised is expected to be deductible for income tax purpose. The following table summarises the consideration paid for the Acquisition and the amounts of assets acquired and liabilities assumed recognised at the date of acquisition, together with the fair value adjustments in relation to biological assets and favourable lease asset and their corresponding deferred tax effects at the date of acquisition.

	HK$'000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment *(note 11)*	974
Prepaid lease payments *(note 12)*	47,128
Biological assets *(note 14)*	5,236
Prepayments and other receivables	375
Cash and cash equivalents	6,599
Other payables and accruals	(461)
Loan from and amount due to the Vendor	(62,898)
Total identifiable net liabilities of subsidiaries assumed	(3,047)
Fair value adjustments on:	
Favourable lease asset, included in intangible assets *(note 13)*	722,900
Biological assets *(note 14)*	65,786
Deferred tax liabilities	(197,172)
Total identifiable net assets	588,467
Loan from and amount due to the Vendor acquired by the Group	62,898
Goodwill *(note 13)*	148,635
	800,000
Total consideration satisfied by:	
Cash consideration paid during the year ended 31 March 2013 recognised as deposits as at 31 March 2013	470,000
Cash consideration paid during the year ended 31 March 2014	330,000
	800,000

	HK$'000
Net cash outflow arising on the Acquisition during the year:	
Cash consideration paid during the current year	330,000
Cash and cash equivalents acquired	(6,599)
	323,401

Acquisition-related costs of approximately HK$2,953,000 were charged to other expenses in the consolidated income statement for the year ended 31 March 2013. No acquisition-related costs were recognised during the year ended 31 March 2014.

The fair value of favourable lease asset at the acquisition date was determined based on an assumption that the fair values of biological assets attached to the Forestlands together with the fair value of lease assets in relation to the land portion of the Forestlands form the entire fair value of the Forestlands. The Group has engaged LCH to determine the fair values of the Forestlands using the Comparable Sales Approach, by reference to ask prices of comparable forestlands in the neighbourhood townships, adjusted for the condition and features of the comparable forestlands such as their locations, accessibility, size and tree species planted. The fair value of favourable lease asset at acquisition date is computed as follows:

	HK$'000
Fair value of the Forestlands	841,050
Less: fair value of biological assets	(71,022)
Less: prepaid lease payments	(47,128)
Fair value of favourable lease asset at acquisition date	722,900

Fair value of biological assets at the acquisition date was determined by LCH with reference to the market-determined prices of tree species with similar heights, adjusted for the conditions of Relevant Biological Assets. This is a Level 3 fair value measurement. Details are set out in note 14 above.

During the current year, Global Castle Group had no revenue contributed to the Group since the Acquisition. The profit/(loss) per the consolidated income statement for the year ended 31 March 2014 include a loss of approximately HK$20,867,000 contributed by Global Castle Group over the same year. Had the Acquisition been completed on 1 April 2013, the consolidated income statement would have included revenue of HK$Nil and loss of approximately HK$20,867,000.

25. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2014	2013
	HK$'000	HK$'000
Contracted, but not provided for:		
Leasehold land and building	**2,100**	–
Office equipment	**–**	39
Leasehold improvements	**936**	69
Acquisition of a subsidiary	**–**	330,000
	3,036	330,108

26. COMPARATIVE FIGURES

As further explained in note 3, due to the reclassification of gains/losses on sale of investments at fair value through profit or loss out of revenue and present the realised and unrealised gains/losses as fair value gains/losses on investments at fair value through profit or loss, certain prior period comparative figures have been reclassified and restated to conform to the current year's revised presentation.

27. EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to the end of the reporting period, the following significant events of the Group, not disclosed elsewhere in the consolidated financial statements, took place:

(a) On 14 May 2014, Coupeville Limited ("Coupeville"), a directly wholly-owned subsidiary of the Company, and two private limited companies entered into a shareholders' agreement and a subscription agreement, pursuant to which Coupeville agreed to contribute HK$1,000,000, representing 33% of the entire equity interest in a jointly-controlled company incorporated in the British Virgin Islands.

(b) On 12 June 2014, Mass Nation Investments Limited ("Mass Nation"), an indirectly wholly-owned subsidiary of the Company, and HEC Capital Limited ("HEC Capital") entered into a subscription agreement (the "Subscription Agreement") pursuant to which HEC Capital has conditionally agreed to issue and Mass Nation has conditionally agreed to subscribe 38,000,000 shares ("Subscription Shares") of HEC Capital at a subscription price ("Subscription Price") of HK$ 6 per Subscription Share and the aggregate of the Subscription Price for 38,000,000 Subscription Shares is HK$228,000,000 (subject to adjustment). Adjustment to Subscription Price and other details of the Subscription Agreement are also set out in the Company's announcement dated 12 June 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Board announces that the Group has made a profit before tax of approximately HK$281 million for the year ended 31 March 2014. The profit is mainly attributable to the fair value gain arisen from equity investments at fair value through profit and loss as at the fiscal year end date.

The Company is an investment holding company with the following major lines of business:

a) Real Estate Investment

The Group owned two commercial properties in North Point and Kowloon east. Both of them were disposed of during the year ended 31 March 2014 through disposal of subsidiaries. The management will take a conservative approach in taking up new investment in the coming year.

b) Investment in Securities

The Group's securities portfolio reported a gain on sale of investments at fair value through profit or loss of approximately HK$19 million for the year ended 31 March 2014. Besides, there is a net fair value gain on investment at fair value through profit or loss of approximately HK$366 million in the same year.

c) Money Lending Business

The Group's wholly owned subsidiary engaged in money lending business segment recorded a positive result for the period concerned. The management will continue to take cautious approach in this line of business.

d) Investment Holding

The Group holds an unlisted investment at fair value of the amount of approximately HK$112.8 million as at 31 March 2014. Subsequent to the year-end date on 12 June 2014, the Group has agreed conditionally to increase the investment by way of subscription of shares at the total amount of approximately HK$228 million (subject to adjustment). After the subscription has been completed, the shareholding in this unlisted investment would have increased from 2.10% to 6.10%. The management is positive on the future prospect of this investment.

e) Chinese Medicine Clinic operation

The Group's operation in traditional Chinese Medicine industry through the operation of the Hon Chinese Medicine Clinic has run for approximately three years. Although the operation is still not making a positive contribution to the Group due to keen competition in this market, the turnover has been making steady growth for the year. The management is taking measures to streamline the operation with a view to improve the financial performance of this business in the coming year.

f) Investment in Forest Interest in the PRC

On 5 April 2013, the Group completed the acquisition of a group of companies which principal asset is forestlands with a total area of 63,035.29 mu located in Qinglong Manchu Autonomous County of Hebei Province, the PRC. The Company has positioned forestry management business and ecotourism as one of its core businesses of the Group.

The Group's prepaid lease payments and favourable lease asset arising from the business combination of Global Castel Group represent the land portion and the forestlands use rights granted to Global Castle which is located in Hebei province abovementioned at the date of acquisition. Both of them are amortised on straight-line basis over the remaining term of the lease of the Forestlands. During the year ended 31 March 2014, the Group recognised a loss on change in fair value less costs of disposal of approximately HK$21 million. This represents the combine effect of amortisation of prepaid lease payments and favourable lease asset on a straight-line basis over the remaining term of the lease which will terminate on 2057 plus the impairment of goodwill.

Collection of fruit products and enhancing the quality and quantity of existing fruit trees is the primary long term plan of the Company. Firstly, the management has started negotiation with the farmers a certain way of cooperation whereby they will be paid on the amount of fruits they pick at a discount to market price. Secondly, apple trees and flowers are planted and will be cultivated using new improved methods technically advised by Beijing Academy of Agriculture and Forestry Science Besides, the management is now exploring e-commerce channels which will be used to distribute our own farm products as well as local specialty products.

For ecotourism, the management is in discussion with various investors as to the way of cooperation. No final agreement has been reached.

After the year end date, the Group has formed a joint venture with two parties which business objective is to engage in a single purpose project, the investment holding of forestry-related business in the Asia Pacific region.

The forestry management business and ecotourism business are still at its development stage and no profit contribution is expected immediately. However the management is confident that this line of business has a great potential to appreciate in the long run.

PROSPECT

The U.S. Federal Reserve will probably end its massive bond-buying program this fall, and could start raising interest rates around first quarter of 2015. The economic outlook for the Greater China region is still not very optimistic. Thus, the business environment is still not very clear and challenging. However, with a relatively low gearing, the Company will focus on its core business of forestry management and seeking diversified business opportunities in a cautious approach in order to sustain in this uncertain economy.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2014, the Group's total assets and borrowings were HK$1,741,526,000 and HK$34,833,000, respectively. Borrowings represented interest-bearing bank borrowings and bonds. Bank borrowings of the Group carried floating interest rates with reference to the HIBOR and bonds carried fixed rate interest of 5% per annum, both of which were denominated in Hong Kong dollar, and thus, there is no exposure to fluctuations in exchange rate. The gearing ratio (total borrowings/total assets) was approximately 2%. As at 31 March 2014, certain property, plant and equipment amounted to HK$63,195,000, respectively were pledged to banks to secure certain loan facilities granted to the Group and investments in securities with carrying amount of HK$477,809,000 were pledged to certain financial institutes to secure certain margin financing facilities provided to the Group.

On 15 October 2012, the Company entered into a selling agreement (the "Selling Agreement") with Freeman Securities Limited ("Freeman"), pursuant to which Freeman agreed to sell a series of 5% unsecured seven-year straight bonds with an aggregate principal amount up to HK$450 million to be issued by the Company during a 6-month selling period ended which was further extended to 30 June 2013. During the year, such straight bonds with an aggregate principal amount of HK$350 million were issued and were fully redeemed.

During the year, the Company also issued a 5% unsecured seven-year straight bonds with principal amount of HK$10 million to an independent third party. The final maturity of bond issued is in the year 2020.

On 9 May 2013, a rights issue of one rights share for every two existing shares held by members of the Company on the register of members on 9 May 2013 was made by the Company, at an issue price of HK$0.215 per rights share, resulting in the issuance of 939,739,198 ordinary shares of the Company of HK$0.001 each for a total consideration, before expenses, of approximately HK$202 million. Further details of the rights issue are set out in the Company's prospectus dated 10 May 2013 and the Company's announcement date 4 June 2013.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

Saved as disclosed in note 23 and 24 in the announcement, the Group has no material acquisitions and disposals of subsidiaries during the year ended 31 March 2014.

CURRENCY RISK MANAGEMENT

The Group's transactions are mainly denominated in Hong Kong dollars and RMB. Therefore, the Group is exposed to exchange rate risk. The majority of the Group's cash and bank balances are also denominated in these two currencies. The Group also holds listed equity investments in Singapore Dollar. During the year ended 31 March 2014, the Group did not experience significant exposure to exchange rate and interest rate fluctuations. Accordingly, the Group has not implemented any foreign currency hedging policy at the moment. However, the management of the Group will constantly review the economic situation, development of each business segment and the overall foreign exchange risk profile, and will consider appropriate hedging measures in the future when necessary.

EMPLOYEES, REMUNERATION POLICY AND RETIREMENT BENEFITS SCHEME

As at 31 March 2014, the Group had an available workforce including directors of the Company, of 45, of which 10 were based in the PRC. Staff costs incurred and charged to profit or loss for the year, including directors' remuneration, was approximately HK$11.7 million (2013: HK$11.3 million).

The Group selects and promotes staff based on their qualification, experience and suitability for the position offered. The Group's remuneration policy aims to retain and motivate staff. Performance of staff is appraised annually to provide a base for the review of the remuneration package. The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all its employees.

CONTINGENT LIABILITIES

The Company has major contingent liabilities relating to a guarantee given to a bank in connection with facility granted to a subsidiary of approximately HK$31,500,000 (2013: HK$31,500,000).

CLOSURE OF REGISTER OF MEMBER

The register of members will be temporarily closed from 14 August 2014 to 18 August 2014, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting in the Annual General Meeting, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-16, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:30 p.m. on 13 August 2014.

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

During the year, neither the Company nor any its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 March 2014, except for the following deviations:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. Dr. Kwong Kai Sing, Benny, assumes the roles of both Chairman and Chief Executive Officer of the Company, and is in charge of the overall management of the Company. The Company considers that the combination of the roles of the Chairman and Chief Executive Officer can promote the efficient formulation and implementation of the Company's strategies which will enable the Group to grasp business opportunities efficiently and promptly. The Company considers that through the supervision of its Board and its independent non-executive directors, a balancing mechanism exists so that the interests of the shareholders are adequately and fairly represented.

Code provision A.4.1 stipulates that non-executive directors should be appointed for specific term, subject for re-election. None of the existing directors are appointed for specific term. However, all the directors shall be subject to retirement by rotation at the annual general meetings pursuant to the Company's Bye-laws (Code Provision A.4.2 stipulates that all directors appointed should be subject to retirement by rotation at least once every three years (the "Rotation Period Restriction")). As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting processes and internal controls. The audit committee comprises four independent non-executive directors of the Company. The Company's annual results for the year ended 31 March 2014 have been reviewed by the audit committee of the Company.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2014 have been agreed by the Group's auditor, Graham H. Y. Chan & Co., to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Graham H. Y. Chan & Co. in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Graham H. Y. Chan & Co. on the preliminary announcement.

COMPLICATION WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code for securities transactions by directors of the Company. Following specific enquiry by the Company, the directors have confirmed that they have complied with the required standard under the Model Code for the year ended 31 March 2014.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.heritage.com.hk). The annual report for the year ended 31 March 2014 will be dispatch to the shareholders and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board
Dr. Kwong Kai Sing, Benny
Chairman

Hong Kong, 27 June 2014

As at the date of this announcement, the Company has four executive directors, being Dr. Kwong Kai Sing, Benny, Mr. Ong Peter, Mr. Chow Chi Wah, Vincent and Ms. Chen Wei and four independent non-executive directors, being Mr. To Shing Chuen, Mr. Ha Kee Choy, Eugene, Mr. Chung Yuk Lun and Mr. Lo Wong Fung.