Vision Fame International Holding Limited

允升國際控股有限公司

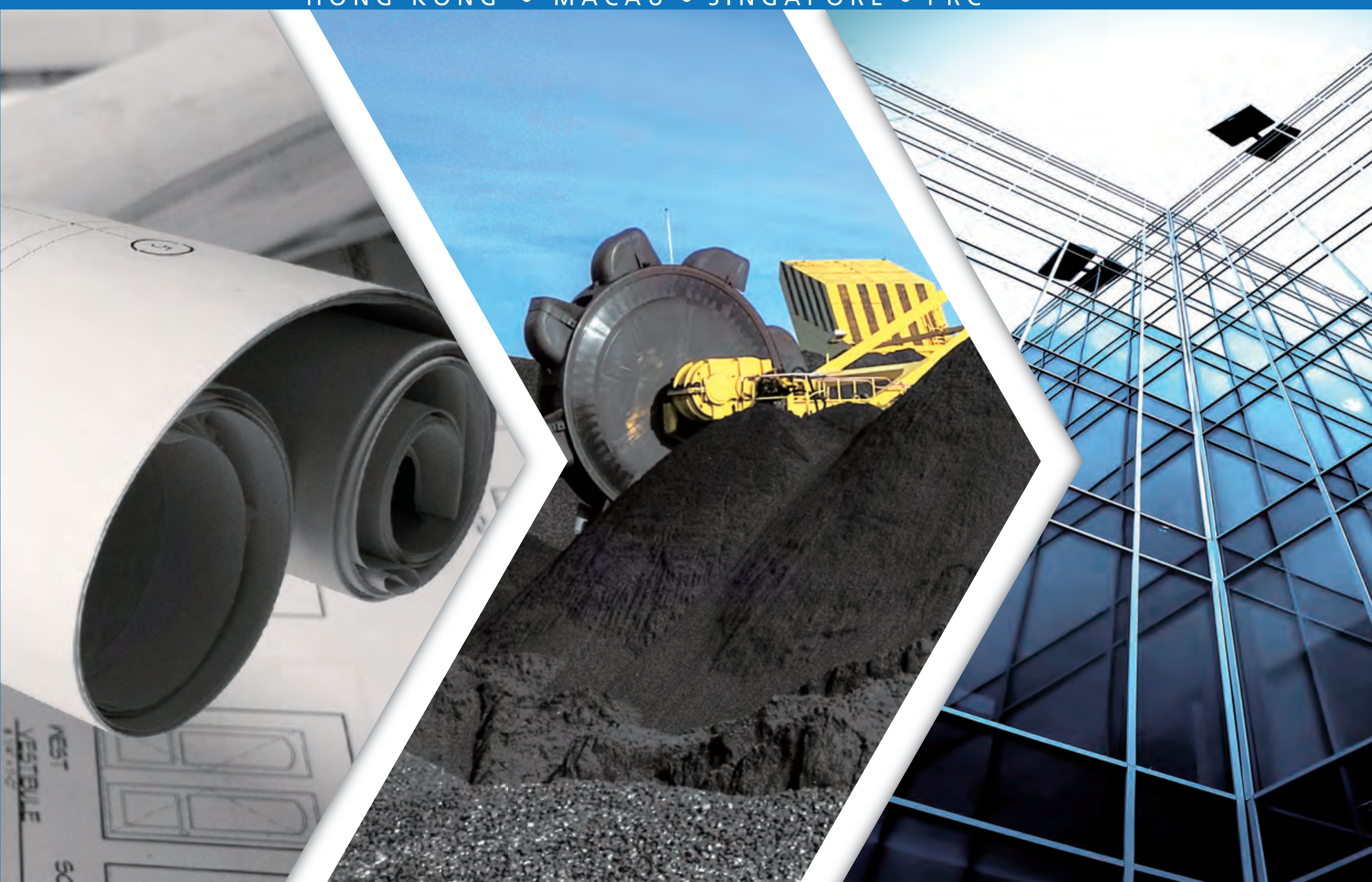
(incorporated in the Cayman Islands with limited liability)

Stock Code: 1315

VISION FAME

ANNUAL REPORT 2015

HONG KONG • MACAU • SINGAPORE • PRC



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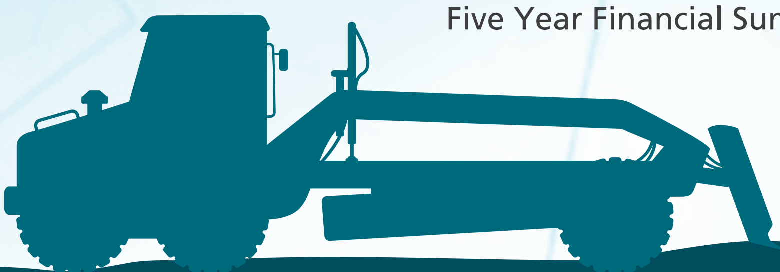

Corporate Information

Executive Directors

Wang Zhijun *(Chairman)*
Hu Baoyue *(Acting Chief Executive Officer)*
Kwan Ngai Kit

Independent Non-Executive Directors

Chiu Sai Chuen Nicholas
Tam Tak Kei Raymond
Wong Kai Tung Simon

Company Secretary

Kwan Ngai Kit

Audit Committee

Tam Tak Kei Raymond *(Chairman)*
Chiu Sai Chuen Nicholas
Wong Kai Tung Simon

Remuneration Committee

Wong Kai Tung Simon *(Chairman)*
Wang Zhijun
Hu Baoyue
Chiu Sai Chuen Nicholas
Tam Tak Kei Raymond

Nomination Committee

Wang Zhijun *(Chairman)*
Hu Baoyue
Chiu Sai Chuen Nicholas
Tam Tak Kei Raymond
Wong Kai Tung Simon

Registered Office

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Room 1701, 17/F., Tower 2
Lippo Centre, 89 Queensway
Admiralty, Hong Kong

Authorized Representatives

Hu Baoyue
Kwan Ngai Kit

Auditor

Deloitte Touche Tohmatsu
35/F., One Pacific Place
88 Queensway
Hong Kong

Legal Advisers

As to Hong Kong law
King & Wood Mallesons
13/F., Gloucester Tower, The Landmark
15 Queen's Road Central
Central, Hong Kong

As to the Cayman Islands law
Appleby
2206–19 Jardine House, 1 Connaught Place
Central, Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
DBS Bank (Hong Kong) Limited
BNP Paribas Hong Kong Branch
DBS Bank Ltd
Malayan Banking Berhad

Principal Share Registrar and Transfer Office

Appleby Trust (Cayman) Ltd.
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
A18/F., Asia Orient Tower, Town Place
33 Lockhart Road
Wanchai, Hong Kong

Company Website

www.visionfame.com

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors"), I am pleased to present the annual results of Vision Fame International Holding Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2015 ("Fy2015").

For Fy2015, the turnover of the Group increased to approximately HK$1,776 million from approximately HK$864 million for financial year ended 31 March 2014 ("Fy2014"), representing an increase of approximately 1.06 times compared with Fy2014. The loss attributable to shareholders of the Company is approximately HK$117 million (Fy2014: approximately HK$48 million) and the loss per share is approximately HK$39.1 cents (Fy2014: approximately HK$16.1 cents). The Board does not recommend any payment of dividends for Fy2015 (Fy2014: Nil).

Business Review

Fy2015 was a challenging year for the Group because our construction and related businesses were operated in tough environment resulting from the substantial increase in construction costs including the building materials, staff and labor costs which had adversely impacted the overall cost structure which in turn affected our operation performance. During Fy2015, the Group had prudently adjusted its overall strategy to focus on short to medium-term projects in order to minimise our exposure to any further unexpected increase in the construction costs. For the purpose of business expansion, the Group has further diversified into (i) property development and provision of related management and advisory services business and (ii) commodities trading business during Fy2015.

Prospect

Although the operating environment of the construction business is expected to remain tough in the coming year, the Board is confident that the Group would be capable of securing promising business opportunities given its vast experience in handling a wide variety of construction works in the past two decades. The Group will continue to adopt a prudent approach when submitting new tenders.

The newly acquired property development and provision of related management and advisory services business is expected to generate stable source of income for the Group in the coming year as the progress of its business development is satisfactory. In addition, the Group will continue to explore other relevant business opportunities so as to expand the scope of services and customer base for this business segment.

The commodities trading business also commenced in Fy2015. The Board will strive to strengthen its business network and trading platform for the resources sector so as to develop another income stream for the Group.

Furthermore, the Board is committed to strive to increase the shareholders' value of the Group by continuously exploring new investment opportunities that could provide promising returns and prospects in long term.

Appreciation

Finally, I would like to take this opportunity to express my gratitude to our shareholders and business partners for their support to and trust in the Board. My gratitude also extends to our staff for their loyalty and diligence in the achievements of the Group.

Wang Zhijun
Chairman
Vision Fame International Holding Limited
30 June 2015

(1) Results for the Year

Turnover of the Group has increased from approximately HK$864 million in the year ended 31 March 2014 to approximately HK$1,776 million in the year ended 31 March 2015, representing an increase of approximately HK$912 million or approximately 106% compared with Fy2014. In Fy2015, the Group recorded a gross loss of approximately HK$23 million (Fy2014: gross profit approximately HK$22 million).

On 31 January 2015, in order to enter the property development management and advisory services sector in the PRC, the Group has completed the acquisition of the entire equity interests in China Worth International (Qingdao) Real Estate Management Limited ("CWIL"), a property development management and advisory services company in Mainland China, which is engaged in the provision of comprehensive real estate operation and management services, which include project evaluation, planning and design, development and construction, cost control, financial management, human resources management and general administration, targeting at the various real estate projects. Since its acquisition on 31 January 2015, CWIL has contributed revenue and profit of HK$3.1 million and HK$2.1 million, respectively, in Fy2015.

Increase in revenue was mainly attributable to (i) a newly established commodities trading business with revenue of HK$528 million in Fy2015 (Fy2014: Nil); (ii) increase in revenue of the building construction segment in Hong Kong and Singapore because a number of sizable projects in this segment were in full swing in Fy2015; and (iii) increase in revenue of the alteration, renovation, upgrading and fitting-out works (collectively "A&A works") in Hong Kong market due to several sizable projects were in full swing in Fy2015.

In Fy2015, the Group recorded a gross loss of approximately HK$23 million as compared with gross profit of approximately HK$22 million in Fy2014. The change from gross profit in Fy2014 to gross loss in Fy2015 was mainly attributable to (i) significant increase in construction costs including materials, staff and labour cost in building construction projects in Singapore; and (ii) revenue contributions of several property maintenance contracts were lower than the costs incurred.

During Fy2015, the Group had won twenty four new contracts with total contract value amounting to approximately HK$1,247 million of which eleven contracts with total contract value of approximately HK$712 million were of the building construction segment and thirteen contracts with total contract value of approximately HK$535 million were of the A&A works segment. As at 31 March 2015, the Group had projects in progress with total contract sum of approximately HK$3,367 million.

During the period of Fy2015 and up to the date of this report, the Group has entered into several new contracts with total contract value of approximately HK$898 million.

Other income for Fy2015 was approximately HK$7.1 million representing an increase of approximately HK$2.1 million as compared with Fy2014 of approximately HK$5 million.

Loss attributable to owners of the Company in Fy2015 is approximately HK$117 million as compared with a loss of approximately HK$48 million in Fy2014.

The basis loss per share of the Company for Fy2015 was HK$39.1 cents compared to HK$16.1 cents for Fy2014.

(2) Review of Operations

(i) Building Construction

The building construction segment recorded revenue of approximately HK$558 million for Fy2015 (Fy2014: approximately HK$352 million). Segment loss for Fy2015 was approximately HK$36 million compared with segment loss approximately HK$0.9 million in Fy2014. The increase in segment revenue was mainly due to several construction projects which were in full swing in Fy2015. However, segment loss was recorded in Fy2015 due to significant increase in construction costs including materials, staff and labour cost in Singapore.

(ii) Property Maintenance

The property maintenance segment reported a continuous growth in segment revenue. The segment revenue for Fy2015 was approximately HK$282 million, up by 32% from approximately HK$214 million in Fy2014. However, segment loss of approximately HK$14.8 million was recorded in Fy2015 as compared with segment profit of approximately HK$10.7 million in Fy2014. The overall result of the Group in this segment was a growth in segment revenue and change from segment profit in Fy2014 to segment loss in Fy2015. It is mainly due to revenue contributions of several property maintenance contracts were lower than the costs incurred.

(iii) Alterations, renovation, upgrading and fitting-out works

Revenue for the A&A works segment for Fy2015 was approximately HK$406 million (Fy2014: approximately HK$297 million) and segment profit was approximately HK$26.4 million (Fy2014: approximately HK$13.3 million). The overall result in this segment was increase in both segment revenue and segment profit associated with increase in segment profit margin as compared with Fy2014.

The segment profit and segment profit margin of Fy2015 was higher than that of Fy2014 primarily due to the fact that a number of sizable projects of A&A works segment in Hong Kong with higher gross profit margin were substantially completed or in full swing in Fy2015.

(iv) Property development and provision of related management and advisory services ("PDMAS")

Since the completion of the acquisition of CWIL on 31 January 2015, the Group has grouped together all relevant property development and related resources to form a new segment, called PDMAS. PDMAS recorded revenue and loss of HK$3.1 million and HK$0.1 million, respectively in Fy2015. Since its acquisition, CWIL contributed revenue and profit of HK$3.1 million and HK$2.1 million, respectively, in Fy2015. The segment loss was mainly due to an impairment loss of property under development of HK$3.2 million which was recognised as a result of decrease in its market value.

(v) Trading of commodities

Revenue for the trading of commodities segment for Fy2015 was approximately HK$527.5 million (Fy2014: Nil) and segment profit was approximately HK$1.4 million (Fy2014: Nil). The Group has newly established the business of trading of commodities during Fy2015. Although the prices of commodities had been falling during Fy2015, our management who has extensive experience in commodities markets continuously adopted a prudent approach to minimise the risk of price fluctuations in association with the trading business.

(3) Financial Position

The Group mainly relies upon funds generated internally together with bank and other loans to finance its operations and expansion.

The Group has certain portion of bank balances and cash denominated in currencies other than the functional currencies of the relevant entities to which they relate. In addition, the Group's sales and purchases are mainly transacted in Hong Kong dollar, United States dollar, Singapore dollar and Renminbi. Given that the exchange rates of such foreign currencies against Hong Kong dollar, our reporting currency, are relatively stable, the management believes that the foreign currency exchange risk is insignificant to the Group. As such, during Fy2015 and Fy2014, the Group does not have any financial instruments for currency hedging purpose but will consider hedging significant foreign currency exposure should the need arise.

Total interest bearing loans have increased from HK$181 million as at 31 March 2014 to HK$207 million as at 31 March 2015. All borrowings were denominated in Hong Kong dollars and Renminbi. The Group's net cash balance have decreased from 31 March 2014 of approximately HK$308.5 million to 31 March 2015 of approximately HK$175.5 million.

At the end of the reporting period, the Group had pledged the following assets to banks and an insurance company to secure the banking facilities and performance bonds granted to the Group:

	31 March 2015 HK$'000	31 March 2014 HK$'000
Property, plant and equipment	**7,560**	7,740
Other receivables	**11,177**	13,817
Bank deposits	**19,717**	44,661
Bills receivable	**30,659**	—
	69,113	66,218

The Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary. At 31 March 2015, the Group has been granted total banking facilities of approximately HK$80.6 million (as at 31 March 2014: approximately HK$202 million). An amount of approximately HK$34.2 million (as at 31 March 2014: approximately HK$106.4 million) remained unutilised.

(4) Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2015 and 31 March 2014 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statements of financial position and the amount of contingent liabilities in relation to financial guarantees issued by the Group. To minimise the credit risk, the management of the Group has delegated a team responsible for determination of 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 other receivables regularly at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

(5) Liquidity and Financial Resources

The Group's liquidity and gearing ratio remain well managed as of the year end. As at 31 March 2015, the gearing ratio of the Group was 26.7% (31 March 2014: 27.5%). The gearing ratio is calculated by dividing total interest-bearing loans with total assets as at reporting date multiplied by 100%. The decrease in gearing ratio was due to the increase in total assets during Fy2015.

As at 31 March 2015, current assets and current liabilities were stated at approximately HK$734.8 million (as at 31 March 2014: approximately HK$605.2 million) and approximately HK$572.2 million (as at 31 March 2014: approximately HK$333.3 million), respectively. The current ratio decreased from 1.82 times as at 31 March 2014 to 1.28 times as at 31 March 2015. The current ratio is calculated by dividing current assets with current liabilities as at the end of respective period.

The management and control of the Group's financial, capital management and external financing functions are monitored centrally by our Group's finance department in Hong Kong. The Group adheres to prudent financial management principles in order to control and minimise financial and operational risks.

The Group's financial position is sound and strong. With its available bank balances and cash and existing available bank credit facilities, the Group has sufficient liquidity and financial resources to satisfy its foreseeable financial requirements.

(6) Contingent Liabilities and Capital Commitments

At the end of each reporting period, the Group had provided the following guarantees:

	31 March 2015 HK$'000	31 March 2014 HK$'000
Guarantees in respect of performance bonds in favor of its clients	**164,306**	127,080

The Group did not have any significant capital commitment as at 31 March 2015 and 31 March 2014.

(7) Available-For-Sale Investments

As at 31 March 2015, the Group has available-for-sale investments of approximately HK$7.8 million (as at 31 March 2014: approximately HK$11.3 million), which comprised primarily investment in the listed shares of a listed company in Singapore, HLH Group Limited. As at 31 March 2015, the Group held 89,400,000 shares (as at 31 March 2014: held 89,400,000 shares). An impairment loss of approximately HK$2.9 million is recorded in profit or loss in Fy2015 as a result of the prolonged decline in the market value of the listed shares. The fair values of the above listed shares are determined based on the quoted bid prices available on the Singapore Exchange Limited.

(8) Use of net proceeds from listing

The Company's shares were first listed on the Main Board of the Stock Exchange on 18 January 2012. The net proceeds from the Company's listing were approximately HK$39.9 million after deducting underwriting fee and other related expenses. In accordance with the proposed applications set out in the section "Future Plans And Use of Proceeds" in the prospectus of the Company dated 30 December 2011, the net proceeds received were applied during the years ended 31 March 2014 and 31 March 2015 as follows:

	Net proceeds (HK$ million)					
	Available as at 31 March 2014	**Reallocated**	**Available as at 31 March 2015**	**Utilised Fy2013 & Fy2014**	**Utilised Fy2015**	**Unutilised**
Business developments	9.6	10.1	19.7	1.2	18.5	—
Operation of projects awarded from 1 July 2011 as disclosed in the prospectus of the Company dated 30 December 2011	9.6	—	9.6	9.6	—	—
Increase in the performance bond facilities	9.6	(4.8)	4.8	4.8	—	—
Marketing and promotion	6.3	(5.3)	1.0	0.6	0.4	—
Development of new construction techniques and methodologies	4.8	—	4.8	3.8	1.0	—
	39.9	—	39.9	20.0	19.9	—

The Group held the unutilised net proceeds in short-term deposits or time deposits with reputable banks in Hong Kong as at 31 March 2014.

(9) Movement of incomplete contracts for the year ended 31 March 2015

	31 March 2014 HK$'000	Contracts Secured HK$'000	Contracts Completed HK$'000	**31 March 2015 HK$'000**
Building Construction	1,364,140	712,401	583,915	**1,492,626**
Property Maintenance	1,217,918	—	—	**1,217,918**
Alteration, Renovation, Upgrading and Fitting-Out Works	430,700	534,683	308,451	**656,932**
	3,012,758	1,247,084	892,366	**3,367,476**

Building Construction segment

Contracts secured for the year ended 31 March 2015

Contracts	**Commencement date**	**Contract value** HK$'000
Residential redevelopment, No.4 Wiltshire Road, Kowloon, Hong Kong	May 2014	25,555
Hotel development at 8A–8B Wing Hing Street, North Point, Hong Kong	June 2014	135,000
Bored piling works at Taman Jurong Community Club at 1 Yu Sheng Road, Singapore	April 2014	1,087
Bored piling works at 5-storey factory development at Lim Teck Boo Road, Singapore	April 2014	1,652
Bored piling works at proposed erection of a block 2-storey indoor sports halls and alterations & additions to Existing Tanjong Katong Secondary School, Temasek Secondary School and Bowen Secondary School, Singapore	August 2014	7,084
Bored piling works for proposed erection of 1 Block 7-storey admin/institutional Building with 1 basement level carpark at 10 Kent Ridge Crescent, Singapore	August 2014	7,577
Bored piling works for proposed A&A to existing Chongzeng & Yumin Primary School with new erection of one 4 storey indoor sport hall and a 6 storey special teaching block for Chongzeng and Yumin at Tampines Street 21, Singapore	December 2014	3,744
Bored piling works for Proposed Erection of New Primary School on Lot 02697C PT MK 21 at Punggol Drive/Edgefield Plain, Singapore	January 2015	15,880
Proposed Research and Development Centre at Yuen Long Industrial Estate, N.T., Hong Kong	January 2015	168,600
Design and build of upgrading projects for G18F, Singapore	January 2015	152,745
Design and build of upgrading projects for G20B, Singapore	February 2015	193,477
Total		712,401

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts secured for the year ended 31 March 2015

Contracts	Commencement date	Contract value HK$'000
Construction and completion of Venetian Macao Team Member Washrooms, Macau	May 2014	13,920
Prada store at Hong Kong Plaza 2000, main cable diversion works, Hong Kong	May 2014	6,293
Former Chung Ancestral Hall and Chung Old Houses at Yuen Tun Camp, Tsuen Wan, N.T., Hong Kong	April 2014	1,821
Repartitioning works at 2/F of West Commercial Block, Paradise Mall, Hong Kong	May 2014	26,347
Renovation works for catering and amenities facilities and associated improvement works at David C Lam Building, Hong Kong Baptist University, Hong Kong	June 2014	50,913
Creation of anchor stores on 4/F of Gateway II (Atrium I), in Harbour City, Kowloon, Hong Kong	August 2014	158,821
Alterations and additions works of food factory at No. 3 Dai Shun Street, Tai Po Industrial Estate, N.T. Hong Kong	September 2014	179,551
Repartitioning works on 14 Dai Fu Street, Tai Po Industrial Estate, N.T., Hong Kong	August 2014	69,863
Ball Courts improvement works at No. 18 Chai Wan Road, Hong Kong	October 2014	2,850
Pure Fitness & Yoga Shop at The Pulse, No. 28 Beach Road, Hong Kong	October 2014	10,868
Waterproofing works at Sunny Hose Building, Tai Po Industrial Estate, N.T., Hong Kong	December 2014	7,850
Works for interior and toilets at Sunny Hose Building, Tai Po Industrial Estate, N.T., Hong Kong	January 2015	2,900
Renovation at St. Raphael's Catholic Cemetery at Cheung Sha Wan, Kowloon, Hong Kong	February 2015	2,686
Total		534,683

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts completed for the year ended 31 March 2015

Contracts	Commencement date	Completion date	Contract value HK$'000
Patch Repair for grille block wall at lift lobby of Chi Chun Lau at Chun Seen Mei Chuen, Hong Kong	August 2013	April 2014	609
Renovation work to Wan Chai Sports Federation Hong Kong	June 2014	August 2014	2,299
Main Contract for 4/f ramp modification works at Gateway I in Harbour City Tsim Sha Tsui, Kowloon, Hong Kong	February 2014	May 2014	623
Contract improvement works to customer service centres at Tsuen Wan Line & Island Line with MTR Corporation Ltd, Hong Kong	April 2012	April 2014	15,962
Interior fitting-out work (Phase 2) for 611 Bread of Life Christian Church at Wealthy Garden, 2–18 Tsuen Kwai Street, Tsuen Wan, N.T., Hong Kong	July 2013	May 2014	21,880
Main Contract for asset enhancement works at Choi Wan Commercial Complex, Kowloon, Hong Kong	August 2012	April 2014	122,116
Proposed extension to Salesian Missionary House at No. 18 Chai Wan Road, Hong Kong	April 2013	August 2014	42,003
Former Chung Ancestral Hall and Chung Old Houses at Yuen Tun Camp, Tsuen Wan, N.T., Hong Kong	April 2014	July 2014	1,821
Station commercial works at Mei Foo MTR Station, Hong Kong	September 2013	June 2014	11,899
Alterations and additions works at A1/F and AG1/F for the Hong Kong Polytechnic University, Hong Kong	December 2013	June 2014	22,796
Hoarding and site clearance contract for proposed hotel development at Murray Building, Hong Kong	March 2014	September 2014	32,512
Construction and completion of Venetian Macao Team Member Washrooms, Macau	May 2014	February 2015	13,920
Prada store at Hong Kong Plaza 2000, main cable diversion works, Hong Kong	May 2014	October 2014	6,293
Pure Fitness & Yoga Shop at The Pulse, No. 28 Beach Road, Hong Kong	October 2014	December 2014	10,868
Ball courts improvement works at No. 18 Chai Wan Road, Hong Kong	October 2014	January 2015	2,850
Total			308,451

Building Construction segment

Contracts completed during for the year ended 31 March 2015

Contracts	Commencement date	Completion date	Contract value HK$'000
Building works as Sengkang Neighbourhood 4 Contract 12 (total 521 dwelling units), Singapore	August 2011	December 2014	446,477
Proposed industrial building 37–53 Wang Lok Street Yuen Long Industrial Estate , N.T., Hong Kong	October 2013	July 2014	87,508
Bored piling works for design and build of proposed Epicentre At Tuas South Avenue 3 and 5, Tuas Biomedical Park, Singapore	September 2013	April 2014	19,379
Piling works at proposed erection of a 4-storey Mosque with basement carpark and a roof terrace at Punggol New Town, Singapore	October 2013	April 2014	3,488
Bored piling works at Anderson Primary School, Singapore	January 2014	May 2014	5,919
Bored piling works at Taman Jurong Community Club at 1 Yu Sheng Road, Singapore	April 2014	September 2014	1,087
Bored piling works at proposed erection of a block 2-storey indoor sports halls and alterations & additions to Existing Tanjong Katong Secondary School, Temasek Secondary School and Bowen Secondary School, Singapore	August 2014	November 2014	7,084
Bored piling works for proposed erection of 1 Block 7-storey admin/institutional Building with 1 basement level carpark at 10 Kent Ridge Crescent, Singapore	August 2014	December 2014	7,577
Bored piling works at 5-storey factory development at Lim Teck Boo Road, Singapore	April 2014	November 2014	1,652
Bored piling works for proposed A&A to existing Chongzeng & Yumin Primary School with new erection of one 4 storey indoor sport hall and a 6 storey special teaching block for Chongzeng and Yumin at Tampines Street 21, Singapore	December 2014	March 2015	3,744
Total			583,915

Overall

Contracts secured subsequent to 31 March 2015 and up to the date of the report

Contracts	Commencement date	Contract value HK$'000
Main Contract for proposed alteration & addition at B/F–3/F, block E & F, Harbour City, Kowloon, Hong Kong	April 2015	65,322
Term contract for minor works 2015 for Kowloon East and Central Clusters, Hong Kong	June 2015	726,483
Bored piling works for proposed A&A to existing Teck Whye Primary School and West View Primary School, Singapore	June 2015	7,488
Bored piling works for proposed multi storey carparks Batch 5 at Teck Whye Avenue (CK6) and Bedok Reservoir (KE3), Singapore	June 2015	7,356
Bored piling works for proposed 8 storey multiple user light industrial (B1) development with basement carpark at 2 Pereira Road, Singapore	July 2015	2,953
Replacement of curtain wall and external wall painting at headquarters and flight training centre, Hong Kong	June 2015	88,208
Total		897,810

(10) Employees and remuneration policies

As at 31 March 2015, the Group employed a total of 328 staff (as at 31 March 2014: 324 staff) which included Hong Kong, Macau, Singapore and Mainland China employees. The total remuneration for staff was approximately HK$116 million for Fy2015 (Fy2014: approximately HK$100 million).

The Group establishes its remuneration policy by making reference to the prevailing market conditions and a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest caliber, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of remuneration package are consisted of basic salary, allowances, benefit-in-kind, fringe benefits including medical insurance and contributions to mandatory provident funds, as well as incentives like discretionary bonus. The Group also provides external training programmes which are complementary to certain job functions.

The remuneration packages of the senior management are recommended by the managing director of the respective company and approved by the Board by reference to their respective responsibilities and accountability, target achievements, business results and market competitiveness of the Group. The remuneration packages of the managerial and support staff are determined by the directors of the respective company.

(11) Material acquisitions and disposal of subsidiaries and associated companies

On 31 December 2014, Smart Sky Hong Limited (the "SSHL"), a wholly-owned subsidiary of the Company, entered into a share transfer agreement with the vendor and the guarantor pursuant to which the SSHL agreed to acquire and the vendor agreed to dispose of the entire equity interest in China Estate International Limited (the "CEIL"), which is an investment holding company and directly holds the entire equity interest in CWIL, and a shareholder's loan amounting to USD0.5 million owed by the CEIL to the vendor at a consideration of HK$11 million. The share transfer of the CEIL was completed on 31 January 2015.

Saved as disclosed above, there was no material acquisition or disposal of subsidiaries or associated companies by the Company in Fy2015.

(12) Plan for significant investment or acquisition of capital assets in the future

At the date of this report, the Company has no plan for material investment or acquisition of material capital asset.

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Wang Zhijun ("Mr. Wang"), aged 42, was appointed as executive Director on 2 May 2013. Mr. Wang is also the chairman of the Board, the chairman of the nomination committee and a member of the remuneration committee of the Company. Mr. Wang has been a businessman for over ten years, and currently has investment in a company incorporated in Singapore which is engaged in international trading of nonferrous metals.

Mr. Hu Baoyue ("Mr. Hu"), was appointed as executive Director on 2 May 2013. Mr. Hu is also the acting chief executive officer and a member of both the nomination committee and the remuneration committee of the Company. Mr. Hu is one of the authorised representatives of the Company. Mr. Hu is also the director of certain subsidiaries of the Company. Mr. Hu holds a Master of Business Administration Degree from The Hong Kong Polytechnic University, and is a certified public accountant in the People's Republic of China. Mr. Hu was an independent director of Shenzhen Jufei Optoelectronics Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300303), from March 2009 to April 2015. Mr. Hu worked in Hunan Yunjin Group Co., Ltd. (湖南雲錦集團股份有限公司) from September 2009 to September 2012 as a vice president, financial controller, and secretary to its board of directors.

Mr. Kwan Ngai Kit ("Mr. Kwan"), aged 35, was appointed as executive Director on 28 February 2015. Mr. Kwan is also the chief financial officer and the company secretary of the Company, as well as a director of certain subsidiaries of the Company. Mr. Kwan has over 10 years' experience in auditing, accounting and corporate management. Mr. Kwan is responsible for corporate finance, mergers and acquisition matters, financial and accounting management, corporate governance, as well as compliance affairs of the Group. Mr. Kwan was a senior manager in assurance department in Ernst & Young prior to joining the Company. Mr. Kwan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Kwan holds a Bachelor's degree in Accountancy from the Hong Kong Polytechnic University and a Master's degree in Business Administration from the Chinese University of Hong Kong.

Independent Non-executive Directors

Mr. Chiu Sai Chuen Nicholas, ***BBS, MBE, JP*** **("Mr. Chiu")**, aged 71, was appointed as independent non-executive Director on 28 May 2013. Mr. Chiu is a member of each of the audit committee, the nomination committee and the remuneration committee of the Company. Mr. Chiu obtained a bachelor degree of science in engineering in 1969 and the certificate in Industrial Engineering from the University of Hong Kong in 1971, respectively. Mr. Chiu is a fellow of the Hong Kong Institution of Engineers since February 1991 and was a registered professional engineer of the Hong Kong Engineers Registration Board from February 1999 to January 2000. Mr. Chiu was elected a member of the Institution of Mechanical Engineers in the UK in 1990 and was registered as a chartered mechanical engineer.

Mr. Chiu is currently an independent non-executive director of Ngai Shun Holdings Limited (stock code: 1246), whose shares are listed on the Stock Exchange. Mr. Chiu was a managing director of South Star Construction Co. Ltd. He had been a member of the Standing Commission on Civil Service Salaries and Conditions of Service from July 1989 to June 1991. He had served as the Chairman of the Pay Trend Survey Committee of the Hong Kong Government from January 1994 to July 2000. Mr. Chiu has been acting on the board of directors of Christian Family Service Centre since 1988 and he is currently the Honorary Treasurer.

Mr. Chiu was a director of each of South Star Investment Company Limited (南星投資有限公司) and Fullfair Hong Kong Limited (富暉香港有限公司) when these companies were dissolved by deregistration pursuant to section 291AA of the then Companies Ordinance (Chapter 32, Laws of Hong Kong core provisions of which have been replaced by the new Companies Ordinance (Cap 622)). Mr. Chiu confirmed that the companies were deregistered for the reason that such companies had never commenced business.

Mr. Tam Tak Kei Raymond ("Mr. Tam"), aged 52, was appointed as an independent non-executive Director on 19 December 2011. Mr. Tam is also the chairman of the audit committee and a member of the nomination committee and the remuneration committee of the Company. Mr. Tam holds a bachelor of arts degree in accounting with computing from University of Kent at Canterbury, England and is both an associate member of the Institute of Chartered Accountants in England and Wales and of the Hong Kong Institute of Certified Public Accountants. Mr. Tam was the financial controller of each of Blank Rome Solicitors & Notaries from June 2010 to September 2011 and Barlow Lyde & Gilbert from December 2002 to May 2010 and has over 20 years of professional accounting experience. Mr. Tam was an independent non-executive director of Digital Domain Holdings Limited (formerly known as Sun Innovation Holdings Limited) (stock code: 547) during the period from September 2009 to August 2013, Zebra Strategic Holding Limited (stock code: 8260) during the period from June 2012 to September 2014, and Tianjin Jinran Public Utilities Company Limited (formerly known as Tianjin Tianlian Public Utilities Company Limited (stock code: 1265) during the period from February 2011 to June 2015, and the chief financial officer of King Force Security Holdings Limited (stock code: 8315) during the period from April 2014 to November 2014. He is current an independent non-executive director of CNQC International Holdings Limited (Formerly known as Sunley Holdings Limited) (stock code: 1240), Ngai Shun Holdings Limited (stock code: 1246) and Jin Cai Holdings Company Limited (stock code: 1250) and he is also engaged by Branding China Group Limited (stock code: 8219) as an external service provider to the company secretary. The shares of the above mentioned eight companies are listed on the Stock Exchange.

Mr. Wong Kai Tung Simon ("Mr. Wong"), aged 48, was appointed as an independent non-executive Director on 12 November 2013. Mr. Wong is also the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company. Mr. Wong is the Founder and Partner of Tawau Capital Partners Limited, a company principally engaged in private equity/venture capital investments, management consultancy and financial advisory. Mr. Wong is an experienced banker and has over 20 years' experience in the corporate and investment banking sector in Asia with Deutsche Bank AG, Hong Kong Branch, DBS Bank Limited, Hong Kong Branch, and Daiwa Securities SMBC Hong Kong Limited, where he was responsible for investment banking services in the Greater China Region. Mr. Wong was an independent non-executive director of GR Properties Limited (formerly known as Buildmore International Limited) (stock code: 108) from February 2014 to February 2015, and was the General Manager of Mergers and Acquisitions Department and the Head of Investor Relations of Brightoil Petroleum (Holdings) Limited (stock Code: 0933) from September 2011 to September 2012, the shares of both companies are listed on the Stock Exchange. Mr. Wong gained corporate finance, mergers and acquisitions and investor relations experience from a listed company perspective. Mr. Wong received an Executive MBA degree from Tsinghua University (Beijing, China) in 2013, Mr. Wong has also participated in the Young Managers Programme held at INSEAD (Fontainebleau, France) in 1998. Mr. Wong received a Bachelor of Arts degree and a Graduate Diploma in Management Consulting and Change from The University of Hong Kong in 1990 and 2008, respectively. Mr. Wong is a Certified Management Consultant (CMC), awarded by the Institute of Management Consultants Hong Kong (IMCHK).

Senior Management

Mr. Wong Law Fai, aged 55, is the managing director of Wan Chung Construction Company Limited. He was appointed as a Director on 31 May 2011 and redesignated as an executive Director on 19 December 2011. Later he resigned as an executive Director, the chairman of the Board and authorised representative of the Company on 28 May 2013, and the chief executive officer of the Company on 10 September 2013. He has over 24 years of experience in the building construction industry of Hong Kong. Prior to joining the Group in 1990, he had been working in other construction companies including Leighton Contractors (Asia) Co. Ltd. He is a registered professional engineer (building) in Hong Kong, a registered professional surveyor (quantity surveying) in Hong Kong, a member of The Hong Kong Institution of Engineers, a member of The Hong Kong Institute of Surveyors, a member of The Chartered Institute of Building (the United Kingdom) and a member of The Royal Institution of Chartered Surveyors (the United Kingdom). He was awarded an associateship in Building Technology and Management in 1982 and obtained a higher diploma in Building Technology and Management from The Hong Kong Polytechnic (now renamed The Hong Kong Polytechnic University) in 1981.

Mr. So Kwok Lam ("Mr. So"), aged 54, is the project director of Wan Chung Construction Company Limited and is a director of Wan Chung Construction Company Limited, Wan Chung Interior Design Co., Limited and Wan Chung Property Company Limited. He was appointed as an executive Director on 19 December 2011 and resigned on 28 May 2013. Mr. So is responsible for formulating strategic planning, business development of the Group, reviewing and improving the internal management systems, management of construction projects in Hong Kong. Mr. So has over 29 years of experience in the building construction industry of Hong Kong. Mr. So was a member of the Contractors Registration Committee Panel and is also a member of the Contractors Registration Committee of the Buildings Department under the Buildings Ordinance (Chapter 123 of the laws of Hong Kong), (the "Building Ordinance") from January 2009 to December 2012. Mr. So is a member of the Registered Contractors' Disciplinary Board Panel of the Planning and Lands Branch, Development Bureau under the Building Ordinance for the period from June 2014 to May 2017. Prior to joining the Group in 1993, Mr. So had been the project manager of Chevalier (Construction) Co Ltd from 1990 to 1993. He had also been working in Hsin Chong Construction Co Ltd from 1985 and left as an assistant contracts manager in 1990. Mr. So is a professional member of The Royal Institution of Chartered Surveyors (the United Kingdom), a member of The Hong Kong Institute of Construction Managers, a corporate member of the Chartered Institute of Building (the United Kingdom) and a member of the Chartered Institute of Arbitrators (the United Kingdom). Mr. So obtained a professional diploma in occupational safety and health from the School of Continuing Education of Hong Kong Baptist University in 2008, a postgraduate diploma in arbitration and dispute resolution from City University of Hong Kong in 2004, a master of arts in English for the professions from The Hong Kong Polytechnic University in 2007, and an associateship in building technology and management from Hong Kong Polytechnic (now renamed the Hong Kong Polytechnic University) in 1984.

Mr. Yip Chi Chong ("Mr. Yip"), aged 73, is a director and the technical director of Wan Chung Construction Company Limited. He was appointed as an executive Director on 19 December 2011 and resigned on 28 May 2013. He is responsible for formulating strategic planning, corporate business development, management of construction projects in Hong Kong, and expansion opportunities in overseas markets of the Group. Mr. Yip has over 49 years of extensive experience in the building construction industry, which involved projects in Hong Kong, Macau and China. Prior to joining the Group in 2000, Mr. Yip had been working in other construction companies including Gammon (Hong Kong) Limited and China Link Construction & Engineering Ltd.

Mr. Wong Chi Kin, Jesse, aged 52, is the commercial director of Wan Chung Construction Company Limited and is responsible for the Group's strategic planning, corporate business development and management of construction projects in Hong Kong. He has been the representative of our Group in the Hong Kong Construction Association since 1999. He has been elected as the 68th council member of the Hong Kong Construction Association for 2015/2017. Mr. Wong Chi Kin, Jesse has over 30 years of experience in the building construction industry of Hong Kong. Prior to joining the Group in 1996, he had held various positions in quantity surveying, including senior quantity surveyor of H.A. Brechin & Co between 1990 and 1994, quantity surveyor of Franklin & Andrews Construction Cost Management Consultants between 1989 and 1990 and trainee of Kumagai Gumi (H.K.) Limited between 1982 and 1985. Mr. Wong Chi Kin, Jesse is a registered professional surveyor (Quantity Surveying) in Hong Kong and a fellow member of The Hong Kong Institute of Surveyors. He obtained a bachelor degree of science in quantity surveying from Southbank Polytechnic of London in 1989. He also received a master degree of business administration (executive) from the City University of Hong Kong in 2010.

Ms. Ma Pik Fung, aged 51, is the commercial director of Wan Chung Construction Company Limited and is responsible for the Group's strategic planning, corporate business development, and management of construction projects in Hong Kong. She is also a director of Wan Chung Engineering (Macau) Company Limited and a director of Wan Chung Construction (Singapore) Pte. Ltd.. Between 2006 and 2009, she was performing the project directing role in the Group's business expansion into Macau and Singapore. Ms. Ma has over 30 years of experience in the building construction industry of Hong Kong. Prior to joining our Group in 1998, she had worked in Ngo Kee Construction Co., Ltd. as quantity surveyor, Bain D'or Co., Ltd. as manager of construction section, Taisei Corporation as contracts manager, Fong Wing Shing Construction Co., Ltd. as quantity surveyor between 1982 and 1998. Ms. Ma is a registered professional surveyor (Quantity Surveying) in Hong Kong, a member of Hong Kong Institute of Surveyors and a professional associate of the Royal Institution of Chartered Surveyors (the United Kingdom). She obtained a bachelor degree of science in quantity surveying from Robert Gordon's Institute of Technology in United Kingdom in 1990 and a higher certificate in building studies from Hong Kong Polytechnic (now renamed The Hong Kong Polytechnic University) in 1985.

Mr. Datuk Eng Son Yam, aged 62, is the managing director of Wan Chung Construction (Singapore) Pte. Ltd. ("Wan Chung Singapore"), responsible for the strategic planning and development of the Wan Chung Singapore. Datuk Eng has more than 30 years of experience in the building industry of Singapore and Malaysia. He had undertaken construction projects in housing, hospital, integrated resort and religious establishment. Datuk Eng has also endeavored in property development ventures in Singapore and Malaysia. Over the years, he has built up a strong network with key players in this industry. Datuk Eng was also active in social work particularly education for the young in Malacca (Datuk Eng's birth place). In recognition of his contribution towards the local school, he was conferred "DSM Datuk" by the Governor of Malacca, Malaysia. Datuk Eng obtained a diploma in business administration from the Singapore Chinese Chamber Institute of Business in 2008. He completed an Executive Program on Oriental-Western Wisdom and Business Management at the School of Continuing Education, Tsinghua University in October 2013.

Mr. Tan Chwee Kee, aged 58, is the deputy managing director of Wan Chung Construction (Singapore) Pte. Ltd.. Mr. Tan Chwee Kee has more than 30 years of experience in project management, property development, building design and construction. Prior to joining Wan Chung Singapore in August 2011, Mr. Tan Chwee Kee was the project director of HLH Development Pte Ltd, a property development arm of SGX-ST listed group, HLH Group Limited. From 2005–2007, he was with Chip Eng Seng Corporation Ltd, a construction and property development group listed on the SGX-ST, as the assistant general manager of The Pinnacle@Duxton project, the first 50-storey high dense public housing project launched by the government. It was the winning design of an international design competition and features the sky gardens at mix storeys and top storey linking all the blocks together. Mr. Tan Chwee Kee led the technical team and was instrumental in addressing the design issues of the technically challenging sky-gardens construction. Between 1995-2004, he was the CEO of Hong Lai Huat Construction Pte Ltd. Mr. Tan Chwee Kee started his career as a structural engineer in The Housing and Development Board in 1982. Mr. Tan Chwee Kee has a Bachelor Degree in Civil Engineering from The National University of Singapore and is a registered Professional Engineer with the Singapore Professional Engineer Board.

Mr. Yue Qiangmin ("Mr. Yue"), aged 46, is the general manager of China Worth International (Qingdao) Real Estate Management Limited, is responsible for the overall leadership and in charge of various daily management works of the Company. He participates in making decisions for material matters and important details in relation to services projects. Mr. Yue has over 20 years of experience in building construction and project management. Prior to joining our Group in 2012, Mr. Yue served as the vice-manager for asset management of Shandong Qili Group Company (山東綺麗集團公司), the project manager of Qingdao Real Estate Property Co., Ltd. (青島中聯盈地置業有限公司) and the general manager of Qingdao Kangda Property Development Limited (青島康大房地產開發有限公司) for the period between 1992 and 2012. Mr. Yue has obtained a bachelor's degree in industrial and civil construction from Qingdao Architecture and Construction College of Shandong Province (山東省青島建築工程學院) (now known as Qingdao Technological University (青島理工大學)) in July 1992 and a master's degree in business administration from Ocean University of China in July 2003.

Corporate Governance Practices

The Directors consider that incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group could balance the interests of the shareholders, customers and employees of the Company. During the year ended 31 March 2015, the Board had adopted the principles and the code provisions as set out in Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee, a remuneration committee and a nomination committee with specific written terms of reference and made such terms of reference available on the websites of the Stock Exchange and the Company.

Save as disclosed below, during the year ended 31 March 2015, the Company had complied with the CG Code as set out in Appendix 14 to the Listing Rules.

According to the code provision A.1.1 of the CG Code, the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the year, three regular Board meetings were held. As business operations of the Company were under the management and supervision of the executive Directors who had from time to time held meetings to resolve all material business or management issues and therefore certain Board resolutions were concluded through circulation of written resolutions.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the year ended 31 March 2015, Mr. Wang Zhijun was the chairman of the Company and Mr. Gavin Xing was the chief executive officer until he resigned on 28 February 2015. Following the resignation of Mr. Gavin Xing as the executive Director and chief executive officer of the Company, Mr. Hu Baoyue was appointed as the acting chief executive officer of the Company on 28 February 2015, in addition to his role as an executive Director. Therefore, the code provision A.2.1 of the CG Code has been complied with.

According to the code provision A.2.7 of the CG Code, the chairman should at least annually hold meetings with the non-executive Directors and independent non-executive Directors without the executive Directors present. Although the chairman did not hold a meeting with independent non-executive Directors during the year ended 31 March 2015, he delegated the company secretary to gather any concerns and/or questions that independent non-executive Directors might have and report to him for setting up follow-up meetings, whenever necessary, in due course.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made to each of the Directors and all Directors have confirmed that they had complied with the Model Code during the year ended 31 March 2015.

Board of Directors

Composition of the Board of Directors

As at the date of this annual report, the Board consisted six Directors comprising three executive Directors and three independent non-executive Directors. The composition of the Board is as follows:

Executive Directors
Mr. Wang Zhijun *(Chairman)*
Mr. Hu Baoyue *(Acting Chief Executive Officer)*
Mr. Kwan Ngai Kit (appointed on 28 February 2015)

Independent non-executive Directors
Mr. Chiu Sai Chuen Nicholas
Mr. Tam Tak Kei Raymond
Mr. Wong Kai Tung Simon

The biographical details of all current Directors and senior management of the Company are set out on pages 16 to 20 of this annual report. To the best knowledge of the Company, save as disclosed under the section headed "Biographical Details of Directors and Senior Management", there is no financial, business, family or other material or relevant relationships among the members of the Board and/or the senior management during the reporting period.

Functions of the Board

The principal functions of the Board is to consider and approve the overall business plans and strategies of the Group, develop and implement the corporate governance function, monitor the implementation of these policies and strategies and the management of the Company. The Group has an independent management team, which is led by a team of senior management with substantial experience and expertise in the Group's business, the Board delegates the authority and responsibility for implementing the Group's policies and strategies.

Board Meetings and Board Practices

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. All minutes of the Board meetings were recorded in sufficient detail the matters considered by the Board and the decisions reached.

During the year ended 31 March 2015, the Board held three meetings and the Company held one general meeting. Details of the attendance of the relevant Directors are as follows:

	Attendance/ Number of General Meeting entitled to attend	Attendance/ Number of Board Meetings entitled to attend
Executive Directors		
Mr. Wang Zhijun *(Chairman)*	1/1	2/3
Mr. Hu Baoyue *(Acting Chief Executive Officer)*	1/1	3/3
Mr. Kwan Ngai Kit (appointed as executive Director on 28 February 2015)	N/A	N/A
Mr. Gavin Xing (resigned as executive Director and Chief Executive Officer on 28 February 2015)	1/1	3/3
Independent Non-executive Directors		
Mr. Chiu Sai Chuen Nicholas	1/1	3/3
Mr. Tam Tak Kei Raymond	1/1	3/3
Mr. Wong Kai Tung Simon	1/1	3/3

Directors' Appointment and Re-election

Mr. Kwan, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 28 February 2015, which may be terminated by either the Company or Mr. Kwan by giving one month written notice or otherwise in accordance with the terms of the service agreement.

Mr. Tam, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 19 January 2014, which may be terminated by either the Company or Mr. Tam by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Mr. Wang and Mr. Hu, the executive Directors, and Mr. Chiu, an independent non-executive Director, each of whom has entered into a service agreement with the Company for a term of three years commencing from 9 September 2013, which may be terminated by either the Company or the other party by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Mr. Wong, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 12 November 2013, which may be terminated by either the Company or Mr. Wong by giving six months written notice or otherwise in accordance with the terms of the service agreement.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within 1 year without payment of compensation (other than statutory compensation).

In compliance with the code provision A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after appointment. By virtue of article 112 of the articles of association of the Company, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting of the Company. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with the code provision A.4.2 of the CG Code, every director should be subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 108(a) of the articles of association of the Company, at each annual general meeting one-third of the directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring director shall be eligible for re-election.

Independent non-executive Directors

The Company has three independent non-executive Directors to comply with Rule 3.10(1) and 3.10A of the Listing Rules. Furthermore, among the three independent non-executive Directors, Mr. Tam has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. In accordance to Rule 3.13 of the Listing Rules, the Company has received from each of its independent non-executive Directors the written confirmation of his independence. The Company, based on such confirmation, considers, Mr. Chiu, Mr. Tam and Mr. Wong to be independent.

According to the code provision A.2.7 of the CG Code, the chairman should at least annually hold meetings with the non-executive Directors and independent non-executive Directors without the executive Directors present. Although the chairman did not hold a meeting with the non-executive Directors and independent non-executive Directors during the year ended 31 March 2015, he delegated the company secretary to gather any concerns and/or questions that the non-executive Directors and independent non-executive Directors might have and report to him for setting up follow-up meetings, whenever necessary, in due course.

Chairman and Chief Executive Officer

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the year ended 31 March 2015, Mr. Wang was the chairman of the Company and Mr. Gavin Xing was the chief executive officer until he resigned on 28 February 2015. Following the resignation of Mr. Gavin Xing as the executive Director and chief executive officer of the Company, Mr. Hu was appointed as the acting chief executive officer of the Company on 28 February 2015, in addition to his role as the executive Director. Therefore, the code provision A.2.1 of the CG Code has been complied with.

Delegation of Powers

The Board delegates day-to-day operations of the Group to executive Directors and management of the Company with department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management needs to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance covering the liabilities in respect of legal action against the Directors that may arise out of its corporate activities. The insurance coverage is reviewed on an annual basis.

Continuing Professional Development

According to the code provision A.6.5 of the CG Code, all directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. The Company would arrange and/or introduce some Director's training courses for the Directors to develop and explore their knowledge and skills.

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. The Directors are continually updated on the legal and regulatory developments, as well as business and market changes, to facilitate the discharge of their responsibilities.

All Directors during the reporting period have participated in continuous professional development to develop and refresh their knowledge and skills through suitable trainings. The participation in such trainings is to ensure that their contributions to the Board remains informed and relevant.

Senior Management's Remuneration

The remuneration of the members of the senior management by band for the year ended 31 March 2015 is as follows:

Remuneration bands (HK$)	**Number of individual(s)**
From 500,001 to 1,000,000	2
From 1,000,001 to 1,500,000	5
From 1,500,001 to 2,000,000	1

Board Committees

Audit Committee

The audit committee of the Company (the "Audit Committee") was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to review the financial information of the Group, oversee the financial reporting process and internal control procedures of the Group, and oversee the relationship with the Company's external auditor.

The Audit Committee comprised three independent non-executive Directors, namely Mr. Chiu, Mr. Tam (the chairman of the Audit Committee) and Mr. Wong.

The Audit Committee has, inter alia, reviewed the accounting standards and practices adopted by the Group and discussed with the management about the internal control and financial reporting matters, including reviewing the interim financial information for the six months ended 30 September 2014 and the consolidated financial statements and annual results for the year ended 31 March 2015.

During the year ended 31 March 2015, the Audit Committee held two meetings to review the audited consolidated financial statements for the year ended 31 March 2014, the unaudited consolidated financial statements for the six months ended 30 September 2014, the appointment of the auditor of the Company, and the internal control and corporate governance issues related to financial reporting of the Company. The Audit Committee also complied with the code provision C.3.3 of the CG Code to meet the auditors in absence of management for reviewing the internal control of the Company. Details of the attendance of members of the Audit Committee meetings held during the reporting period are as follows:

	Attendance
Mr. Tam Tak Kei Raymond *(Chairman)*	2/2
Mr. Chiu Sai Chuen Nicholas	2/2
Mr. Wong Kai Tung Simon	2/2

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration, make recommendations to the Board on the remuneration of non-executive Directors and determine the remuneration packages of individual executive Directors and senior management including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

The Remuneration Committee comprised three independent non-executive Directors, namely Mr. Chiu, Mr. Tam and Mr. Wong (the chairman of the Remuneration Committee), and two executive Directors, namely Mr. Wang. and Mr. Hu.

During the year ended 31 March 2015, the Remuneration Committee held two meetings to, inter alia, review the remuneration packages of all Directors and senior management of the Company, and approve the terms of the company secretary's service agreement. Details of the attendance of the members of the Remuneration Committee meetings are as follows:

	Attendance
Mr. Wong Kai Tung Simon *(Chairman)*	2/2
Mr. Wang Zhijun	1/2
Mr. Hu Baoyue	2/2
Mr. Chiu Sai Chuen Nicholas	2/2
Mr. Tam Tak Kei Raymond	2/2

Remuneration Policy for Directors and Senior Management

The remuneration payable to the employees includes salaries and allowances. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability, the Group may also provide a discretionary bonus to employees as an incentive for their contribution to the Group. The primary goal of the remuneration policy with regard to the remuneration packages of the executive Directors is to enable the Group to retain and motivate the executive Directors by linking their compensation with performance as measured against corporate objectives achieved. Each of the executive Directors is entitled to the remuneration packages including basic salaries and discretionary bonuses.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration, make recommendations to the Board on the remuneration of non-executive Directors and determine the remuneration packages of individual executive Directors and senior management.

The share option scheme of the Company (the "Share Option Scheme") was adopted by the sole Shareholder by way of written resolution on 19 December 2011. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The Company believes that by offering the eligible persons a shareholding stake in the Company, the interests of the eligible persons and the Company will align and thereby the eligible persons will have additional incentives to improve the Company's performance.

Nomination Committee

The nomination committee of the Company (the "Nomination Committee") was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 and 26 August 2013 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of the Board succession.

The Board is empowered under the Company's articles of association to appoint any person as a director either to fill a casual vacancy or, as an additional member of the Board. Qualified candidates will be proposed to the Board for consideration and the selection criteria are mainly based on the assessment of their professional qualifications and experience. The Board selects and recommends candidates for directorship to the Shareholders having regards to the balance of skills and experience appropriate to the Group's business.

During the year ended 31 March 2015, the Nomination Committee formulated the board diversity policy of the Company (the "Board Diversity Policy"). The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board's composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to 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 Board Diversity Policy, as appropriate, to ensure its effectiveness and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee also monitors the implementation of the Board Diversity Policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under the Board Diversity Policy.

The Nomination Committee comprised three independent non-executive Directors, namely Mr. Chiu, Mr. Tam and Mr. Wong, and two executive Directors, namely Mr. Wang (the chairman of the Nomination Committee) and Mr. Hu.

During the year ended 31 March 2015, the Nomination Committee held one meeting to, inter alia, review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, make recommendations to the Board on the appointment of Directors and assess the Board Diversity Policy. Details of the attendance of the members of the Nomination Committee meeting are as follows:

	Attendance
Mr. Wang Zhijun *(Chairman)*	0/1
Mr. Hu Baoyue	1/1
Mr. Chiu Sai Chuen Nicholas	1/1
Mr. Tam Tak Kei Raymond	1/1
Mr. Wong Kai Tung Simon	1/1

Accountability and Audit

Directors' and Auditor's Responsibilities for the Consolidated Financial Statements

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to 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 consolidated financial statements for the year ended 31 March 2015, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The statement of auditor about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Auditor's Remuneration

During the year ended 31 March 2015, the remuneration paid or payable to the auditor of the Company, Deloitte Touche Tohmatsu, in respect of their audit and non-audit services was as follows:

	HK$
Audit service fee	1,280,000
Non-audit services fee	347,000
Total	1,627,000

The amount of fee incurred for the non-audit services arises from (i) the review of preliminary announcement of results of the Group for the year ended 31 March 2015; (ii) tax services; and (iii) the review of interim financial information for the six months ended 30 September 2014.

Corporate Governance Functions

According to code provision D.3 of the CG Code, the Board is responsible for performing the corporate governance duties of the Company in accordance with the written terms of reference adopted by the Board. The Board shall have the following duties and responsibilities for performing the corporate governance duties of the Company:

- to develop and review the policies and practices on corporate governance of the Group and make recommendations;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- to review the Company's compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules and the disclosure in the corporate governance report of the Company.

During the year ended 31 March 2015, the Board held one meeting to, inter alia, determine and review the policies and practices of the Company relating to the CG Code. Details of the attendance of the related meeting of the Board are as follows:

	Attendance
Executive Directors	
Mr. Wang Zhijun *(Chairman)*	0/1
Mr. Hu Baoyue *(Acting Chief Executive Officer)*	1/1
Mr. Kwan Ngai Kit (appointed on 28 February 2015)	N/A
Mr. Gavin Xing (resigned on 28 February 2015)	1/1
Independent Non-executive Directors	
Mr. Chiu Sai Chuen Nicholas	1/1
Mr. Tam Tak Kei Raymond	1/1
Mr. Wong Kai Tung Simon	1/1

Internal Control

The Board acknowledges its responsibility for the effectiveness of the Group's internal control systems. The Company has reviewed the effectiveness of the system of internal control of the Group, covering all material controls, including financial and operation for the year ended 31 March 2015.

Investors and Shareholders Relations

The Company values communication with the Shareholders and investors. The Company uses two-way communication channels to account to Shareholders and investors for the performance of the Company. Enquiries and suggestions from Shareholders or investors are welcomed, and enquires from Shareholders may be put to the Board through the following channels to the company secretary of the Company (the "Company Secretary"):

1. By mail to the Company's principal place of business at Room 1701, 17/F., Tower 2, Lippo Centre, 89 Queensway, Admiralty, Hong Kong;

2. By telephone number 2811 1602;

3. By fax number 2811 3183; or

4. By email at info@visionfame.com

The Company uses a number of formal communications channel to account to Shareholders and investors for the performance of the Company. These include (i) the publication of interim and annual reports; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated key information of the Group available on the websites of the Stock Exchange and the Company; (iv) the Company's website offering communication channel between the Company and its Shareholders and investors; and (v) the Company's share registrars in Hong Kong serving the Shareholders in respect of all share registration matters.

The Company aims to provide its Shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to provide clear, detailed, timely manner and on a regular basis information of the Group to Shareholders through the publication of interim and annual reports and/or dispatching circular, notices, and other announcements.

The Company strives to take into consideration its Shareholders' views and inputs, and address Shareholders' concerns. Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice shall be given. The chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, the Directors are available to answer Shareholders' questions on the Group's businesses at the meeting. To comply with code provision E.1.2 of the CG Code, the management will ensure the external auditor to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

All Shareholders have statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by Shareholders. According to article 64 of the articles of association of the Company, one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings may request an extraordinary general meeting. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

If a Shareholder wishes to propose a person (the "Candidate") for election as a Director at a general meeting, he/she shall deposit a written notice (the "Notice") at the Company's head office and principal place of business of the Company at Room 1701, 17/F., Tower 2, Lippo Centre, 89 Queensway, Admiralty, Hong Kong or at the Hong Kong branch share registrar and transfer office of the Company at Union Registrars Limited, A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong:

- a notice in writing by the Shareholder indicating the intention to propose a person for election as a Director; and

- a notice in writing by the person proposed by the Shareholder for election as a Director indicating his/her willingness to be elected.

The minimum length of the period, during which such notices may be given, will be at least 7 days.

The period for lodgment of such notices will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

The Board has established a shareholders' communication policy on 28 March 2012 and will review it on a regular basis to ensure its effectiveness to comply with the code provision E.1.4 of the CG Code.

In order to promote effective communication, the Company also maintains a website (www.visionfame.com) which includes the latest information relating to the Group and its businesses.

Company Secretary

Mr. Kwan has been appointed as the Company Secretary following the resignation of Mr. Lee Hon Chiu on 14 June 2014. Mr. Kwan reports to the CEO directly and is responsible to the Board for ensuring that the Board procedures, applicable laws, rules and regulations are followed and the Board activities are efficiently and effectively conducted. He is also responsible for ensuring that the Board is fully appraised of the relevant corporate governance developments relating to the Group and facilitating the induction and professional development of the Directors.

According to the Rule 3.29 of the Listing Rules, Mr. Kwan has taken no less than 15 hours of relevant professional training for the year ended 31 March 2015.

The Directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 March 2015.

Principal Place of Business in Hong Kong

The Company is a limited liability company incorporated in the Cayman Islands and its principal place of business in Hong Kong is Room 1701, 17/F., Tower 2, Lippo Centre, 89 Queensway, Admiralty, Hong Kong.

Principal Activities

The principal activities of the Group comprise (i) provision of building construction services, property maintenance services, alterations, renovation, upgrading works and fitting-out works services, (ii) property development and provision of related management and advisory services and (iii) trading of commodities and related machines. The principal activities and other particulars of the subsidiaries of the Company are set out in note 39 to the consolidated financial statements.

Dividend

The Board does not recommend the payment of final dividend in respect of the year ended 31 March 2015 (2014: Nil). No interim dividend was declared for the six months ended 30 September 2014 (2013: nil).

Major Customers and Suppliers

The Group's top five customers accounted for approximately 58.4% of the total sales. The top five suppliers accounted for approximately 23.7% of the total purchases for the year. In addition, the Group's largest customer accounted for approximately 17.6% of the total sales and the Group's largest supplier accounted for approximately 15.9% of the total purchases for the year.

At no time during the year ended 31 March 2015 have the then and current directors of the Company, their associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

Results

The results of the Group for the year ended 31 March 2015 and the state of affairs of the Group as at 31 March 2015 are set out in the consolidated financial statements on pages 44 to 103.

Distributable Reserve

As at 31 March 2015, the Company does not have any available reserve (represent the share premium account less accumulated losses) for distribution.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group are set out in note 13 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company during the year ended 31 March 2015 are set out in note 27 to the consolidated financial statements.

Charitable Donations

During the year ended 31 March 2015, the Group made charitable donation amounting to HK$22,850.

Directors

The directors of the Company during the year ended 31 March 2015 and up to the date of this Director's report are:

Executive Directors:

Mr. Wang Zhijun *(Chairman)*
Mr. Hu Baoyue *(Acting Chief Executive Officer)*
Mr. Kwan Ngai Kit (appointed on 28 February 2015)
Mr. Gavin Xing (resigned on 28 February 2015)

Independent Non-executive Directors:

Mr. Chiu Sai Chuen Nicholas
Mr. Tam Tak Kei Raymond
Mr. Wong Kai Tung Simon

By virtue of article 108(a) of the articles of association of the Company, Mr. Chiu and Mr. Tam shall retire by rotation and be eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

By virtue of article 112 of the articles of association of the Company, Mr. Kwan will hold office until the forthcoming annual general meeting and will retire and being eligible, offer himself for re-election.

Directors' Service Agreement

Mr. Kwan, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 28 February 2015, which may be terminated by either the Company or Mr. Kwan by giving one month written notice or otherwise in accordance with the terms of the service agreement.

Mr. Tam, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 19 January 2014, which may be terminated by either the Company or Mr. Tam by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Mr. Wang and Mr. Hu, the executive Directors, and Mr. Chiu, an independent non-executive Director, each of whom has entered into a service agreement with the Company for a term of three years commencing from 9 September 2013, which may be terminated by either the Company or the other party by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Mr. Wong, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 12 November 2013, which may be terminated by either the Company or Mr. Wong by giving six months written notice or otherwise in accordance with the terms of the service agreement.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within 1 year without payment of compensation (other than statutory compensation).

Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme adopted by the written resolutions of the sole Shareholder passed on 19 December 2011 (the "Adoption Date"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

(b) Participants of the Share Option Scheme

The Board may, at its absolute discretion grant any employee (full-time or part-time), director (including executive, non-executive or independent non-executive directors), consultant or adviser of any member of the Group, or any substantial shareholder of any member of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group and any company wholly owned by one or more persons belonging to any of the aforesaid participants, options to subscribe for Shares at a price calculated in accordance with the paragraph below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

(c) Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the Adoption Date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the Shares in issue as at the Listing Date.

As at the date of this annual report, the outstanding number of options available for issue under the Share Option Scheme is 30,000,000 Shares, representing 10% of the issued share capital of the Company.

(d) The maximum entitlement of each participant under the Share Option Scheme

The total number of Shares issued and to be issued upon exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

(e) Timing for exercising option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

(f) Period of acceptance of option

An offer made to a participant shall remain open for acceptance by the participant concerned for a period of 7 days from and inclusive of the date on which an option is offered to a participant.

(g) Payment of acceptance of option

The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.

(h) The basis of determining the exercise price of option

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day;

(ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and

(iii) the nominal value of a Share on the date of grant of the option.

(i) Duration of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date.

There is no option outstanding, granted, exercised, cancelled and lapsed during the year ended 31 March 2015.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying shares and Debentures

As at 31 March 2015, the interests or short positions of the Directors and chief executives of the Company in the shares of the Company (the "Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as follows:

Name of Director	Capacity	Number of issued ordinary Shares held	Percentage of the issued share capital of the Company
Mr. Wang Zhijun (Note)	Interest of Controlled Corporation	225,000,000 (L)	75%

(L): Long position

Note: The 225,000,000 Shares are held by Grand Silver Group Limited, and Mr. Wang Zhijun beneficially owns the entire issued share capital of Grand Silver Group Limited. By virtue of the SFO, Mr. Wang Zhijun is deemed to be interested in the 225,000,000 Shares held by Grand Silver Group Limited.

On 15 January 2015, the 225,000,000 Shares held by Grand Silver Group Limited was pledged in favour of the lender as the security for a loan facility provided to Grand Silver Group Limited.

Save as disclosed above, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Right to Acquire Shares

Save as disclosed in this report, at no time during the year ended 31 March 2015 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the Shares, or underlying shares, or debentures, of the Company or its associated corporations (within the meaning of Part XV of the SFO).

Substantial Shareholders' Interests and Short Positions in Shares, Underlying shares and Debentures

As at 31 March 2015, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules of the Stock Exchange:

Name of Shareholders	Capacity	Number of issued ordinary Shares held	Percentage of the issued share capital of the Company
Grand Silver Group Limited (Note 1)	Beneficial owner	225,000,000 (L)	75%
Ms. Guan Hongyan (Note 2)	Interest of spouse	225,000,000 (L)	75%

(L): Long position

Notes:

1. On 15 January 2015, the 225,000,000 Shares held by Grand Silver Group Limited was pledged in favour of the lender as the security for a loan facility provided to Grand Silver Group Limited.

2. Ms. Guan Hongyan is the spouse of Mr. Wang, the executive Director. By virtue of the SFO, Ms. Guan Hongyan is deemed to be interested in 225,000,000 Shares which Mr. Wang is interested in.

Save as disclosed above, as at 31 March 2015, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year ended 31 March 2015 and as at the date of this annual report as required under the Listing Rules.

Directors' Interests in Contracts

No contract of significance to which the Company, its holding companies, or any of its subsidiaries was a party, and in which a director of the Company had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 March 2015.

Directors' Interests in Competing Business

As at 31 March 2015, none of the Directors or their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 March 2015 are set out in notes 23, 24 and 25 to the consolidated financial statements.

Retirement Benefits Plans

Particulars of retirement benefits plans of the Group as at 31 March 2015 are set out in note 34 to the consolidated financial statements.

Confirmation of Independence

The Company has received from each of the independent non-executive Directors during the reporting period namely, Mr. Chiu, Mr. Tam and Mr. Wong, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all of them were independent during the year ended 31 March 2015.

Connected Transactions

The related party transactions of the Company for the year ended 31 March 2015 are set out in notes 22 and 23 to the consolidated financial statements. All the related party transactions of the Company did not constitute connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

Purchase, Sale or Redemption of Listed Securities of The Company

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Five Years Financial Summary

A summary of the results and of the assets and liabilities of the Group for the past five financial periods is set out in the five years financial summary on page 104 of this annual report.

Corporate Governance

The Company maintains a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 21 to 32. The Directors believe the long term financial performance as opposed to short term rewards is a corporate governance objective. The Board would not take undue risks to make short term gains at the expense of the long term objectives.

Subsequent Events

No significant events have taken place subsequent to 31 March 2015 and up to the date of this annual report.

Business Review

The Group uses its best endeavours to comply with relevant laws, regulations and environmental policies of the territories in which it operates. A review of the business of the Group is set out in the Chairman's Statement on page 4.

Auditor

Deloitte Touche Tohmatsu ("Deloitte") was appointed as the auditor of the Company with effect from 17 January 2014 to fill the casual vacancy following the resignation of SHINEWING (HK) CPA Limited and was re-appointed by the Shareholders at the annual general meeting of the Company held on 23 September 2014.

Deloitte will retire at the conclusion of the forthcoming annual general meeting of the Company ("AGM") and being eligible, offer themselves for re-appointment at the AGM. A resolution for the re-appointment of Deloitte as the auditor of the Company will be proposed at the AGM.

By order of the Board
Wang Zhijun
Chairman

Hong Kong, 30 June 2015

Deloitte.
德勤

TO THE MEMBERS OF VISION FAME INTERNATIONAL HOLDING LIMITED
允升國際控股有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Vision Fame International Holding Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 44 to 103, which comprise the consolidated statement of financial position as at 31 March 2015, 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 a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2015, and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 June 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	5	**1,776,238**	863,928
Cost of sales		**(1,798,767)**	(842,166)
Gross (loss) profit		**(22,529)**	21,762
Other income	6	**7,061**	4,953
Administrative expenses		**(87,717)**	(72,212)
Finance costs	7	**(6,834)**	(3,071)
Impairment loss on available-for-sale investments		**(2,943)**	—
Impairment loss on property under development		**(3,217)**	—
Share of profit of an associate	14	**392**	—
Loss before taxation	8	**(115,787)**	(48,568)
Taxation	9	**(1,476)**	250
Loss for the year attributable to owners of the Company		**(117,263)**	(48,318)
Other comprehensive income (expense)			
Item that will not be reclassified subsequently to profit or loss:			
Reclassification adjustment for impairment loss on available-for-sale investments		**2,943**	—
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		**(2,314)**	(1,726)
Fair value loss on available-for-sale investments		**(2,156)**	(3,343)
		(4,470)	(5,069)
Other comprehensive expense for the year		**(1,527)**	(5,069)
Total comprehensive expense for the year attributable to owners of the Company		**(118,790)**	(53,387)
Loss per share *(HK cents)*	11		
— Basic and diluted		**(39.1)**	(16.1)

Consolidated Statement of Financial Position

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**31,497**	32,399
Interests in associates	14	**567**	8,432
Interest in a joint venture	15	**—**	—
Available-for-sale investments	16	**7,879**	11,274
		39,943	52,105
CURRENT ASSETS			
Amounts due from customers for contract work	17	**53,285**	43,123
Property under development	18	**24,284**	—
Trade and other receivables	19	**448,808**	250,246
Pledged bank deposits	20	**19,717**	44,661
Bank balances and cash	20	**188,754**	267,180
		734,848	605,210
CURRENT LIABILITIES			
Amounts due to customers for contract work	17	**5,977**	14,547
Trade and other payables	21	**410,699**	185,630
Amount due to an associate	22	**—**	7,025
Amount due to a related party	23	**119,862**	122,607
Tax payable		**2,683**	87
Obligations under financial leases — due within one year	24	**2,348**	3,387
Secured bank loans	25	**30,659**	—
		572,228	333,283
NET CURRENT ASSETS		**162,620**	271,927
TOTAL ASSETS LESS CURRENT LIABILITIES		**202,563**	324,032

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT LIABILITIES			
Loan from a related party	23	**170,000**	170,000
Obligations under finance leases — due after one year	24	**4,112**	7,646
Deferred tax liability	26	**1,634**	845
Other payables and accruals		**828**	762
		176,574	179,253
		25,989	144,779
CAPITAL AND RESERVES			
Share capital	27	**3,000**	3,000
Reserves		**22,989**	141,779
		25,989	144,779

The consolidated financial statements on pages 44 to 103 were approved and authorised for issue by the Board of Directors on 30 June 2015 and are signed on its behalf by:

Wang Zhijun
Director

Kwan Ngai Kit
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2015

	Share capital HK$'000	Share premium HK$'000 (Note i)	Exchange reserve HK$'000	Capital reserve HK$'000 (Note ii)	Legal reserve HK$'000 (Note iii)	Investments revaluation reserve HK$'000	Other reserve HK$'000 (Note iv)	Retained profits (accumulated loss) HK$'000	Total HK$'000
At 1 April 2013	3,000	44,322	8,979	3,642	12	2,992	22,000	113,219	198,166
Loss for the year	—	—	—	—	—	—	—	(48,318)	(48,318)
Other comprehensive expense for the year:									
Exchange difference on translation of foreign operations	—	—	(1,726)	—	—	—	—	—	(1,726)
Fair value loss on available-for-sale investments	—	—	—	—	—	(3,343)	—	—	(3,343)
Total comprehensive expense for the year	—	—	(1,726)	—	—	(3,343)	—	(48,318)	(53,387)
At 31 March 2014	3,000	44,322	7,253	3,642	12	(351)	22,000	64,901	144,779
Loss for the year	—	—	—	—	—	—	—	(117,263)	(117,263)
Other comprehensive income (expense) for the year:									
Exchange difference on translation of foreign operations	—	—	(2,314)	—	—	—	—	—	(2,314)
Fair value loss on available-for-sale investments	—	—	—	—	—	(2,156)	—	—	(2,156)
Reclassification adjustment for impairment loss on available-for-sale investments	—	—	—	—	—	2,943	—	—	2,943
Total comprehensive income (expense) for the year	—	—	(2,314)	—	—	787	—	(117,263)	(118,790)
At 31 March 2015	3,000	44,322	4,939	3,642	12	436	22,000	(52,362)	25,989

Notes:

(i) Under the Companies Law, Cap. 22 (Law 6 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

(ii) Capital reserve comprises the following arising in prior years:

- Wan Chung Construction Company Limited ("Wan Chung Construction") acquired entire equity interest in Wan Chung Property Company Limited from its then shareholder at a discount of approximately HK$2,776,000 which was deemed to be capital contribution from owners of the Company.

- Wan Chung Construction recovered indemnified taxation of approximately HK$866,000 from its former shareholder pursuant to the deed of indemnity which was deemed to be capital contribution from owners of the Company.

(iii) In accordance with the provisions of Macau Commercial Code, the Company's subsidiary incorporated in Macau is required to transfer 25% of its annual net profit to a legal reserve until the balance of the reserve reaches 50% of the subsidiary's registered capital. Legal reserve is not distributable to shareholders. No transfer was made in current and prior years as the subsidiary incurred a loss for both years.

(iv) Other reserve represents the difference between the nominal value of the issued share capital of the subsidiaries acquired and the consideration paid pursuant to the group reorganisation in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited in January 2012.

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES			
Loss before taxation		**(115,787)**	(48,568)
Adjustments for:			
Finance costs		**6,834**	3,071
Bank interest income		**(820)**	(625)
Interest income from subcontractors		**(3,089)**	(1,098)
Investment income		**(14)**	(14)
Share of profit of an associate		**(392)**	—
Government grant		**(750)**	(277)
Depreciation of property, plant and equipment		**7,578**	5,144
Loss on disposal of property, plant and equipment		**727**	—
Impairment loss on available-for-sale investments		**2,943**	—
Impairment loss on property under development		**3,217**	—
Impairment loss on amount due from a joint venture		**—**	642
Write-off of goodwill arising from an associate		**487**	—
Operating cash flows before movements in working capital		**(99,066)**	(41,725)
(Increase) decrease in amounts due from customers for contract work		**(10,934)**	5,126
Increase in trade and other receivables		**(196,409)**	(10,380)
(Decrease) increase in amounts due to customers for contract work		**(7,740)**	9,679
Increase in trade and other payables		**225,338**	18,631
Cash used in operations		**(88,811)**	(18,669)
Hong Kong Profits Tax refunded (paid)		**231**	(1,009)
Singapore Corporate Tax (paid) refunded		**(5)**	861
NET CASH USED IN OPERATING ACTIVITIES		**(88,585)**	(18,817)
INVESTING ACTIVITIES			
Additions to property under development		**(24,607)**	—
Additions to property, plant and equipment		**(7,230)**	(8,520)
Placement of restricted deposit with a broker		**(775)**	—
Investment income received		**14**	14
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	29	**43**	—
Proceeds from disposal of property, plant and equipment		**237**	—
Interest received		**820**	625
Dividend received from an associate		**5,458**	—
Return of capital from associates		**1,987**	—
Withdrawal of pledged bank deposits		**73,528**	329,336
Placement of pledged bank deposits		**(48,584)**	(326,070)
Investment in an associate		**—**	(900)

	2015 HK$'000	2014 HK$'000
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**891**	(5,515)
FINANCING ACTIVITIES		
New bank borrowings raised	**92,659**	—
Government grants received	**750**	277
Interest paid	**(374)**	(930)
(Repayment to) advance from a related party	**(9,205)**	290,466
Repayment of obligations under finance leases	**(4,573)**	(1,242)
(Repayment to) advance from associates	**(7,025)**	2,125
Repayment of bank borrowings	**(62,000)**	(48,500)
NET CASH FROM FINANCING ACTIVITIES	**10,232**	242,196
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(77,462)**	217,864
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**267,180**	50,118
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(964)**	(802)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	**188,754**	267,180

1. General

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 18 January 2012. Prior to 13 March 2013, Mr. Wong Law Fai was the ultimate controlling party of the Company. At 31 March 2014 and 31 March 2015, the immediate and ultimate holding company of the Company is Grand Silver Group Limited, a private limited company incorporated in the British Virgin Islands ("BVI"), which is wholly owned and controlled by Mr. Wang Zhijin, who is also the Chairman and an executive director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the section of "Corporate information" to the annual report.

The Company is an investment holding company. The principal activities of its subsidiaries, associate and joint venture are set out in Notes 39, 14 and 15, respectively.

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

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

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

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

The adoption of these new or revised HKFRSs has had no material effect on the amounts reported, or disclosures set out, in the consolidated financial statements.

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

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

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

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

HKFRS 9 Financial Instruments

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

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

HKFRS 9 Financial Instruments (Continued)

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an 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 the consolidated statement of profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to the consolidated statement of 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 the consolidated statement of profit or loss.

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

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

The directors of the Company anticipate that the adoption of HKFRS 9 in the future will have no material impact on the Group's financial assets and financial liabilities, except for the classification and measurement of the Group's available-for-sale investments. In the opinion of the directors, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersedes 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 of those goods or services. Specially, HKFRS 15 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.

The directors of the Company consider that it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 on the amounts reported and disclosures made in the Group's consolidated financial statements until the Group performs a detailed review.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the 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 financial instruments, which measured at fair values at the end of reporting period, 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 characteristic 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*.

In addition, for financial reporting purpose, 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 (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.

3. Significant Accounting Policies (Continued)

Basis of consolidation (Continued)

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 Company obtains control over the subsidiary and ceases when the Company 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 or loss and other comprehensive income from the date the Company gains control until the date when the Company 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 into line with the Group's accounting policies.

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

Investment in associate and joint venture

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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group. Under the equity method, an investment in an associate or a joint venture 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 or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), 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 or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, 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.

3. Significant Accounting Policies (Continued)

Investments in associates and joint venture (Continued)

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 or a joint venture. 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.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue recognition

Revenue is measured at fair value of consideration received or receivable for services provided, net of sales related taxes.

Revenue from construction services is described in the accounting policy for construction contracts below. Revenue from property maintenance and other contracting services are recognised when services are provided.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. 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.

3. Significant Accounting Policies (Continued)

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activities at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

Property, plant and equipment

Property, plant and equipment, including leasehold land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and amortisation and accumulated impairment losses, if any.

Depreciation and amortisation is recognised to write off the cost of assets less their residual values, over their estimated useful life, using the straight-line method. The estimated useful life, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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 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.

3. Significant Accounting Policies (Continued)

Property under development

Property under development is stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated cost to completion.

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 term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Financial instruments

Financial assets and financial liabilities are recognised 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are classified as loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

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 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.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, pledged bank deposits, and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy on impairment of financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at financial assets at fair value through profit or loss.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when 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 an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. 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 average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is 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 receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in available-for-sale investments revaluation reserve. For available-for-sale debt investment, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified either as financial liabilities or as equity 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 an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Other financial liabilities

The Group's other financial liabilities, including trade and other payables, amount due to an associate, amount due to/loan from a related party and secured bank loans, are subsequently measured at amortised cost, using the effective interest method.

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 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 guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

- the amount of obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at 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 that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

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 each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the exchange 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 partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), 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)

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets 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 to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

Borrowing costs

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") and other defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

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 of items of income or expense that are taxable or deductible in other years and 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 base 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 difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such 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 associates, and interests in joint ventures, 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 the 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 rate (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.

Current and deferred tax are recognised in profit or loss, except when they relate 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. Significant Accounting Policies (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, 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 on-going 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.

(a) Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Contingent liabilities in respect of legal claims

The Group has been engaged in a number of legal claims in respect of certain construction works. Contingent liabilities arising from these legal claims have been assessed by management with reference to legal advice. The directors of the Company considered that adequate provision in respect of the litigations is made after due consideration of each case and with reference to legal opinion.

(b) Key sources of estimation uncertainty

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.

Construction contracts revenue recognition

The Group recognises contract revenue and profit of a construction contract according to the management's estimation of the total outcome of the construction contract as well as percentage of completion of construction works based on contract costs incurred.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(b) Key sources of estimation uncertainty (Continued)

Construction contracts revenue recognition (Continued)

In estimating the total outcome, the Group determines the amount of attributable profit or foreseeable losses from construction contracts based on the latest available budgets of those construction contracts with reference to the overall performance of each construction contract which requires management's best estimates and judgements of construction revenue and costs. Construction revenue is estimated in accordance with the terms set out in the relevant contracts. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer and are capable of being reliably measured. Construction costs which mainly comprise preliminary expenses and subcontracting costs are estimated by the management on the basis of quotations from time to time provided by the subcontractors involved and the experience of the management. Because of the nature of the construction industry, the management regularly reviews the progress report prepared by the project managers and budgets of the construction contracts in determining the percentage of completion of work. Any change in the estimates of construction revenue or construction cost will affect the amount of foreseeable losses, or attributable profits recognised in the profit or loss prospectively in each reporting period using the percentage of completion method.

Property maintenance revenue recognition

When services are provided, property maintenance income is recognised based on management's estimation of the value of each works order. At the end of the reporting period, the management estimated the extent of services already rendered by the Group and the amount of revenue in respect of each uncompleted works order by reference to the statement of claim, if any, mutually agreed by the Group and customers, or the completion report issued by the customers subsequent to the end of the reporting period. The actual value of completed works orders shown in the completion report may be higher or lower than management estimates and this will affect the revenue from property maintenance recognised in profit or loss in each reporting period.

Estimated impairment of trade and other receivables

The Group performs ongoing credit evaluations of its customers and adjusts credit limits based on payment history and the customer's current credit-worthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience and any specific customer collection issues that it has been identified. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

Estimated impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment has any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of property, plant and equipment have been determined based on higher of its value-in-use and fair value less costs of disposal if there is indication of impairment. The value-in-use calculations require the use of judgement and estimates on future operating cash flows and discount rates adopted.

5. Revenue and Segmental Information

	2015 **HK$'000**	2014 HK$'000
Revenue from:		
Building construction	**557,794**	352,382
Alterations, renovation, upgrading and fitting-out works	**405,949**	297,335
Property maintenance	**281,834**	214,211
Property development and provision of related management and advisory services	**3,114**	—
Trading of commodities	**527,547**	—
	1,776,238	863,928

The Group's operating segments are determined based on information reported to the chief operating decision maker (the "CODM"), being the board of directors of the Company, for the purpose of resource allocation and performance assessment which focuses on types of contracting services provided, for which discrete financial information is available. The Group's reportable and operating segments are as follows:

(i) building construction

(ii) alternations, renovation, upgrading and fitting-out works

(iii) property maintenance

(iv) properly development and provision of related management and advisory services*

(v) trading of commodities*

* During the year, the Group expanded to property development and provision of related management and advisory services and trading of commodities, each of which constitutes a new operating segment.

5. Revenue and Segmental Information (Continued)

Segment revenue and results

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

	Building construction HK$'000	Alternations, renovation, upgrading and fitting-out works HK$'000	Property maintenance HK$'000	Property development and provision of related management and advisory services HK$'000	Trading of commodities HK$'000	Total HK$'000
2015						
Segment revenue — external customers	**557,794**	**405,949**	**281,834**	**3,114**	**527,547**	**1,776,238**
Segment results	**(35,620)**	**26,432**	**(14,786)**	**(103)**	**1,414**	**(22,663)**
Unallocated other income						**3,978**
Administrative expenses						**(87,230)**
Finance costs						**(6,834)**
Impairment loss on available-for-sale investments						**(2,943)**
Impairment loss on goodwill arising from an associate						**(487)**
Share of profit of an associate						**392**
Loss before taxation						**(115,787)**
2014						
Segment revenue — external customers	352,382	297,335	214,211	—	—	863,928
Segment results	(933)	13,345	10,683	—	—	23,095
Unallocated other income						3,620
Administrative expenses						(72,212)
Finance costs						(3,071)
Loss before taxation						(48,568)

There is no inter-segment revenue in current and prior years.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment results represent loss incurred by each segment without absorption of reconciling items, details of which are set out above. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. Revenue and Segmental Information (Continued)

Segment assets and liabilities

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

	2015 HK$'000	2014 HK$'000
Segment assets		
Building construction	123,673	121,494
Alternations, renovation, upgrading and fitting-out works	57,490	85,622
Property maintenance	109,606	77,043
Property development and provision of related management and advisory services	30,987	—
Trading of commodities	176,180	—
Total segment assets	497,936	284,159
Unallocated corporate assets	276,855	373,156
Total assets	774,791	657,315
Segment liabilities		
Building construction	138,379	90,539
Alternations, renovation, upgrading and fitting-out works	64,602	62,122
Property maintenance	73,163	42,281
Property development and provision of related management and advisory services	599	—
Trading of commodities	144,087	—
Total segment liabilities	420,830	194,942
Unallocated corporate liabilities	327,972	317,594
Total liabilities	748,802	512,536

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

- all assets are allocated to operating segments other than interests in associates and a joint venture, available-for-sale investments, certain property, plant and equipment, certain other receivables, pledged bank deposits, and bank balances and cash; and

- all liabilities are allocated to operating segments other than amount due to an associate, tax payable, secured bank loans, amount due to/loan from a related party, other payable and accrual and deferred tax liability.

5. Revenue and Segmental Information (Continued)

Other segment information

	Building construction HK$'000	Property maintenance HK$'000	Alternations, renovation, upgrading and fitting-out works HK$'000	Property development and provision of related management and advisory services HK$'000	Trading of commodities HK$'000	Unallocated HK$'000	Total HK$'000
2015							
Amounts included in the measure of segment results or segment assets:							
Additions to property, plant and equipment	**3,858**	**2,977**	**106**	**—**	**—**	**289**	**7,230**
Depreciation of property, plant and equipment	**4,453**	**874**	**117**	**—**	**—**	**2,134**	**7,578**
Interest income from subcontractors	**(37)**	**(1,816)**	**(1,236)**	**—**	**—**	**—**	**(3,089)**
Impairment loss on property under development	**—**	**—**	**—**	**3,217**	**—**	**—**	**3,217**
Amounts regularly provided to the CODM but not included in the measure of segment results or segment assets:							
Impairment loss on available-for-sale investments	**—**	**—**	**—**	**—**	**—**	**2,943**	**2,943**
Impairment loss on goodwill arising from an associate	**—**	**—**	**—**	**—**	**—**	**487**	**487**
Loss on disposal of property, plant and equipment	**—**	**—**	**—**	**—**	**—**	**727**	**727**
Interests in associates	**—**	**—**	**—**	**—**	**—**	**567**	**567**
Bank interest income	**—**	**—**	**—**	**—**	**—**	**(820)**	**(820)**
Government grant	**—**	**—**	**—**	**—**	**—**	**(750)**	**(750)**
Finance costs	**—**	**—**	**—**	**—**	**—**	**6,834**	**6,834**
Taxation	**—**	**—**	**—**	**—**	**—**	**1,476**	**1,476**
2014							
Amounts included in the measure of segment results or segment assets:							
Additions to property, plant and equipment	16,560	523	322	—	—	3,390	20,795
Depreciation of property, plant and equipment	2,307	235	84	—	—	2,518	5,144
Interest income from subcontractors	(27)	(957)	(114)	—	—	—	(1,098)
Amounts regularly provided to the CODM but not included in the measure of segment results or segment assets:							
Interests in associates	—	—	—	—	—	8,432	8,432
Bank interest income	—	—	—	—	—	(625)	(625)
Government grant	—	—	—	—	—	(277)	(277)
Finance costs	—	—	—	—	—	3,071	3,071
Taxation	—	—	—	—	—	(250)	(250)

5. Revenue and Segmental Information (Continued)

Geographical information

The Group's operations are mainly located in Hong Kong, Macau, Singapore and Mainland China.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets (excluding available-for-sale investments) is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Hong Kong (Country of domicile)	**1,299,659**	533,275	**11,282**	16,988
Singapore	**456,469**	323,607	**19,783**	23,835
Macau (Country of domicile)	**15,900**	7,046	**5**	8
Mainland China	**4,210**	—	**994**	—
	1,776,238	863,928	**32,064**	40,831

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2015 HK$'000	2014 HK$'000
Customer A[1]	**313,372**	—
Customer B[2]	**303,834**	190,598
Customer C[3]	**207,065**	211,000
Customer D[4]	**—**	108,246

1 Revenue from trading of commodities.
2 Revenue from building construction and property maintenance.
3 Revenue from building construction and alterations, renovation, upgrading and fitting-out works.
4 Revenue from alterations, renovation, upgrading and fitting-out works.

6. Other Income

	2015 HK$'000	2014 HK$'000
Other income comprises:		
Rental income	**124**	1,973
Interest income from sub-contractors	**3,089**	1,098
Bank interest income	**820**	625
Investment income from available-for-sale debt investments	**14**	14
Government grant	**750**	277

7. Finance Costs

	2015 HK$'000	2014 HK$'000
Interest on secured bank loans wholly repayable within five years	**186**	793
Interest on obligations under finance leases	**188**	137
Interest on loan from a related party (Note 23)	**6,460**	2,141
	6,834	3,071

8. Loss Before Taxation

	2015 HK$'000	2014 HK$'000
Loss before taxation has been arrived at after charging (crediting):		
Directors' remuneration (Note 10)	**5,173**	3,345
Other staff costs included in cost of sales		
Salaries and allowances	**63,539**	57,928
Retirement benefit scheme contributions	**2,231**	1,728
Other staff cost included in administrative expenses		
Salaries and allowances	**43,458**	36,016
Retirement benefit scheme contributions	**1,717**	1,467
Total other staff costs	**110,945**	97,139
Depreciation of property, plant and equipment		
Included in cost of sales	**5,380**	2,934
Included in administrative expenses	**2,198**	2,210
	7,578	5,144
Auditor's remuneration	**1,320**	1,279
Operating lease rentals in respect of premises	**6,581**	4,256
Impairment loss on amount due from a joint venture	**—**	642
Impairment loss on goodwill arising from an associate	**487**	—
Loss on disposal of property, plant and equipment	**727**	—
Foreign exchange loss (gain), net	**7,443**	(2)

9. Taxation

	2015 HK$'000	2014 HK$'000
The tax charge (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	**34**	6
Overprovision of Hong Kong Profits Tax in prior years	**(38)**	(130)
Overprovision of Singapore Corporate Tax in prior year	**(22)**	(552)
Enterprise Income Tax in the People's Republic of China	**703**	—
	677	(676)
Deferred tax (Note 26)	**799**	426
	1,476	(250)

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Macau Complementary Income Tax ("MCIT") is charged at the progressive rate on the estimated assessable profit. Singapore Corporate Tax has been provided at the rate of 17% on the estimated assessable profit for the year. No provision for MCIT and Singapore Corporate Tax has been made for the both years as the subsidiaries operating in Macau or Singapore have no assessable profits.

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

	2015 HK$'000	2014 HK$'000
Loss before taxation	**(115,787)**	(48,568)
Tax at rates applicable in respective tax jurisdiction concerned	**(20,683)**	(8,197)
Tax effect of expenses not deductible for tax purpose	**5,585**	594
Tax effect of income not taxable for tax purpose	**(521)**	(98)
Tax effect of tax loss not recognised	**17,155**	8,133
Overprovision of tax in prior years	**(60)**	(682)
Tax charge (credit) for the year	**1,476**	(250)

10. Directors' and Chief Executive's Remuneration and Individuals with Highest Emoluments

(a) Directors' and chief executive's remuneration

Details of emoluments of each of the 7 (2014: 12) individual directors are set out as follows:

	Notes	Fee HK$'000	Salaries, allowances and other benefits HK$'000	Discretionary bonus HK$'000	Contributions to retirement benefits scheme HK$'000	Total HK$'000
2015						
Executive directors						
Wang Zhijun		—	2,000	—	—	2,000
Hu Baoyue						
(acting chief executive)	(i)	—	1,020	—	—	1,020
Gavin Xing *(chief executive)*	(i)	—	1,617	—	6	1,623
Kwan Ngai Kit	(ii)	—	78	—	2	80
Independent non-executive directors						
Chiu Sai Chuen Nicholas		150	—	—	—	150
Tam Tak Kei Raymond		150	—	—	—	150
Wong Kai Tung Simon		150	—	—	—	150
		450	4,715	—	8	5,173
2014						
Executive directors						
Wang Zhijun	(iii)	—	1,045	—	—	1,045
Hu Baoyue	(iii)	—	593	—	—	593
Gavin Xing *(chief executive)*	(i)	—	700	—	—	700
Wong Law Fai	(iv) (v)	—	103	93	3	199
So Kwok Lam	(v)	—	102	93	3	198
Yip Chi Chong	(v)	—	91	82	—	173
Independent non-executive directors						
Ren Yunan	(vi) (vii)	69	—	—	—	69
Chiu Sai Chuen Nicholas	(vi)	127	—	—	—	127
Tam Tak Kei Raymond		143	—	—	—	143
Wong Kai Tung Simon	(viii)	58	—	—	—	58
Lam Siu Lo Andrew	(v)	20	—	—	—	20
Li Ying Ming	(v)	20	—	—	—	20
		437	2,634	268	6	3,345

10. Directors' and Chief Executive's Remuneration and Individuals with Highest Emoluments (Continued)

(a) Directors' and chief executive's remuneration (Continued)

Notes:

(i) Mr. Gavin Xing was appointed as the chief executive of the Company on 10 September 2013 and resigned on 28 February 2015. Mr. Hu Baoyue was then appointed as the acting chief executive of the Company on 28 February 2015. The emoluments of each of Mr. Gavin Xing and Mr. Hu Baoyue disclosed above include those for services rendered by them as the chief executive/acting chief executive.

(ii) Appointed on 28 February 2015.

(iii) Appointed on 2 May 2013.

(iv) Mr. Wong Law Fai was also the chief executive of the Company prior to his resignation on 28 May 2013 and his emoluments disclosed above include those for services rendered by him as the chief executive.

(v) Resigned on 28 May 2013.

(vi) Appointed on 28 May 2013.

(vii) Resigned on 12 November 2013.

(viii) Appointed on 12 November 2013.

The discretionary bonus is determined by reference to the Group's operating results and the individual performance of the directors.

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments in the Group for the year, two (2014: nil) are directors and the chief executive of the Company whose emoluments are set out in note (a) above. The emoluments of the remaining three (2014: five) individuals for the year are as follows:

	2015 **HK$'000**	2014 HK$'000
Salaries, allowances and other benefits	**3,882**	5,871
Discretionary bonus	**568**	1,075
Contributions to retirement benefits scheme	**83**	134
	4,533	7,080

10. Directors' and Chief Executive's Remuneration and Individuals with Highest Emoluments (Continued)

(b) Individuals with highest emoluments (Continued)

Their emoluments were within the following bands:

	2015 No. of employees	2014 No. of employees
HK$1,000,001 to HK$1,500,000	**2**	4
HK$1,500,001 to HK$2,000,000	**1**	1
	3	5

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals (including directors and the chief executive and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors nor the chief executive has waived any emoluments during the year.

11. Loss Per Share

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

	2015 HK$'000	2014 HK$'000
Loss:		
Loss for the purpose of basic and diluted loss per share	**(117,263)**	(48,318)

	2015 '000	2014 '000
Number of shares:		
Number of ordinary shares in issue for the purpose of basic and diluted loss per share	**300,000**	300,000

The diluted loss per share is equal to the basic loss per share as the Company does not have dilutive potential ordinary shares during the current and prior years.

12. Dividend

No dividend was paid or proposed during the year, nor has any dividend been proposed since the end of the reporting period.

13. Property, Plant and Equipment

	Land and buildings HK$'000	Leasehold improve-ments HK$'000	Furniture, fixture and equipment HK$'000	Computers HK$'000	Motor vehicles HK$'000	Total HK$'000
COST						
At 1 April 2013	9,000	1,616	10,530	1,331	2,923	25,400
Additions	—	2,201	18,435	151	8	20,795
Disposals	—	—	(16)	(190)	—	(206)
Exchange realignment	—	(19)	(321)	—	(25)	(365)
At 31 March 2014	9,000	3,798	28,628	1,292	2,906	45,624
Additions	—	909	3,603	1,044	1,674	7,230
On acquisition of subsidiaries (Note 29)	—	—	694	339	—	1,033
Disposals	—	(1,600)	(866)	(122)	(379)	(2,967)
Exchange realignment	—	(68)	(1,690)	—	(90)	(1,848)
At 31 March 2015	9,000	3,039	30,369	2,553	4,111	49,072
DEPRECIATION AND AMORTISATION						
At 1 April 2013	1,080	1,071	3,155	1,042	2,086	8,434
Charge for the year	180	694	3,858	221	191	5,144
Eliminated on disposals	—	—	(16)	(190)	—	(206)
Exchange realignment	—	(9)	(127)	—	(11)	(147)
At 31 March 2014	1,260	1,756	6,870	1,073	2,266	13,225
Charge for the year	180	1,063	5,229	480	626	7,578
Eliminated on disposals	—	(931)	(675)	(18)	(379)	(2,003)
Exchange realignment	—	(61)	(1,110)	—	(54)	(1,225)
At 31 March 2015	1,440	1,827	10,314	1,535	2,459	17,575
CARRYING VALUES						
At 31 March 2015	7,560	1,212	20,055	1,018	1,652	31,497
At 31 March 2014	7,740	2,042	21,758	219	640	32,399

13. Property, Plant and Equipment (Continued)

The above items of property, plant and equipment are depreciated and amortised on a straight-line basis as follows:

Leasehold land and buildings	Over the shorter of the unexpired lease term and 75 years
Leasehold improvements	Over the shorter of the unexpired lease term and 3 to 4 years
Furniture, fixture and equipment	Over 3 to 5 years
Computers	Over 3 years
Motor vehicles	Over 5 years

The land and buildings are located in Hong Kong under a long lease and have been pledged to secure banking facilities granted to the Group (Note 32).

The carrying values of property, plant and equipment includes an amount of approximately HK$10,955,000 (2014: HK$12,785,000) in respect of assets held under finance leases.

14. Interests in Associates

	2015 HK$'000	2014 HK$'000
Unlisted investments in associates, at cost	**—**	1,987
Share of post-acquisition results, net of dividends received	**1,404**	6,470
Exchange realignment	**(837)**	(25)
	567	8,432

Details of the Group's associates at the end of the reporting period are as follows:

Name of entity	**Form of entity**	**Place of incorporation and operation**	**Proportion of issued ordinary share capital indirectly held by the Company**		**Principal activity**
			2015	2014	
Castilia Development Pte. Ltd. ("Castilia")	Private limited liability company	Singapore	**20%**	20%	Inactive
Lian Beng-Wan Chung JV Pte. Ltd. ("Lian Beng")	Private limited liability company	Singapore	**—**	49%	Voluntary liquidated

14. Interests in Associates (Continued)

Included in the cost of investment in an associate as at 31 March 2014 was goodwill of approximately HK$487,000 arising on acquisition of Castilia in March 2010. During the year, the directors have determined that the goodwill was fully impaired as Castilia became inactive. Accordingly, the amount of goodwill has been fully written off during the year.

The associates are accounted for using equity method in these consolidated financial statements. The summarised financial information of the major associate, Castilia, as extracted from its financial statements in accordance with International Financial Reporting Standards, which were prepared using uniform accounting policies as those of the Group, is as follows:

	2015 **HK$'000**	2014 HK$'000
Current assets		
Amounts due from shareholders	**4,181**	39,252
Bank balances	**62**	85
Current liabilities	**(1,410)**	(4,112)
Net assets	**2,833**	35,225
The Group's share of net assets of Castilia	**567**	7,045
Revenue	**—**	—
Profit and total comprehensive income for the year	**1,960**	—
The Group's share of profit and total comprehensive income of Castilia	**392**	—

Reconciliation of the above summarised financial information to the carrying amount of the interest in Castilia recognised in the consolidated financial statements is as follows:

	2015 **HK$'000**	2014 HK$'000
Net assets of Castilia	**2,833**	35,225
The Group's attributable interest in Castilia	**567**	7,045
Goodwill	**—**	487
Carrying amount of the Group's interest in Castilia	**567**	7,532

15. Interest in a Joint Venture

	2015 HK$'000	2014 HK$'000
Unlisted investment in a joint venture, at cost	—	—

Details of the Group's joint venture at the end of the reporting period are as follows:

Name of entity	Form of entity	Place of incorporation and operation	Proportion of issued ordinary share capital indirectly held by the Company		Principal activity
			2015	2014	
Keat Seng-Vision Foundation JV Pte. Ltd.	Private limited liability company	Singapore	50%	50%	Provision of foundation work

The Group has discontinued recognition of its share of loss of joint venture. The amount of unrecognised share of losses of the joint venture, both for the year and cumulatively, are as follows:

	2015 HK$'000	2014 HK$'000
Unrecognised share of losses of the joint venture for the year	(891)	(1,415)
Cumulative unrecognised share of losses of the joint venture	(2,312)	(1,421)

16. Available-for-sale Investments

	2015 HK$'000	2014 HK$'000
Listed outside Hong Kong, at fair value:		
Equity securities	**7,577**	10,951
Debt securities with fixed interest rate of 4.7% per annum	**302**	323
	7,879	11,274

The fair values of the above listed securities are determined based on the quoted market bid prices available on the Singapore Exchange Limited.

17. Amounts due from (to) Customers for Contract Work

	2015 HK$'000	2014 HK$'000
Contracts in progress at the end of the reporting period:		
Contract costs incurred plus recognised profits less recognised losses	**1,509,242**	1,072,147
Less: Progress billings	**(1,461,934)**	(1,043,571)
	47,308	28,576
Analysed for reporting purpose as:		
Amounts due from customers for contract work	**53,285**	43,123
Amounts due to customers for contract work	**(5,977)**	(14,547)
	47,308	28,576

18. Property Under Development

The property is located in Australia and held under development for sale. No interest has been capitalised in property under development during the year.

19. Trade and Other Receivables

	2015 HK$'000	2014 HK$'000
Trade and bills receivables (note i)	**187,521**	134,273
Advance payments to suppliers	**140,977**	—
Retention money receivables (note ii)	**50,908**	49,548
Advances to subcontractors (note iii)	**35,743**	34,523
Restricted deposit with a broker	**775**	—
Utility deposits and other receivables (note iv)	**32,884**	31,902
	448,808	250,246

Notes:

(i) The amount includes bills receivable of HK$30,659,000 (2014: Nil) at the end of the reporting period that is transferred to a bank by discounting bills receivable on a full recourse basis. If the bills receivable is not paid on maturity, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the receivable, it continues to recognise the full carrying amount of the receivable and has recognised the cash received on the transfer as secured bank loans (Note 25). The financial asset is carried at amortised cost in the consolidated statement of financial position.

	2015 HK$'000	2014 HK$'000
Carrying amount of transferred asset	**30,659**	—
Carrying amount of associated liability	**(30,659)**	—

(ii) The amount represents retentions held by customers for contract work, of which approximately HK$24,300,000 (2014: HK$17,502,000) is expected to be recovered or settled in more than twelve months from the end of the reporting period.

(iii) The advances to subcontractors are unsecured, expected to be realised within one year and interest bearing at rates ranging from 7% to 9% (2014: 7% to 9%) per annum.

(iv) Included in other receivables are amounts of approximately HK$11,177,000 (2014: HK$10,023,000) pledged to secure banking facilities granted to the Group. In addition, HK$3,794,000 as at 31 March 2014 (2015: Nil) was also pledged for guarantees in respect of performance bonds in favour of the Group's customers.

19. Trade and Other Receivables (Continued)

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate. The following is an aged analysis of trade and bills receivables, presented based on the certified report which approximates revenue recognition date at the end of the reporting period:

	2015 HK$'000	2014 HK$'000
Within 30 days	158,788	117,988
More than 30 days but within 90 days	27,265	15,234
More than 90 days	1,468	1,051
	187,521	134,273

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of approximately HK$15,316,000 (2014: HK$1,821,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. There has not been a significant change in credit quality of the relevant customers and the Group believes that the amounts are still recoverable as there are continuing subsequent settlement. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired is as follows:

	2015 HK$'000	2014 HK$'000
More than 30 days but within 90 days	11,812	770
More than 90 days	3,504	1,051
	15,316	1,821

The directors of the Company consider that there has not been a significant change in credit quality of the trade receivables and there is no recent history of default, therefore the amounts are considered recoverable.

20. Pledged Bank Deposits, Bank Balances and Cash

Pledged bank deposits represent deposits pledged to banks to secure short-term bank loans and are therefore classified as current assets. The pledged bank deposits carry fixed interest rates ranging from 0.1% to 1.25% (2014: 0.1% to 0.4%) per annum.

Bank balances represent bank deposits with maturity within three months on initial inception and carry interest at market rates ranging from 0.001% to 0.38% (2014: 0.001% to 0.35%) per annum.

The Group's pledged bank deposits, bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	2015 HK$'000	2014 HK$'000
United States dollars ("USD")	**78,124**	6,609
Singapore dollars ("SGD")	**23,859**	78
Australian dollars ("AUD")	**275**	701

21. Trade and Other Payables

	2015 HK$'000	2014 HK$'000
Trade payables	**174,608**	117,927
Retention money payables	**63,057**	51,435
Receipts in advance from customers	**141,198**	—
Other payables and accruals	**31,836**	16,268
	410,699	185,630

The retention money payables represent retentions held by the Group for contract work, of which HK$20,995,000 (2014: HK$15,166,000) is due for settlement in more than twelve months from the end of the reporting period pursuant to the construction contracts.

21. Trade and Other Payables (Continued)

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

	2015 HK$'000	2014 HK$'000
Within 30 days	155,280	112,977
More than 30 days but within 90 days	17,270	4,043
More than 90 days	2,058	907
	174,608	117,927

The average credit period on trade payables is 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

22. Amount due to an Associate

The amount as at 31 March 2014 was unsecured, non-trade, interest-free and expected to be paid or settled within one year. The amount has been settled during the year.

23. Amount due to/Loan from a Related Party

The amounts are advanced by Mr. Wong Law Fai, a former executive director of the Company who resigned in May 2013 but remains as a director of certain subsidiaries of the Company. Pursuant to a loan agreement dated 1 December 2013, the amounts comprise a loan of HK$170,000,000 which is unsecured and interest bearing at 3.80% per annum, and other interest-free advances. The loan principal of HK$170,000,000 will be repaid in June 2016 as extended by Mr. Wong Law Fai (2014: August 2015).

The balance of HK$119,862,000 (2014: HK$122,607,000) is unsecured, interest-free and repayable on demand.

24. Obligations under Finance Leases

	Minimum lease payments		Present value of minimum lease payments	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
Amounts payable under finance leases:				
Within one year	**2,466**	4,117	**2,348**	3,387
In more than one year but within two years	**2,029**	4,765	**1,938**	4,646
In more than two years but within five years	**2,313**	2,721	**2,174**	3,000
	6,808	11,603	**6,460**	11,033
Less: Future finance charges	**(348)**	(570)	**—**	—
Present value of lease obligations	**6,460**	11,033	**6,460**	11,033
Less: Amount due within one year (shown under current liabilities)			**(2,348)**	(3,387)
Amount due after one year			**4,112**	7,646

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets. The lease term ranges from two to three years for the two lease agreements entered into by the Group. Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 1.45% to 2.91% (2014: 1.45% to 2.91%) per annum. These leases have no terms of renewal and escalation clauses.

25. Secured Bank Loans

The bank loans are secured by the Group's bills receivable, repayable within one year and bear interest at a fixed rate of 4% (2014: nil) per annum.

26. Deferred Taxation

The following is the major deferred tax liability recognised and movements thereon during current and prior years:

	Accelerated tax depreciation HK$'000	Tax loss HK$'000	Total HK$'000
At 1 April 2013	421	—	421
Charge (credit) to profit or loss	586	(160)	426
Exchange realignment	(2)	—	(2)
At 31 March 2014	1,005	(160)	845
Charge to profit or loss	639	160	799
Exchange realignment	(10)	—	(10)
At 31 March 2015	1,634	—	1,634

For the purpose of presentation in the consolidated statement of financial position, the above deferred tax asset has been offset against the deferred tax liability.

At the end of the reporting period, the Group has unused tax losses of approximately HK$108,753,000 (2014: HK$50,745,000) available for offset against future profits. A deferred tax has been recognised as at 31 March 2014 in respect of the unused tax loss of HK$970,000 (2015: Nil). No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses is an amount of approximately HK$1,469,000 (2014: HK$522,000) that will expire from 2015 to 2019. Other losses may be carried forward indefinitely.

Withholding tax is imposed on dividends declared in respect of profits earned by subsidiaries of the Company in Singapore. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to the withholding tax on accumulated profits of subsidiaries in Singapore amounting to HK$20,290,000 (2014: HK$32,463,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

27. Share Capital

	Number of shares	Amount
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2013, 31 March 2014 and 31 March 2015	2,000,000,000	20,000
Issued and fully paid:		
At 1 April 2013, 31 March 2014 and 31 March 2015	300,000,000	3,000

28. Share Option Scheme

Pursuant to the written resolution of the shareholders of the Company on 19 December 2011, the Company adopted a share option scheme (the "Scheme") to attract and retain the best available personnel, to provide additional incentive to eligible participants and to promote the success of the business of the Group.

Eligible participants of the Scheme include employees (full-time or part-time), directors, consultants or advisors, distributors, contractors, suppliers, agents, customers, and business partners or service providers of the Group.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK$1 per option. Options may be exercised at any time during a period as the directors of the Company may determine, which shall not exceed ten years from the date of grant. The exercise price is determined by the directors of the Company, and will be at least higher than (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No share options were granted since the adoption of the Scheme and there are no outstanding share options at the end of each reporting period.

29. Acquisition of Subsidiaries

On 31 January 2015, the Group acquired the entire equity interest in China Estate International Limited, a investment holding company incorporated in Hong Kong which, together with its subsidiary (the "Acquired Group") are engaged in property development and related management services in the Mainland China. This acquisition has been accounted for using the purchase method. Details of the acquisition, including considerations paid, assets acquired and liabilities recognised are set out below:

	HK$'000
Consideration for the acquisition:	
Cash consideration	11,000
Fair value of assets acquired and liabilities recognised at the date of acquisition are as follow:	
Property, plant and equipment	1,033
Trade and other receivables (note i)	1,991
Bank balances and cash	11,043
Trade and other payables	(1,175)
Tax payable	(1,892)
	11,000
Cash flows arising on acquisition:	
Cash consideration paid for acquisition	11,000
Less: Bank balances and cash acquired	(11,043)
Net cash inflows	(43)
Acquisition-related cost (note ii)	175

Notes:

(i) At the acquisition date, the gross contractual amount of the receivables acquired was equivalent to its fair value as it was expected that all amounts were fully collectible.

(ii) The acquisition-related cost was recognised as an expense during the year.

(iii) Pro-forma revenue and profit

Included in the Group's loss for the year ended 31 March 2015 was profit of HK$2,075,000 attributable to the additional businesses generated by the Acquired Group. Revenue for the year ended 31 March 2015 included HK$3,114,000 generated from the Acquired Group. Had the acquisition been completed on 1 April 2014, total group revenue for the year ended 31 March 2015 would have been HK$1,791,464,000, and the loss for the year would have been HK$104,519,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2014, nor is it intended to be a projection of future results.

30. Major Non-Cash Transaction

During the year ended 31 March 2014, the Group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of approximately HK$12,275,000 (2015: Nil).

31. Operating Lease Commitments

The Group as lessee

At the end of the reporting period, the Group has commitments for future minimum lease payments in respect of certain of its office premises, machineries and staff quarters under non-cancellable operating leases which fall due as follows:

	2015 HK$'000	2014 HK$'000
Within one year	**3,446**	3,783
In the second to fifth year inclusive	**5,285**	4,551
Over five years	**—**	517
	8,731	8,851

Leases are negotiated, and rentals are fixed, for an average term of one to five years (2014: two to six years).

32. Credit Facilities

At the end of the reporting period, the Group's benefits under certain construction contracts and the following assets are pledged to banks and an insurance company to secure the bank loans and performance bond facilities to the extent of approximately HK$80,623,000 (2014: HK$201,983,000) in aggregate granted to the Group:

	2015 HK$'000	2014 HK$'000
Property, plant and equipment	**7,560**	7,740
Other receivables	**11,177**	13,817
Bank deposits	**19,717**	44,661
Bills receivable	**30,659**	—
	69,113	66,218

33. Performance Bonds and Contingent Liabilities

	2015 **HK$'000**	2014 HK$'000
Performance bonds for construction contracts in favour of customers	**164,306**	127,080

The above performance bonds were given by banks or insurance companies in favour of some of Group's customers as security for the due performance and observance of the Group's obligations under the construction contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks or insurance companies to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks or insurance companies accordingly. The performance bonds will be released upon completion of the contract work for the relevant customers.

In addition, a subsidiary of the Company is a defendant in a number of claims, lawsuits, arbitrations and potential claims relating to subcontracting fees, damages of personal injuries and breach of construction contracts. The directors of the Company considered that the possibility of any outflow in settling the legal claims is remote and adequate provision in respect of the litigations is made, after due consideration of each case and with reference to the legal opinion.

34. Retirement Benefit Plans

The Group operates a MPF Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% (2014: 5%) of relevant payroll costs to the MPF Scheme, whose contribution is matched by employees and subject to a monthly cap of HK$1,500 (HK$1,250 prior to June 2014) for each employee.

Under the laws of Singapore, certain subsidiaries of the Company make contributions to the state pension scheme, the Central Provident Fund ("CPF"). The subsidiaries of the Company in Singapore are required to contribute certain percentages varies from 5% to 20% (2014: 5% to 20%) of the monthly salaries of their current employees to the CPF.

Employees employed by the Company's subsidiary in Macau Special Administration Region ("MSAR") are members of government-managed retirement benefits schemes operated by the MSAR government and this subsidiary is required to pay a monthly fixed contribution to the retirement benefits schemes to fund the benefits.

The only obligation of the Group with respect to the retirement benefits schemes operated by Hong Kong, Singapore and the MSAR government is to make the required contributions under the schemes.

During the year, total expenses recognised in profit or loss are HK$3,956,000 (2014: HK$3,201,000), which represent contributions payable to these schemes by the Group at rates specified in the rules of the relevant schemes.

35. Related Party Disclosures

(a) Transactions and balances

The Group entered into the following significant transactions with related parties during the year:

Related party	Transaction	2015 HK$'000	2014 HK$'000
A director of a certain subsidiary of the Company	Interest expense charged to the Group	6,460	2,141
A joint venture	Rental income earned by the Group	—	1,975
	Management fee charged by the Group	111	75
	Impairment loss on amount due from a joint venture	—	642
Associates	Dividend income received from Castilia	5,458	—
	Return of capital from Castilia	1,130	—
	Return of capital from Lian Beng	831	—

Details of balances with related parties are set out in the consolidated statement of financial position and the corresponding notes thereto.

(b) Compensation of key management personnel

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

	2015 HK$'000	2014 HK$'000
Salaries, allowances and other benefits	8,370	11,082
Discretionary bonus	1,265	1,728
Contributions to retirement benefits schemes	152	155
	9,787	12,965

36. 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 shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which include the amounts due to associates (Note 22), amount due to/loan from a related party (Note 23), loan from a related party (Note 23), secured bank loans (Note 25) and obligations under finance leases (Note 24), net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors 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. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new shares issues as well as the issue of new debt or the redemption of the existing debt.

37. Financial Instruments

(a) Categories of financial instruments

	2015 **HK$'000**	2014 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**490,220**	530,318
Available-for-sale investments	**7,879**	11,274
Financial liabilities		
At amortised cost	**575,246**	492,551

37. Financial Instruments (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, available-for-sale investments, pledged bank deposits, bank balances and cash, trade and other payables, amounts due to associates, amount due to/loan from a related party and secured bank loans. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below:

Market risk

(i) Currency risk

The Group has certain pledged bank deposits, bank balances and cash denominated in currencies other than the functional currency of the group entity to which they relate (Note 20). The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

In addition, intercompany balances denominated in foreign currencies are as follows:

	2015 HK$'000	2014 HK$'000
Assets		
AUD	**33,343**	16,821
Liabilities		
SGD	**34,073**	32,634

The Group is exposed to the fluctuation of each of SGD and AUD against HK$.

For USD denominated bank balances, the management of the Group considered that the currency risk is limited as HK$ is pegged to USD, and accordingly, been excluded from the sensitivity analysis below.

37. Financial Instruments (Continued)

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

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2014: 5%) increase and decrease in HK$ against the relevant foreign currencies. A 5% (2014: 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. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2014: 5%) change in foreign currency rates. A positive/negative number below indicates a decrease/an increase in loss for the year where HK$ weakening 5% (2014: 5%) against the relevant currency. For a 5% (2014: 5%) strengthen of HK$ against the relevant currency, there would be an equal and opposite impact on profit or loss, and the balances below would be negative.

	2015 HK$'000	2014 HK$'000
AUD	**1,167**	613
SGD	**(1,414)**	(1,354)

(ii) Interest rate risk

The Group was exposed to fair value interest rate risk in relation to fixed-rate secured bank loans (Note 25) as at 31 March 2015. As the pledged bank deposits and bank balances carry fixed interest rates with insignificant fluctuation, the management is of the opinion that the Group's exposure to this interest rate risk is minimal.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's fair value interest rate risk was mainly concentrated on the fluctuation of HIBOR arising from the Group's bank borrowings denominated in Renminbi ("RMB").

37. Financial Instruments (Continued)

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

Market risk (Continued)

(iii) Equity price risk

The Group is exposed to equity price risk through its investment in listed equity securities. The Group's equity price risk is mainly concentrated on equity instruments operating in the property development and construction industry sector quoted in the Singapore Exchange Limited.

Sensitivity analysis

The sensitivity analysis below has been determined based on the market condition and exposure to equity price risks at the reporting date.

If the prices of the listed equity securities had been 5% (2014: 5%) higher/lower, the Group's investments revaluation reserve would increase/decrease by approximately HK$394,000 (2014: HK$547,000) as a result of the changes in fair value of available-for-sale equity investments.

Credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to financial guarantees issued by the Group (Note 32).

In order to minimise the credit risk, the management has delegated a team responsible for determination of 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 individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 83% (2014: 64%) of the total trade receivable as at 31 March 2015. In addition, the Group has concentration of credit risk as 26% (2014: 16%) and 63% (2014: 56%) of the total trade receivables were due from the Group's single largest customer and the five largest customers, respectively.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

37. Financial Instruments (Continued)

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

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.

The following table details the contractual maturity of the Group's non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of non-derivative 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 based on the interest rate at the end of the reporting period.

Liquidity table

	Weighted average interest rate	On demand or within 1 year	1–5 years	Total contractual undiscounted cash flow	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000
2015					
Trade and other payables	**—**	**227,271**	**20,994**	**248,265**	**248,265**
Amount due to a related party	**—**	**119,862**	**—**	**119,862**	**119,862**
Loan from a related party	**3.80**	**—**	**176,460**	**176,460**	**170,000**
Obligations under finance leases	**1.56**	**2,466**	**4,342**	**6,808**	**6,460**
Secured bank loans	**4.00**	**31,886**	**—**	**31,886**	**30,659**
Financial guarantee contracts	**—**	**164,306**	**—**	**164,306**	**—**
		545,791	**201,796**	**747,587**	**575,246**
2014					
Trade and other payables	—	166,720	15,166	181,886	181,886
Amounts due to associates	—	7,025	—	7,025	7,025
Amount due to a related party	—	122,607	—	122,607	122,607
Loan from a related party	3.80	—	183,165	183,165	170,000
Obligations under finance leases	1.77	4,117	7,273	11,390	11,033
Financial guarantee contracts	—	127,080	—	127,080	—
		427,549	205,604	633,153	492,551

37. Financial Instruments (Continued)

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

Liquidity risk (Continued)

Liquidity table (Continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differed to those estimates of interest rates determined at the end of the reporting period.

The amount included above for financial guarantee contracts is the maximum amounts the Group can be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee. Details are set out in Note 32.

(c) Fair value measurements of financial instruments

(i) Financial instruments that are measured at fair value on a recurring basis

The Group's available-for-sale investments are measured at fair value at the end of each reporting period.

At 31 March 2015, the fair value of available-for-sale investments amounting to HK$7,879,000 (2014: HK$11,274,000) is derived from unadjusted quoted prices in active market for identical assets and hence, its fair value measurement is categorised as Level 1.

There were no reclassifications of financial instruments in the year.

(ii) Financial instruments that are recorded at amortised cost

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.

38. Information of the Statement of Financial Position of the Company

	2015 HK$'000	2014 HK$'000
TOTAL ASSETS		
Investments in subsidiaries, less impairment	—	119,427
Other receivables	229	168
Amounts due from subsidiaries	184,350	132,898
Bank balances and cash	70	60,505
	184,649	312,998
TOTAL LIABILITIES		
Other payables	680	1,100
Amounts due to subsidiaries	59,910	57,747
	60,590	58,847
	124,059	254,151
CAPITAL AND RESERVES		
Share capital	3,000	3,000
Reserves	121,059	251,151
	124,059	254,151

38. Information of the Statement of Financial Position of the Company (Continued)

Movements of the Company's reserves are as follows:

	Share premium HK$'000 (note i)	Contributed surplus HK$'000 (note ii)	Capital reserve HK$'000 (note iii)	Accumulated (losses) profits HK$'000	Total HK$'000
At 1 April 2013	44,322	119,427	—	(19,836)	143,913
Profit and total comprehensive income for the year	—	—	—	103,447	103,447
Fair value adjustment on amount due to a subsidiary	—	—	3,791	—	3,791
At 31 March 2014	44,322	119,427	3,791	83,611	251,151
Loss and total comprehensive expense for the year	—	—	—	(130,092)	(130,092)
At 31 March 2015	44,322	119,427	3,791	(46,481)	121,059

Notes:

(i) Under the Companies Law, Cap. 22 (Law 6 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders, provided that immediately following the date of which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

(ii) Contributed surplus represents the difference between the nominal value of the shares issued for the acquisition of Prosper Ace Investments Limited and the consolidated net asset value of Prosper Ace Investments Limited and its subsidiaries at the date of acquisition.

(iii) Capital reserve represents fair value adjustment of amount due to a subsidiary, which is non-current and interest-free, at initial recognition.

39. Particulars of Principal Subsidiaries of the Company

Details of the Company's principal subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place and date of incorporation or establishment/ operation	Issued share capital/paid-up registered capital	Attributable equity interests held by the Company 2015	2014	Principal activities
Directly held:					
Prosper Ace Investments Limited	BVI 28.4.2001	US$10,000 Ordinary shares	**100%**	100%	Investment holding
Indirectly held:					
Wan Chung Construction Company Limited	Hong Kong 14.5.1982	HK$88,000,000 Ordinary shares	**100%**	100%	Provision of property maintenance services, building construction works, and alternations, renovation, upgrading and fitting-out works
Wan Chung Engineering (Macau) Company Limited	Macau 7.9.2005	MOP25,000 Ordinary shares	**100%**	100%	Provision of property maintenance services, building construction works, and alternations, renovation, upgrading and fitting-out works
Wan Chung Construction (Singapore) Pte. Ltd.	Singapore 20.11.2008	SGD12,700,000 Ordinary shares	**100%**	100%	Provision of property maintenance services, building construction works, and alternations, renovation, upgrading and fitting-out works
Wan Chung Engineering Co., Limited	Hong Kong 2.1.1998	HK$10,000 Ordinary shares	**100%**	100%	Provision of building construction works and alternations, renovation, updating and fitting-out works
Vision Foundation Pte. Ltd.	Singapore 8.11.2012	SGD500,000 Ordinary shares	**100%**	100%	Provision of foundation and building construction works
Wan Chung Property Company Limited	Hong Kong 28.2.1991	HK$10,000 Ordinary shares	**100%**	100%	Property holding
Grace Will International Holdings Limited	Hong Kong 2.4.2013	HK$10,000 Ordinary shares	**100%**	100%	Provision of design services and investment holding
Greatwall Energy Holdings (Hong Kong) Limited	Hong Kong 8.5.2013	HK$10,000 Ordinary shares	**100%**	100%	Trading of commodities

39. Particulars of Principal Subsidiaries of the Company (Continued)

Name of subsidiary	Place and date of incorporation or establishment/ operation	Issued share capital/paid-up registered capital	Attributable equity interests held by the Company 2015	2014	Principal activities
1315 Design Pty Ltd.	Australia 31.12.2013	AUD100 Ordinary shares	**100%**	100%	Provision of design services and property development
China Estate International Limited	Hong Kong 21.9.2011	HK$1 Ordinary shares	**100%**	—	Investment holding
Smart Sky Hong Limited	BVI 7.11.2014	US$1 Ordinary shares	**100%**	—	Investment holding
上海衡途金屬貿易有限公司 Shanghai Hengtu Metal Trading Co. Ltd. (Notes a & b)	PRC 15.8.2014	—*	**100%**	—	Investment holding
中置國際(青島)地產管理有限公司 China Worth International (Qingdao) Real Estate Management Ltd (Note b)	PRC 27.10.2011	US$500,000 Ordinary shares	**100%**	—	Provision of property development management and advisory services
深圳前海天高長城投資發展有限公司 Shenzhen Qianhai Skycove Greatwall Investment Ltd. (Notes a & b)	PRC 26.6.2014	—*	**100%**	—	Trading of commodities

Notes:

(a) The company has no paid-up capital yet.

(b) These subsidiaries are wholly foreign owned enterprises.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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

Five Year Financial Summary

Consolidated Results

	2011 HK$'000	2012 HK$'000	2013 HK$'000	2014 HK$'000	**2015 HK$'000**
Revenue	734,719	661,703	965,386	863,928	**1,776,238**
Profit (loss) before taxation	67,150	41,311	30,558	(48,568)	**(115,787)**
Taxation	(12,404)	(8,347)	(4,685)	250	**(1,476)**
Profit (loss) attribute to the owners of the Company	54,746	32,964	25,873	(48,318)	**(117,263)**

Consolidated Assets and Liabilities

	2011 HK$'000	2012 HK$'000	2013 HK$'000	2014 HK$'000	**2015 HK$'000**
Total assets	394,831	389,489	426,624	657,315	**774,791**
Total liabilities	(307,055)	(212,020)	(228,458)	(512,536)	**(748,802)**
Total equity	87,776	177,469	198,166	144,779	**25,989**