



CHUANG'S
CONSORTIUM
INTERNATIONAL
LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 367

Annual Report 2013



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Dear Shareholders

OUR MISSION

BUILD
Your Home
FROM
OUR HEART

Chairman's Statement

Financial Review

For the year ended 31st March, 2013, revenues of the Group amounted to HK\$1,100.3 million (2012: HK\$2,207.1 million), representing a decrease of 50.1% compared to that of the last year. This was mainly due to the lower level of property sales recognised by the Group during the year under review. Revenues of the Group comprised income from sales of properties of HK\$565.8 million (2012: HK\$1,780.7 million), income from rental of investment properties of HK\$147.5 million (2012: HK\$143.2 million), income from sales of goods and services of HK\$361.6 million (2012: HK\$310.5 million), income from sales of grave plots and niches of HK\$6.2 million (2012: HK\$6.6 million) and income from securities investment and trading business of HK\$19.2 million (2012: loss of HK\$33.9 million).

As a result of the decrease in revenues generated from the sales of properties, gross profit of the Group during the year decreased to HK\$433.8 million (2012: HK\$1,064.7 million). Other income and net gain decreased to HK\$65.6 million (2012: HK\$235.1 million) mainly due to the absence of an one-off non-recurring net gain recorded in the last corresponding year relating to the negative goodwill arising from the acquisition of Midas International Holdings Limited ("Midas") as a subsidiary of the Group after netting off the loss on deemed disposal of Midas as an associated company of the Group. A breakdown of other income and net gain is shown in note 7 to the financial statements. Furthermore, the Group also recorded an upward revaluation surplus of HK\$1,199.1 million (2012: HK\$515.7 million) for its investment properties, reflecting the continued improvement in property prices in Hong Kong during the year under review.

On the costs side, selling and marketing expenses decreased to HK\$73.3 million (2012: HK\$90.8 million) mainly due to the decrease in level of property sales. Administrative and other operating expenses decreased to HK\$358.6 million (2012: HK\$390.6 million) as a result of effective costs control by the Group. Finance costs decreased to HK\$47.7 million (2012: HK\$54.6 million) as a result of increased capitalisation of interest expenses, details of which are shown in note 10 to the financial statements. Share of loss of associated companies and a jointly controlled entity amounted to HK\$0.4 million (2012: HK\$3.2 million). Taxation amounted to HK\$79.4 million (2012: HK\$221.6 million) mainly relating to tax on sales of properties.

Taking all the above into account, profit attributable to equity holders of the Company for the year ended 31st March, 2013 amounted to HK\$1,147.6 million (2012: HK\$901.3 million), representing an increase of 27.3% compared with that of the last year. Earnings per share was 70.88 HK cents (2012: 57.07 HK cents).

Dividends

After taking into account the need to maintain sufficient financial resources for working capital of the Group's projects and businesses, the board of Directors (the "Board") has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting of the Company the payment of a final dividend of 3.0 HK cents (2012: 3.5 HK cents) per share for the year ended 31st March, 2013. The final dividend, if approved, will be paid on or before 18th November, 2013

CHUANG'S TOWER

by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 3rd October, 2013.

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be issued pursuant to the scrip dividend scheme, new share entitlements will be calculated by reference to the par value of the shares of the Company, being HK\$0.25, or the average of the closing prices on the Stock Exchange of the shares of the Company for the five consecutive trading days up to and including 3rd October, 2013, whichever is higher. A circular giving full details of the scrip dividend scheme and a form of election will be sent to the shareholders as soon as practicable.

An interim dividend of 2.0 HK cents (2012: 2.0 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 5.0 HK cents (2012: 5.5 HK cents) per share. Total dividends for the year will amount to HK\$83.5 million (2012: HK\$87.3 million).

BUSINESS REVIEW

Hong Kong Property Division

All the property activities of the Group in Hong Kong are conducted through Chuang's Properties Limited, a wholly-owned subsidiary of the Group.



CHUANG'S LONDON PLAZA

Investment Properties

Major investment properties of the Group in Hong Kong during the year comprise (a) Chuang's London Plaza in Tsim Sha Tsui, (b) Chuang's Tower in Central, (c) Chuang's Hung Hom Plaza in Hunghom (which is now under conversion into a hotel), (d) House A, No. 37 Island Road in Deep Water Bay and (e) No. 15 Gough Hill Road in The Peak (which is now under redevelopment). The total gross area of the Group's investment property portfolio in Hong Kong during the year amounted to about 340,000 sq. ft. comprising retail, office, high-class residential and carparking spaces. It has been the policy of the Group to continue to upgrade the quality of our investment properties and reshuffle the tenant mix so as to enhance the quality of our tenants.





HOUSE A

NO. 37 ISLAND ROAD *

As a result of such policy and our effort to provide quality management services, occupancy rate of our investment properties maintained at high level throughout the year. Rental and other income from investment properties in Hong Kong during the year amounted to HK\$118.3 million, representing a slight decrease of 2.0% compared with that of the last year, and this was mainly due to the vacation of relevant units in Chuang's Hung Hom Plaza since the fourth quarter of 2012 to pave way for the conversion of the property into a hotel. Had the rental from Chuang's Hung Hom Plaza been excluded, rental and other income from the remaining investment properties in Hong Kong during the year showed a 6.8% increase over that of the last year.

It is anticipated that rental and other income from investment properties of the Group in Hong Kong for the financial year ending 2014 will be reduced as a result of the conversion works at Chuang's Hung Hom Plaza. However, the Group will mitigate such reduction by improving rental yield of other investment properties in Hong Kong and, furthermore, we believe that with the completion of the conversion works at Chuang's Hung Hom Plaza and the completion of the project at No. 15 Gough Hill Road, income from our investment properties in Hong Kong will show a healthy and sustainable growth.

* Residential property for lease

CHUANG'S HUNGHOM PLAZA



Investment Properties Under Conversion/Development

Chuang's Hung Hom Plaza, No. 83 Wuhu Street, Hunghom, Kowloon (100% owned)

The property was a commercial/office building. Rezoning has been obtained from the Town Planning Board to permit the property to be operated as hotel. The Group has been conducting feasibility studies and is of the opinion that income from the property after the conversion will be significantly enhanced. Accordingly, the Group has obtained approval from the Buildings Department to convert the property into a hotel with 399 rooms together with shopping units at the ground floor and first floor levels. As at the date of this report, conversion works have been commenced and are expected to be completed in the second quarter of 2014.

No. 15 Gough Hill Road, The Peak, Hong Kong (100% owned)

The property is in the process of being developed into a single house with unique architectural design. Demolition works are almost completed. Tendering of the site formation and foundation works is underway and is targeted to be finalised shortly. In view of the limited supply of this type of luxurious property in that area, it is expected that rental and capital value of the property will be significantly enhanced upon completion of the development.

Properties Under Development / Held For Sale

During the year, property sales in Hong Kong amounted to HK\$63.5 million which were related to the sales of the remaining residential and shopping units in Wuhu Residence in Hunghom. Progress of the other major development projects is as follows:

Parkes Residence, No. 101 Parkes Street, Kowloon (100% owned)

The property is located close to the Jordan Station of the mass transit railway and will be developed into a commercial/residential building comprising 114 fully furnished studio apartment units with clubhouse facilities and shopping units at podium level (G/F to 2/F) having a total gross floor area ("GFA") of about 44,000 sq. ft.. Site formation and foundation works are in progress and the project is expected to be completed in the third quarter of 2015. Pre-sale of the project was launched in March 2013. Up to the date of this report, 41 residential units and the shopping unit at the first and second floor levels have been pre-sold with an aggregate sales value of HK\$449.7 million, and deposits of about HK\$36 million have been received.

PARKES
RESIDENCE



**Villa 28 and Villa 30, Po Shan Road, Hong Kong
(50% owned)**

The Group owns a 50% interest in the project and is the project manager of the development. The property is located in a prestigious mid-level area that enjoys a glamorous sea-view. Building plans have been approved to develop the property into two semi-detached residences with GFA of about 40,365 sq. ft.. In the 2013 Policy Address, the Chief Executive had indicated that, in order to increase the supply of housing land in the short to medium term, the Government will actively consider relaxing or lifting a moratorium currently in force which restricts the modification of lease at the mid-level area. In light of this new development, the Group has engaged consultants to review the situation with a view to maximise the development potential of this project.

International Property Division

All the property activities of the Group in Malaysia, Vietnam, Taiwan and Mongolia are conducted through Chuang's Properties International Limited, a wholly-owned subsidiary of the Group.

Malaysia

Central Plaza, Jalan Sultan Ismail, Kuala Lumpur (100% owned)

Central Plaza, located in the heart of central business district and prestigious shopping area of Kuala Lumpur, is owned by the Group for investment purpose. The property has a total GFA of 380,000 *sq. ft.* of retail, office and carparking spaces. In order to enhance the yield, the Group has recently completed the conversion of one level of carpark into office use resulting in an increase in office space by about 10,907 *sq. ft.*. During the year, rental and other income from this property amounted to HK\$20.5 million, representing an increase of 1.5% over that of the last year.

CENTRAL PLAZA



Vietnam

Greenview Garden, Thu Duc District, Ho Chi Minh City (100% owned)

During the year, the Group had acquired from the joint venture partner the remaining 30% interest in the project and thus this project is currently wholly-owned by the Group. Investment licence and land use rights of this project have been obtained and the Group has settled the land premium in relation to the conversion of the land use of the project into commercial/residential usage. This project covers a site area of 20,300 *sq. m.* and it is planned that a commercial/residential complex with GFA of about 94,000 *sq. m.* will be developed on the site.

Duc Hoa District, Long An Province

The Group had participated in a 70% interest in the project pursuant to a heads of agreement entered into between the Group and the joint venture partner. The Group has fulfilled its obligation in advancing capital for the project but, despite repeated negotiations and demands, the joint venture partner has still failed to fulfil its obligations by incorporating the joint venture company and contributing the land use rights of the project into the joint venture company. Accordingly, the Group has made an application to the Vietnam International Arbitration Centre ("VIAC") for specific performance pursuant to the terms of the agreement. On 2nd May, 2013, the Group was informed by the VIAC that an arbitral award against the joint venture partner was granted in favour of the Group. The arbitral award would enable the Group to take steps to demand the joint venture partner to carry out all necessary licensing procedures for the incorporation of the joint venture company, to obtain the investment licence for the joint venture company for the implementation of the project and to contribute the land use rights of the land site of the project under the joint venture partner's name to the joint venture company. The Group is now in the process of taking steps to enforce the arbitral award in accordance with local laws and regulations. The investment costs of the Group, after provision, in this project as at the balance sheet date amounted to about HK\$90 million.

Taiwan

sáv Residence, Xinyi District, Taipei City (100% owned)

The project, located nearby the city centre of Taipei City, is a residential development comprising a villa and 6 apartment units. Superstructure and external finishing works have been completed. Application has been made to the relevant authorities in Taiwan for the issue of occupation permit. Marketing works of the project have been commenced.



sáv
RESIDENCE



Mongolia

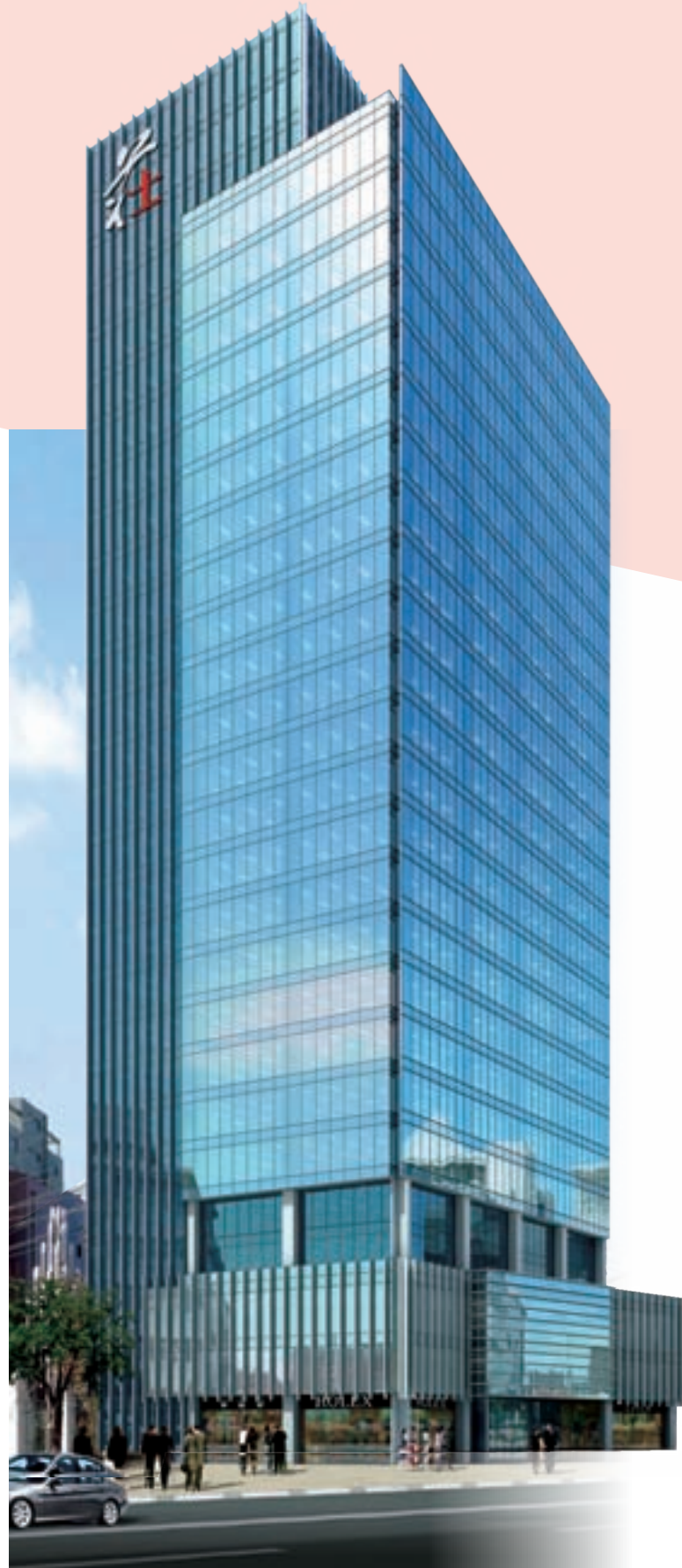
International Finance Centre, Chinggis Avenue, Sukhbaatar District, Ulaanbaatar (100% owned)

The project, which is wholly-owned by the Group, has a site area of about 3,272 sq. m. and is located within the central business district. It is planned that a retail/office building with GFA of about 39,120 sq. m. will be developed. Site formation and foundation works of the project are in progress. Pre-sale of the office portion of the project will commence soon.

The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar (53% owned)

The Group owns a 53% interest in the project that covers a site area of about 5,600 sq. m.. The project is located nearby the city centre and is within the embassy district. It is planned that two towers of apartments with a total GFA of about 41,000 sq. m. will be developed. Initial phase of the development with GFA of about 20,000 sq. m. will commence soon.

INTERNATIONAL FINANCE CENTRE



TOTAL

Developable properties

1,210,000

(GFA in sq. m.)

LIAONING

HUNAN

FUJIAN

GUANGDONG

Provinces where property development projects of the Group are located

People's Republic of China ("PRC") Property Division

All the property activities of the Group in the PRC are conducted through Chuang's China Investments Limited ("Chuang's China" and together with its subsidiaries as the "Chuang's China Group"), a 57% owned listed subsidiary of the Group. For the year ended 31st March, 2013, Chuang's China recorded revenues of HK\$509.5 million and profit attributable to equity holders of HK\$40.4 million.

Property Development

The Chuang's China Group maintains a strong net cash position of about HK\$700 million and will closely monitor the land market to replenish its land reserve in cities with focus on Shenzhen, Guangzhou, Xiamen, Beijing and Shanghai.

The tables below contain the list of existing major projects of the Chuang's China Group:

Locations	Projects	Developable properties (GFA in sq. m.)
Northern China		
Anshan	Chuang's Mid-town	100,000
Anshan	Chuang's Plaza	390,000
Sub-total		490,000

Locations	Projects	Developable properties (GFA in sq. m.)
Southern China		
Guangzhou	Chuang's Le Papillon (Block I to Block X)	279,000
Dongguan	Imperial Garden (Block 9 to Block 55)	423,000
Xiamen	sáv Resort & Spa	18,000
Sub-total		720,000

Enjoy the spectacular lifestyle of
the PEARL RIVER DELTA region

all within **1hr**
distance



Guangzhou South Station
廣州南站

LePapillon
莊士·映蝶藍灣

Humen Station
虎門站

莊士新都
濱江豪園
Imperial Garden

Shenzhen North Station
深圳北站

Futian Station
福田站

West Kowloon Station
西九龍站

— Guangzhou-Shenzhen-Hong Kong Express Rail Link
廣深港高速鐵路

... Under Construction
興建中

GUANGZHOU, GUANGDONG

CHUANG'S
LE PAPILLON
100% OWNED BY CHUANG'S CHINA







Chuang's Le Papillon, enjoying the convenience of the nearby Route 4 Metro Station, is an integrated community with a total GFA of over 420,000 *sq. m.*, providing daily living commercial, luxurious club houses and abundant green and open spaces. Pursuant to new regulations issued by the Guangzhou Land Bureau, the local authorities charged additional land premium for property developments in Panyu district with plot ratio in excess of 1.8 times. As our project in this district has an approved plot ratio of 2.13, the Group has paid about RMB119 million as additional land premium during the year under review. Taking this into account, the average land cost of this project is about RMB1,200 per *sq. m.*.

Phase I comprises completed residential properties (Block A to E) of 113,400 *sq. m.*, providing 789 flats, commercial podium and club house with total GFA of 3,400 *sq. m.* and 255 carparking spaces.





Block
H

Block
G

Block
F



2465 6888

2465 6888


美全旺舖 火爆招商

德國科林格地板

Phase II (Block F, G, H, I, J, K, L, M, N and P) has an aggregate residential GFA of about 147,400 *sq. m.*, providing 1,288 flats and 22 villas, commercial podium and club house with total GFA of 5,380 *sq. m.* and 1,242 carparking spaces. Block F, G and H with total GFA of 33,900 *sq. m.* are completed properties and occupancy are handed over to buyers during the year under review. Construction works for Block I, J, K, L, M and N (total GFA of about 106,500 *sq. m.*) will be completed in the financial year 2014, whereas foundation works for Block P (22 villas of about 7,000 *sq. m.*) are in progress.





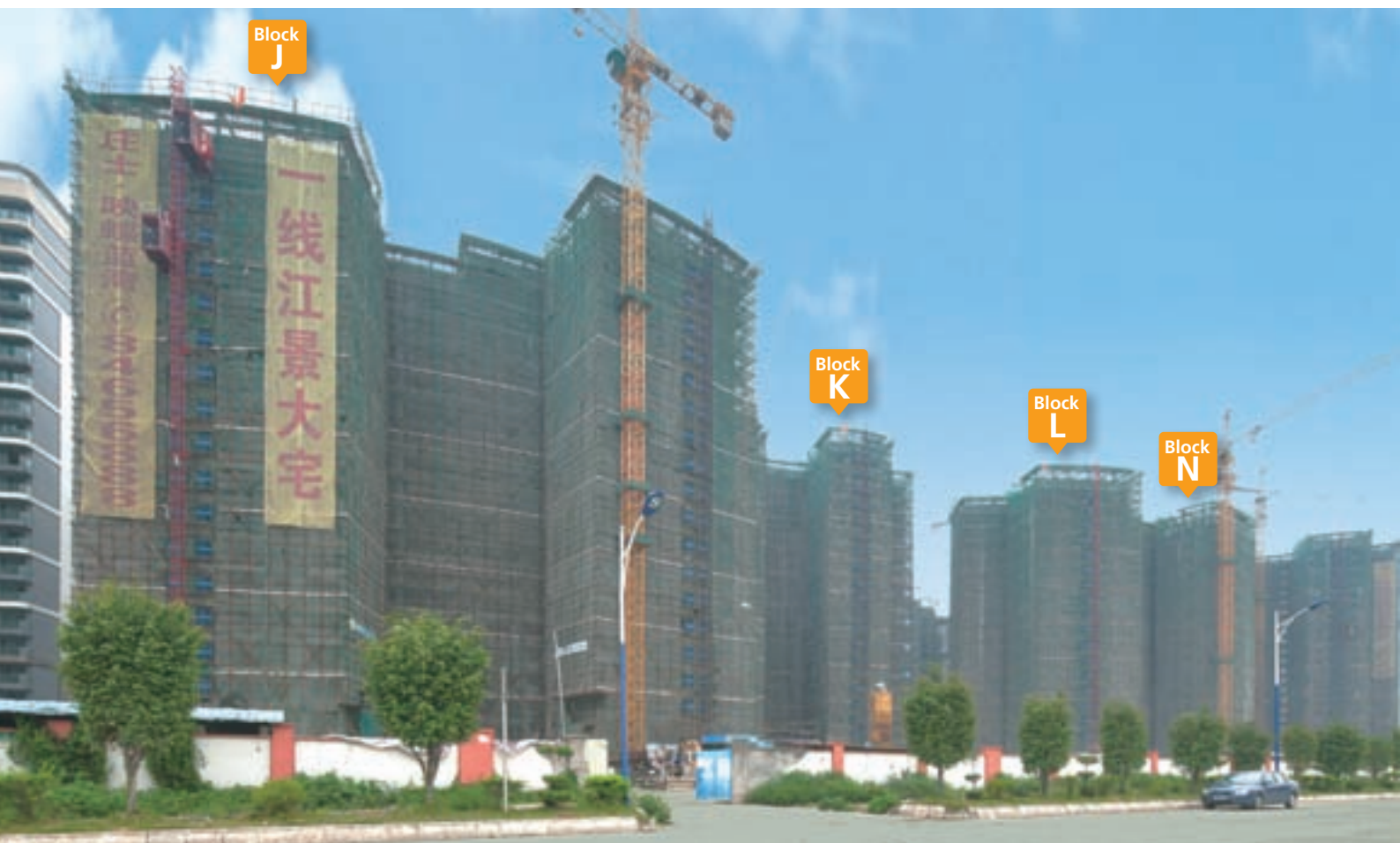


Phase III (Block Q, R, S, T, U, V and X) has total residential GFA of about 163,000 *sq. m.*, and Block W (GFA of 2,639 *sq. m.*) is for commercial use. Foundation works of Block Q and R with total GFA of 50,154 *sq. m.* have commenced.

Regarding the sales progress for phase I and II, Block A, C, D, E, F, G, H, I and M are virtually sold out at average selling price of about RMB8,000 per *sq. m.*. Sales of Block B which consists of 98 large-sized flats ranging from 202 *sq. m.* to 400 *sq. m.* were launched in April 2013. Presales of Block J and K are in progress and that for Block L and N will be launched in the coming months.

Phase III Perspective

CONSTRUCTION IN PROGRESS





As of to-date, sales of this project which have not yet been recognised as revenues amounted to RMB589,170,000 (equivalent to approximately HK\$745,094,000), of which about RMB437,281,000 (equivalent to approximately HK\$553,007,000) are expected to be recognised as revenues in the year ending 31st March, 2014 when these sales are completed and the remaining RMB151,889,000 (equivalent to approximately HK\$192,087,000) are expected to be recognised as revenues in the year ending 31st March, 2015.





Block
|

CHUANG'S LE PAPILLON



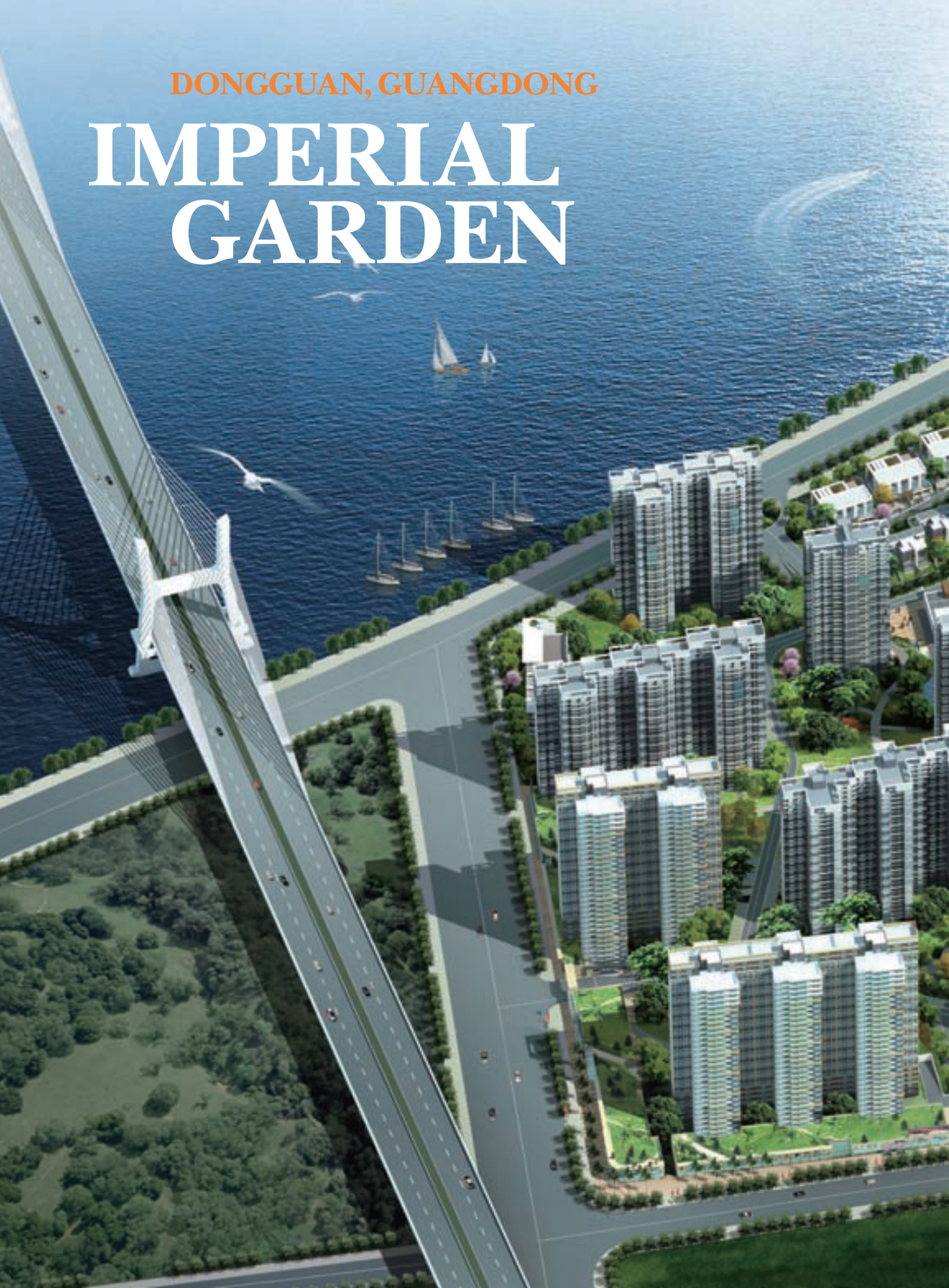
The sales target of unsold residential properties for Chuang's Le Papillon in the financial year ending 2014 amounted to about RMB944 million as follows:

		Sales target		
		<i>sq. m.</i>	2013/14 <i>RMB</i>	2014/15 and beyond <i>RMB</i>
Phase I	Block A,B,C,D,E	22,294	180,837,000	
Phase II	Block F,G,H,I,J,K,L,M,N,P	60,728	763,462,000	
Phase III	Block Q,R,S,T,U,V,X	163,000		1,514,695,000
TOTAL		246,022	944,299,000	1,514,695,000



DONGGUAN, GUANGDONG

IMPERIAL GARDEN





IMPERIAL GARDEN

CHUANG'S NEW CITY
100% OWNED BY CHUANG'S CHINA









Chuang's New City is well equipped with ancillary facilities such as club house, kindergarten, sports arena and shopping mall to meet residents' pursuit of a refined lifestyle. The project has a total GFA of about 520,000 sq. m., comprising 95,700 sq. m. of completed properties and 423,000 sq. m. for development. The average land cost of the project is about RMB660 per sq. m..





Phase I consists of 8 completed residential towers totaling about 89,000 *sq. m.* in GFA, a modern commercial shopping complex of about 6,666 *sq. m.* and 184 carparking spaces. Block 1 to Block 8 comprise 665 apartments with size ranging from 80 *sq. m.* to 160 *sq. m.*, 27 executive duplex of about 280 *sq. m.* and 3 simplex of 445 *sq. m.*. Up to date, a total of 614 flats have been sold at an average selling price of about RMB5,300 per *sq. m.*.



Completed Block 1 to 8

Phase II comprises Block 9 to Block 14 providing 6 residential towers (total GFA of 61,272 sq. m.) with flats size ranging from 56 sq. m. to 127 sq. m.. Foundation works for Block 9 to Block 14 were completed. Superstructure works for Block 9 to Block 11 have commenced. Marketing and presales of Block 9 to Block 11 will be launched in the third quarter of this year.

The Group will embark on Phase III development plan of Block 15 to Block 55 comprising GFA of about 356,000 sq. m. in accordance with local market sentiments and sales progress.

As of to-date, sales of this project which have not yet been recognised as revenues amounted to RMB27,273,000 (equivalent to approximately HK\$34,491,000) and are expected to be recognised as revenues in the year ending 31st March, 2014 when these sales are completed.





The sales target of unsold residential properties for Imperial Garden in the financial year ending 2014 amounted to about RMB276 million as follows:

		Sales target		
		<i>sq. m.</i>	2013/14 <i>RMB</i>	2014/15 and beyond <i>RMB</i>
Phase I	Block 1 to 8	10,734	90,288,000	
Phase II	Block 9 to 14	61,272	186,000,000	186,000,000
Phase III	Block 15 to 55	356,000		3,844,663,000
TOTAL		428,006	276,288,000	4,030,663,000

IMPERIAL GARDEN

CHUANG'S NEW CITY





Perspective

sáv Resort & Spa

XIAMEN, FUJIAN

59.5% OWNED
BY CHUANG'S CHINA







Our luxurious hotel and resort development occupies a site with an area of about 27,574 *sq. m.*. Focusing on a low density development, the project has 18,000 *sq. m.* in GFA and stands out in its master planning, architectural and landscape design.

Superstructure works are expected to be completed in July 2013, while interior and fitting out works will be followed closely. Within this development, 27 villas with aggregate GFA of about 8,400 *sq. m.* will be rented out on long lease. An exclusive resort with 80 keys and 3 private pool villas (total GFA of 9,600 *sq. m.*) will be operated as hotel and resorts.



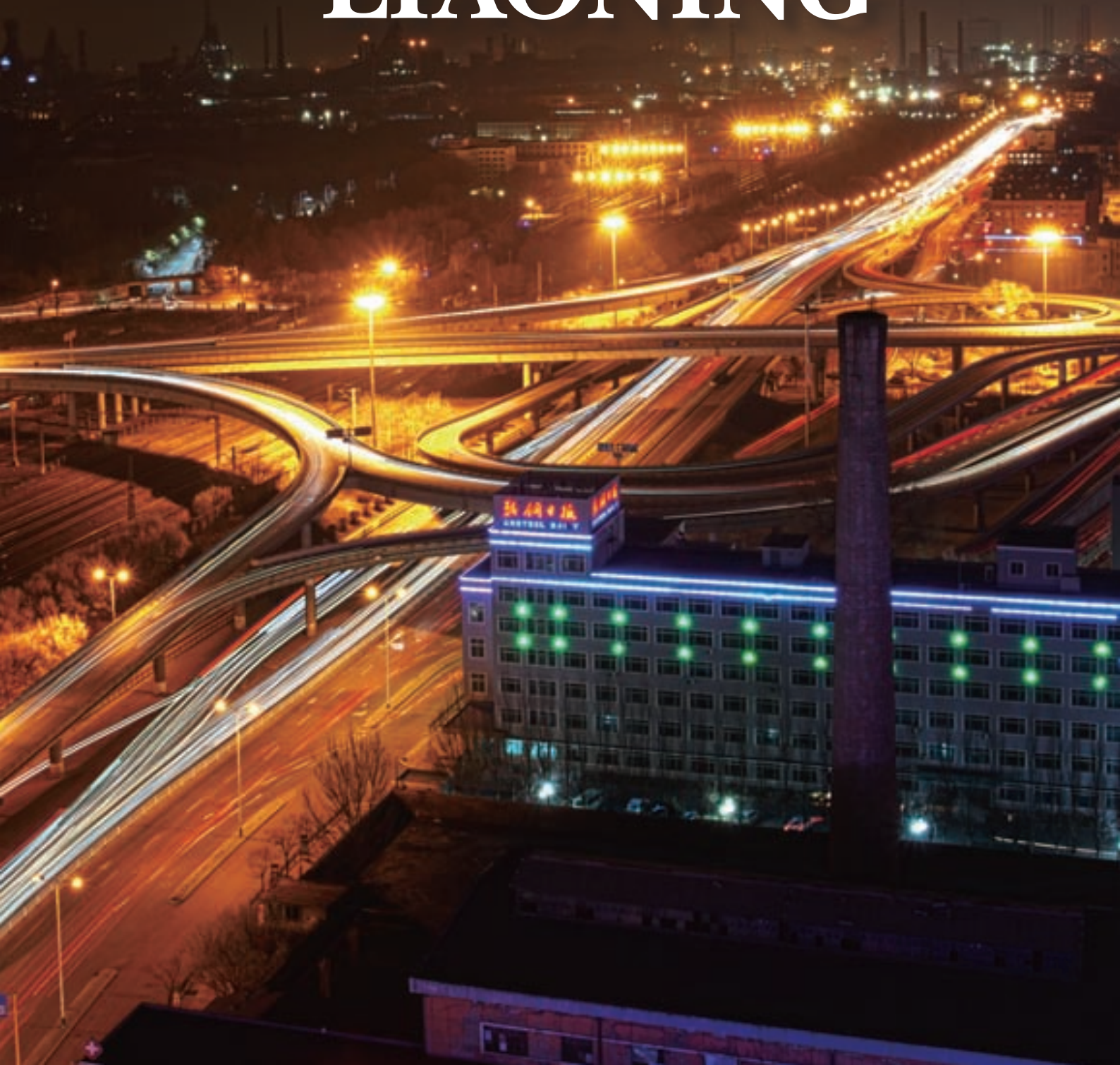


There are nice landscape gardening and big body water in the centre of private villas. Through the use of waterways (including waterfalls, cascades and infinity pool concept with pavilions), gardens, landscapes and colors will be incorporated. Its accommodation options include open suites and spacious villas overlooking the glamorous water feature.





ANSHAN LIAONING



CHUANG'S MID-TOWN

100% OWNED
BY CHUANG'S CHINA

Situated right next to the Anshan rail station, this site is located at the core city centre of Tie Dong Qu (鐵東區). The development will provide integrated community with residential, shopping areas, specialty business activities, SOHO and office space with total GFA of about 100,000 sq. m.. Master planning for the project has been approved by the relevant PRC bureau. Works for excavation and lateral support have been completed and foundation works are in progress. Marketing of the project will commence in July 2013.



CHUANG'S PLAZA

100% OWNED
BY CHUANG'S CHINA

Adjacent to Chuang's Mid-town, the second site acquired by the Group is located in the prime city centre of Tie Dong Qu (鐵東區). The site has already been delivered by the local government. With developable GFA of 390,000 *sq. m.*, the site will provide a mega integrated development including office towers, retail, food and beverage and entertainment facilities together with residential blocks. Master planning for the project is in progress.



BEVERLY HILLS

CHANGSHA, HUNAN

54% OWNED

BY CHUANG'S CHINA

Beverly Hills has total GFA of about 80,200 *sq. m.*. It comprises 172 low-rise villas and 144 high-rise flats with total GFA of 70,000 *sq. m.*. Commercial and SOHO properties have a total GFA of about 10,200 *sq. m.*. Portion of the properties has been sold and properties remain available for sales have a total book costs of about HK\$124 million. As at 31st March, 2013, the total

investment costs of the Chuang's China Group in this project amounted to about HK\$79 million. As the 10-year operating license of the joint venture company in the PRC has expired, the Group is taking advice from consultants, including legal advisers, as to the next courses of action which may include dissolution of this joint venture company.

Property Sales

For the financial year ended 31st March, 2013, property sales of the Group in the PRC amounted to HK\$485.6 million. In the coming financial years, the Group will actively launch our projects in Guangzhou, Dongguan, Xiamen and Anshan for sales. The total sales value of these projects amounts to over HK\$10 billion.

Midas

Midas is listed on the Stock Exchange and is 60.8% owned by the Group. Midas and its subsidiaries are principally engaged in printing business and property business focusing on the operation of cemetery in the PRC. For the year ended 31st March, 2013, Midas recorded revenues of HK\$277.7 million (of which HK\$271.5 million was from the printing business and HK\$6.2 million was from the cemetery business) and loss attributable to equity holders of HK\$46.8 million.

Printing Business

In the sales aspects, during the year, the staggering worldwide economy and the deepening of European sovereign debt crisis adversely dampened the printing demand and printing orders from both the United States of America and Europe were generally weak and unstable. However, this overall decline in printing orders accelerated the consolidation within the printing industry. More and more small printing service providers were going out of business as multinational publishers were seeking quality printing partner with established reputation. This trend is continuing and has benefitted Midas since the first quarter of 2013. Incoming orders for the first five months ended May 2013 grew by 17.1% on a year-to-year basis. The Group is optimistic that such a phenomenon will continue in the near future.



Printing Products

Printing Business (Continued)

In the costs aspects, in Southern China, minimum wages were rising throughout the region which increased operating costs of the whole manufacturing industry. At the same time the price of raw materials remained at a high level. All these factors affected the operating performance of the printing industry. In response, Midas has continued to improve cost effectiveness through automation enhancement and rigorous cost monitoring. All these measures have improved and will continue to improve the profit margin of the printing segment.

Since the year of 2010, Midas has substantially scaled down its operations in Changan, Dongguan and relocated most of the production facilities to the factory in Yuanzhou, Huizhou. The Changan factory is located near the city centre of the Changan town and its surrounding area is well developed and occupied by premium residential and commercial buildings. The local government is considering to rezone and develop the nearby area into an integrated commercial and residential district. Midas is supportive of the government rezoning plan and believes that once this plan is materialised, this will further enhance the value of the Changan factory site.

Property Business – Cemetery Operation

The cemetery in Sihui comprises a site of 518 mu, of which 100 mu have commenced development, and an adjacent site of 4,482 mu has been reserved, making up a total of 5,000 mu.

In the marketing aspects, in order to achieve steady sales growth in the coming years, Midas will continue to expand its marketing network mainly in the Guangdong Province, the PRC. Furthermore, Midas is negotiating with some Fengshui masters in the PRC for joint promotion so as to enhance the cemetery awareness and attract more customers. Midas is also negotiating with local government to establish a martyr memorial cemetery to commemorate martyrs who sacrificed their lives for the country. This can attract people to pay tribute and remembrance to the martyrs, so as to enhance awareness of the cemetery and improve its marketability in the long run.

In the development aspects, during the year, Midas has completed a further of 421 grave plots on a piece of vacant land within the existing 100 mu land, making total grave plots available for sales increased to 1,563 grave plots. In addition, in order to further enhance the value of the cemetery, Midas is planning to build an additional 2,305 grave plots on the existing 100 mu land. In anticipation of the further growing demand towards prestigious grave plots in the next decade, Midas has commenced negotiation with the local government with a view to obtain approval within the 418 mu land for expansion by phases. In this respect, the local government has approved in principle to grant certain area within the 418 mu land for further expansion. At the same time Midas has conducted a site survey for the whole 418 mu land and once formal approval is obtained from the local government, Midas will carry out further construction works thereon.

Other Businesses

Sintex Nylon and Cotton Products (Pte) Limited (“Sintex”)

Sintex is engaged in the sale of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the year, Sintex generated revenues of HK\$74.9 million (2012: HK\$74.1 million) and recorded a net profit of HK\$3.2 million.

Securities Investment and Trading

During the year, securities investment and trading business of the Group recorded a profit of HK\$19.2 million, comprising realised gain on disposal of investments of HK\$72.3 million, fair value gain on derivative financial instruments of HK\$3.5 million, dividend and interest income from investments of HK\$4.5 million and fair value loss of investments of HK\$61.1 million as a result of mark to market valuations as at the year end date. As at 31st March, 2013, the Group held quoted investments with market value of HK\$247.7 million, mainly comprising of securities listed on the Stock Exchange, and the Group did not have any outstanding derivative financial instrument.

Financial Positions

As at 31st March, 2013, net assets attributable to equity holders of the Company was HK\$7,378.1 million. Net asset value per share was approximately HK\$4.39, which is calculated based on the book costs of the Group’s properties for sale before taking into account their appreciated values.

As at 31st March, 2013, the Group’s cash and bank balances (including pledged bank balances) and quoted investments amounted to HK\$2,081.3 million (2012: HK\$2,220.7 million). Bank borrowings as at the same date amounted to HK\$2,557.8 million (2012: HK\$2,335.7 million). The Group’s net debt to equity ratio, expressed as a percentage of bank borrowings net of cash and bank balances and quoted investments over net assets attributable to equity holders of the Company, was 6.5% (2012: 1.8%).

Approximately 67.2% of the Group’s cash and bank balances and quoted investments were denominated in Hong Kong dollar, 11.0% in United States dollar, 21.3% in Renminbi and the balance of 0.5% in other currencies such as Malaysian Ringgit and Singapore dollar. Approximately 82.0% of the Group’s bank borrowings were denominated in Hong Kong dollar, 10.7% in Renminbi and the balance of 7.3% in Malaysian Ringgit. Accordingly, there should not be material risk in foreign exchange fluctuation.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 16.2% of the Group’s bank borrowings are repayable within the first year, 4.1% repayable within the second year, 50.1% repayable within the third to fifth years and the balance of 29.6% repayable after the fifth year.

Prospects

In order to cool down the property markets, the Hong Kong SAR Government and the Central Government have implemented a number of regulatory measures during the year to curb speculative activities. Undoubtedly, these measures have negative impact on the property markets in Hong Kong and the PRC in the short term. Given these uncertainties, the Group will monitor the situation closely and will be cautious and selective in making new investments.

Despite the above, in the coming financial years, the Group will continue our mission to take steps to further enhance rental yield of our investment properties and thus their capital values, and to unlock the store values of our property projects in Hong Kong, the PRC and elsewhere in the region by speeding up their development and sales in accordance with market conditions so as to further create value for our shareholders.

Staff

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 31st March, 2013, the Group (excluding Chuang's China, Midas and their subsidiaries) employed 247 staff, the Chuang's China Group employed 516 staff and the Midas group employed 1,747 staff. The Group provides its staff with other benefits including discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

Appreciation

On behalf of the Board, I would like to thank my fellow Directors and our dedicated staff for their hard work and contribution during the year.

Alan Chuang Shaw Swee
Chairman

Hong Kong, 27th June, 2013

CORPORATE INFORMATION

Directors

Alan Chuang Shaw Swee (*Chairman*)
Alice Siu Chuang Siu Suen (*Vice-Chairman*)
Ko Sheung Chi (*Managing Director*)
Albert Chuang Ka Pun
Candy Chuang Ka Wai
Chong Ka Fung
Lui Lop Kay
Wong Chung Wai
Abraham Shek Lai Him, G.B.S., J.P.*
Fong Shing Kwong*
Yau Chi Ming*
David Chu Yu Lin, S.B.S., J.P.*

* *Independent Non-Executive Directors*

Audit Committee

Abraham Shek Lai Him, G.B.S., J.P.#
Fong Shing Kwong
Yau Chi Ming

Nomination Committee/ Remuneration Committee

Abraham Shek Lai Him, G.B.S., J.P.#
Fong Shing Kwong
David Chu Yu Lin, S.B.S., J.P.

Corporate Governance Committee

Ko Sheung Chi #
Albert Chuang Ka Pun
Candy Chuang Ka Wai

Chairman of the relevant committee

Company Secretary

Lee Wai Ching

Auditor

PricewaterhouseCoopers
22nd Floor, Prince's Building,
10 Chater Road,
Central, Hong Kong

Registrars

Bermuda:

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street,
Hamilton HM 11,
Bermuda

Hong Kong:

Tricor Standard Limited
26th Floor, Tesbury Centre,
28 Queen's Road East,
Wanchai, Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited
Bank of China Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
AmBank (M) Berhad

Registered Office

Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

Principal Office in Hong Kong

25th Floor, Alexandra House,
18 Chater Road, Central, Hong Kong
Telephone: (852) 2522 2013
Facsimile: (852) 2810 6213
Email address: chuangs@chuangs.com.hk
Website: www.chuangs-consortium.com

Singapore Office

245 Jalan Ahmad Ibrahim, Jurong Town,
Singapore 629144,
Republic of Singapore

Malaysia Office

16th Floor, Central Plaza,
34 Jalan Sultan Ismail, 50250 Kuala Lumpur,
Malaysia

Vietnam Office

Room 704, 7th Floor, Capital Place Building,
6 Thai Van Lung Street, District 1,
Ho Chi Minh City, Vietnam

Mongolia Office

3rd Floor, Eastern Section,
New Century Plaza,
Chinggis Avenue-15,
Sukhbaatar District-1,
14251 Ulaanbaatar, Mongolia

Stock Code

367

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Alan Chuang Shaw Swee (aged 61), the chairman, has extensive experience in business development and investment in Hong Kong, the People's Republic of China (the "PRC") and Southeast Asia. With his substantial connections, he has been actively involved in the development and management of investments in Hong Kong, the PRC and Southeast Asia. He is also the honorary chairman of Chuang's China Investments Limited ("Chuang's China") and Midas International Holdings Limited ("Midas"), both are subsidiaries of the Company and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was an Adviser of Hong Kong Affairs and a member of the Selection Committee for the Government of the Hong Kong Special Administrative Region. He is a member of the National Committee of The Chinese People's Political Consultative Conference, a standing committee member of All-China Federation of Returned Overseas Chinese, a member of China Overseas Friendship Association, the Honorary member of Guangzhou Panyu Overseas Exchanges Association, the Vice President of China Federation of Overseas Chinese Entrepreneurs and the Committee for the Promotion of Fujian-Taiwan Economic Cooperation, the Honorary President of Hunan Overseas Friendship Association and Fujian International Culture & Economy Exchange Foundation, an economic adviser to Chengdu, Sichuan, an overseas consultant to Sichuan Provincial Overseas Exchanges Association, an Honorary Citizen of Xiamen City, Guangzhou City and Chia-Yi, Taiwan and an executive director of the Board of Trustees of Jimei University, Xiamen City. He is also the Vice President of the Hong Kong Factory Owners Association, the Honorary President of the Hong Kong Federation of Overseas Chinese Association, a director of the Chinese General Chamber of Commerce, a director of The Real Estate Developers Association of Hong Kong, the Senate of the Democratic Alliance for the Betterment and Progress of Hong Kong, the Life Honorary President of the General

Association of Xiamen (H.K.) Ltd., the Permanent President of Hong Kong Huian Natives Association, the Life Honorary President of Chuang & Yen Clansmen's General Association and a director of the Friends of Hong Kong Association Ltd.. He is the brother of Mrs. Alice Siu Chuang Siu Suen and the father of Mr. Albert Chuang Ka Pun, Miss Candy Chuang Ka Wai and Mr. Chong Ka Fung. He joined the Group in 1970.

Mrs. Alice Siu Chuang Siu Suen (aged 64), the vice chairman, has over 39 years of experience in managing investment businesses and in property development and investment. She is the sister of Mr. Alan Chuang Shaw Swee and the aunt of Mr. Albert Chuang Ka Pun, Miss Candy Chuang Ka Wai and Mr. Chong Ka Fung. She joined the Group in 1971.

Mr. Ko Sheung Chi (aged 57), the managing director, has over 33 years of experience in general management. He is a non-executive director of CNT Group Limited, a company listed on the Stock Exchange. He holds a bachelor degree in science and a master degree in business administration and is an associate member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in 1988.

Mr. Albert Chuang Ka Pun (aged 33), an executive director, has over 9 years of experience in property business and general management. He is the deputy chairman and an executive director of Chuang's China. He holds a bachelor degree of arts with major in economics. He is a committee member (the Hong Kong Special Administrative Region) of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and the Eleventh All-China Youth Federation. He is the son of Mr. Alan Chuang Shaw Swee, the nephew of Mrs. Alice Siu Chuang Siu Suen and the brother of Miss Candy Chuang Ka Wai and Mr. Chong Ka Fung. He joined the Group in 2005.

Executive Directors (Continued)

Miss Candy Chuang Ka Wai (aged 31), an executive director, has 9 years of experience in general management, marketing and property business. She is an executive director of Midas and the chairman of Treasure Auctioneer International Limited. She is a member of The Chinese People's Political Consultative Conference, Xiamen Committee, Beijing Youth Federation, Fujian Youth Federation, Xiamen Overseas Friendship Association, The Y. Elites Association Limited, Hong Kong United Youth Association and Hong Kong CPPCC of Fukien Province Members Association, and the vice supervisor of the General Association of Xiamen (H.K.) Ltd.. Miss Chuang is the daughter of Mr. Alan Chuang Shaw Swee, the niece of Mrs. Alice Siu Chuang Siu Suen and the sister of Mr. Albert Chuang Ka Pun and Mr. Chong Ka Fung. She joined the Group in 2005.

Mr. Chong Ka Fung (aged 28), an executive director, has 3 years of experience in architecture, interior design and general management. He is also an executive director of Chuang's China. He holds a bachelor degree of fine arts in architecture design covering architecture; interior; and urban planning. He is a member of The Hong Kong Institute of Architects, The Y. Elites Association Limited, The Chinese General Chamber of Commerce, the Hong Kong Huian Natives Association and the Internet Professional Association, a director of the Hong Kong Chang Sha Chamber of Commerce and a council of the Hunan Youth Federation. He is the son of Mr. Alan Chuang Shaw Swee, the nephew of Mrs. Alice Siu Chuang Siu Suen, and the brother of Mr. Albert Chuang Ka Pun and Miss Candy Chuang Ka Wai. He joined the Group in 2012.

Mr. Lui Lop Kay (aged 57), an executive director, has over 31 years of experience in real estate in Hong Kong and the Asia Pacific region. He holds a bachelor degree of science in estate management and is a fellow member of the Hong Kong Institute of Surveyors and an associate member of the Royal Institution of Chartered Surveyors. He joined the Group in 1996.

Mr. Wong Chung Wai (aged 44), an executive director, has over 21 years of experience in architecture, project management and contract administration. He is an executive director of Chuang's China. He holds a bachelor degree of science in building technology and management and is an associate member of both the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors. He joined the Group in 2001.

Independent Non-Executive Directors

Mr. Abraham Shek Lai Him G.B.S., J.P. (aged 68), was appointed as an independent non-executive director in 2004. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region, the Court of The Hong Kong University of Science & Technology, the Court and the Council of The University of Hong Kong and the vice chairman of Independent Police Complaints Council. He holds a bachelor degree of arts. He is the chairman and an independent non-executive director of Chuang's China, an independent non-executive director of Midas, Paliburg Holdings Limited, Lifestyle International Holdings Limited, NWS Holdings Limited, Titan Petrochemicals Group Limited, ITC Corporation Limited, Country Garden Holdings Company Limited, Hop Hing Group Holdings Limited, MTR Corporation Limited, Hsin Chong Construction Group Ltd., SJM Holdings Limited, Dorsett Hospitality International Limited, ITC Properties Group Limited, China Resources Cement Holdings Limited and Lai Fung Holdings Limited, all are listed on the Stock Exchange, and a director of The Hong Kong Mortgage Corporation Limited. Mr. Shek is also an independent non-executive director of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust, and Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust, both trusts are listed on the Stock Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Independent Non-Executive Directors (Continued)

Mr. Fong Shing Kwong (aged 65), was appointed as an independent non-executive director in 2008. Mr. Fong has over 35 years of experience in the hospitality industry and has extensive experience in property development, asset and facility management and investment business in the PRC. He is an executive director of New World China Land Limited, a company listed on the Stock Exchange.

Mr. Yau Chi Ming (aged 59), was appointed as an independent non-executive director in 2012. He is a practising certified public accountant in Hong Kong with over 28 years of experience. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Certified General Accountants' Association in Canada. He is an independent non-executive director of Midas.

Mr. David Chu Yu Lin S.B.S., J.P. (aged 69), was appointed as an independent non-executive director in 2013. Mr. Chu has extensive experience in finance, banking and property investment. He holds a bachelor of science degree and a master of science degree, both from Northeastern University, and a master of business administration degree from Harvard University. Mr. Chu was conferred with an honorary doctorate degree in public service by Northeastern University. He is an independent non-executive director of Chuang's China, AVIC International Holding (HK) Limited and Zhuhai Holdings Investment Group Limited, all are listed on the Stock Exchange. Mr. Chu was elected as a deputy of the Hong Kong Special Administrative Region to the 10th National Congress of the PRC.

Senior Management

Mr. Lee Yiu Sing (aged 46), the assistant director, is responsible for property development, sales, leasing and management of the Group. He has over 20 years of experience in property sales, leasing, marketing and management. He has a bachelor degree in science and is a member of the Chartered Institute of Housing. He joined the Group in 2005.

Mr. Chan Ka On (aged 45), the senior project manager, has 20 years of experience in construction and property development. He holds a bachelor of science degree in building surveying. He joined the Group in 2001.

Mr. Peter Lui Gee Yee (aged 34), the senior project manager, has 10 years of experience in design, planning and development of property projects. He holds a bachelor degree and a postgraduate diploma both in architectural studies. He is a chartered member of the Royal Institute of British Architects, a Chartered Environmentalist and a member of the Society of Environmental Engineers, the Hong Kong Institute of Environmentalist Founding Committee and the Chartered Management Institute. He joined the Group in 2008.

Ms. Alison Leung Chor Wing (aged 33), the senior project manager, has over 9 years of experience as an architect and in project administration. She holds a bachelor degree of arts in architectural studies and a master degree in architecture. She is a registered architect, a member of the Hong Kong Institute of Architects and has been accredited as a BEAM professional by the Hong Kong Green Building Council. She joined the Group in 2012.

Mr. Chan Chun Man (aged 37), the financial controller, has over 14 years of experience in finance, accounting and auditing. He holds a bachelor degree in accountancy and a master degree in business administration. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in 2003.

Senior Management (Continued)

Ms. Lee Wai Ching (aged 52), the company secretary, is responsible for the Group's company secretarial matters. She has over 29 years of experience in corporate services and office administration. She holds a master degree in business administration and a master degree in laws. She is a fellow of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries. She joined the Group in 1998.

Mr. Cheung Loon Hoi (aged 67), a director and the general manager of the Singapore Division, is responsible for the Group's operation in Singapore. He holds a higher diploma in textile technology and is a member of the Textile Institute of the United Kingdom. He joined the Group in 1970.

Mr. Cheung Ka Hang (aged 27), the business manager, oversees the International Property Division of the Group. He has over 6 years of experience in property development and investment. He holds a bachelor degree in real estate and is a member of the Hong Kong Institute of Surveyors. He joined the Group in 2010.

Mr. Ng Kek Chong (aged 55), the chief executive officer of the Malaysia division, is responsible for the Group's operation in Malaysia. He has over 31 years of experience in project management and property development. He holds a bachelor degree in architecture and is a member of the Malaysian Institute of Architects. He joined the Group in 1994.

Mr. Tong Kwok Lun (aged 34), the chief representative of the Vietnam Division, is responsible for the Group's development projects in Vietnam. He has over 9 years of experience in property investment and development. He holds a bachelor degree in real estate. He joined the Group in 2007.

CORPORATE GOVERNANCE REPORT

Introduction

The Company is committed to achieving a high standard of corporate governance that properly protects and promotes the interests of its shareholders.

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Report on corporate governance practices

(A) The Board

The board of Directors (the “Board”) is responsible for overseeing the business and strategies of the Company and its subsidiaries (collectively as the “Group”) with the objective of enhancing value for its shareholders.

(i) Board composition

The Board comprises 12 Directors as at the date of this report, the Board members are as follows:

Name	Position
Mr. Alan Chuang Shaw Swee* (“Mr. Alan Chuang”)	Chairman
Mrs. Alice Siu Chuang Siu Suen* (“Mrs. Siu”)	Vice-Chairman
Mr. Ko Sheung Chi	Managing Director
Mr. Albert Chuang Ka Pun* (“Mr. Albert Chuang”)	Executive Director
Miss Candy Chuang Ka Wai* (“Miss Candy Chuang”)	Executive Director
Mr. Chong Ka Fung* (“Mr. Edwin Chong”) (appointed on 26th March, 2013)	Executive Director
Mr. Lui Lop Kay	Executive Director
Mr. Wong Chung Wai	Executive Director
Mr. Abraham Shek Lai Him (“Mr. Abraham Shek”)	Independent Non-Executive Director
Mr. Fong Shing Kwong (“Mr. Fong”)	Independent Non-Executive Director
Mr. Yau Chi Ming (“Mr. Yau”) (appointed on 3rd September, 2012)	Independent Non-Executive Director
Mr. David Chu Yu Lin (“Mr. David Chu”) (appointed on 6th February, 2013)	Independent Non-Executive Director

* Mr. Alan Chuang is the brother of Mrs. Siu and the father of Mr. Albert Chuang, Miss Candy Chuang and Mr. Edwin Chong. Mrs. Siu is the aunt of Mr. Albert Chuang, Miss Candy Chuang and Mr. Edwin Chong. Mr. Albert Chuang, Miss Candy Chuang and Mr. Edwin Chong are siblings.

** Dr. Peter Po Fun Chan retired on 26th March, 2013 and ceased to act as an Independent Non-Executive Director of the Company.

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(i) Board composition (Continued)

The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business of the Group. The Board has on a regular basis reviewed the composition of the Board and the skills and experience required for both the Executive and Independent Non-Executive Directors of the Board, in the context of the business and strategies of the Company. Each of the Directors' respective biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

(ii) Appointment, re-election and removal of Directors

There are formal, considered and transparent procedures for the appointment and removal of Directors. All Directors newly appointed to fill a casual vacancy are subject to election at the first general meeting after their appointment. Every Director is subject to retirement by rotation at least once every three years. All Independent Non-Executive Directors are appointed for a term of three years, subject to retirement by rotation as aforesaid.

(iii) Nomination Committee

A Nomination Committee was established by the Company with clear terms of reference to review the composition of the Board. The Nomination Committee currently comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Fong and Mr. David Chu. The committee met once during the year to review the structure, size and composition of the Board and to assess the independence of each Independent Non-Executive Director. The committee also approved the recommended candidates to become Board members by resolutions in writing.

The attendance record of each committee member is as follows:

Name	No. of meeting attended/held
Mr. Abraham Shek (became the Chairman on 26th March, 2013)	1/1
Mr. Fong	1/1
Mr. David Chu (appointed as a member on 26th March, 2013)	0/1
Dr. Peter Po Fun Chan (retired on 26th March, 2013)	0/1

CORPORATE GOVERNANCE REPORT (CONTINUED)

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(iv) Board meeting

The Board held four meetings during the year. Arrangements were in place to ensure that sufficient notice and adequate information were given to each Director prior to the Board meetings. The Chairman, together with the Managing Director, established the agenda for each Board meeting. Other Directors are invited to include items in the agenda. Minutes of Board meetings were kept in sufficient details to reflect the decisions made in the relevant meetings.

The attendance record of each Director in Board meetings is as follows:

Name	Position	No. of meetings attended/held
Mr. Alan Chuang	Chairman	4/4
Mrs. Siu	Vice-Chairman	4/4
Mr. Ko Sheung Chi	Managing Director	4/4
Mr. Albert Chuang	Executive Director	4/4
Miss Candy Chuang	Executive Director	4/4
Mr. Edwin Chong (appointed on 26th March, 2013)	Executive Director	0/4
Mr. Lui Lop Kay	Executive Director	3/4
Mr. Wong Chung Wai	Executive Director	4/4
Mr. Abraham Shek	Independent Non-Executive Director	4/4
Mr. Fong	Independent Non-Executive Director	4/4
Mr. Yau (appointed on 3rd September, 2012)	Independent Non-Executive Director	3/4
Mr. David Chu (appointed on 6th February, 2013)	Independent Non-Executive Director	1/4
Dr. Peter Po Fun Chan (retired on 26th March, 2013)	Independent Non-Executive Director	3/4

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(v) *Chairman and Chief Executive Officer*

The roles of Chairman and Chief Executive Officer are separated. Currently, Mr. Alan Chuang is the Chairman and Mr. Ko Sheung Chi, the Managing Director, is the Chief Executive Officer.

(vi) *Responsibilities of Directors*

Each Director of the Company is required to keep abreast of his/her responsibilities as a Director of the Company and each Director is provided in a timely manner with appropriate information of the Group to enable him/her to make an informed decision and to discharge his/her duties and responsibilities as a Director of the Company. On appointment, new Directors will be given a comprehensive introduction to the Group's business.

(vii) *Directors' dealings in securities*

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors of the Company, the Company received confirmations from all Directors that they have complied with the required standard as set out in the Model Code.

(viii) *Independence of Independent Non-Executive Directors*

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(ix) Directors' Training

According to the code provision A.6.5 of the CG Code, all Directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the Directors of the Company.

During the year, the Company has arranged seminars and provided reading materials to the Directors that are relevant to their duties and responsibilities. A summary of the training record of each Director received by the Company is as follows:

Name	Reading regulatory updates relating to the director's duties and responsibilities or information relevant to the Group or its business	Reading newspapers, journals and updates relating to the economy, environment and social issues or the director's duties and responsibilities	Attending in-house seminar(s) or seminar(s) organised by external professional institution(s) or attending conference(s) relevant to the director's duties and responsibilities
Mr. Alan Chuang	√	√	√
Mrs. Siu	√	√	√
Mr. Ko Sheung Chi	√	√	√
Mr. Albert Chuang	√	√	√
Miss Candy Chuang	√	√	√
Mr. Edwin Chong	√	√	√
Mr. Lui Lop Kay	√	√	√
Mr. Wong Chung Wai	√	√	√
Mr. Abraham Shek	√	√	√
Mr. Fong	√	√	√
Mr. Yau	√	√	√
Mr. David Chu	√	√	√

Report on corporate governance practices (Continued)

(B) Remuneration of Directors and senior management

(i) *Remuneration policy of Executive Directors and senior management*

The Group's remuneration policy seeks to provide a fair market remuneration so as to attract, retain and motivate high quality staff. The Group will set levels of remuneration to ensure comparability and competitiveness with companies competing within a similar talent pool.

(ii) *Fees paid to Independent Non-Executive Directors*

Each Independent Non-Executive Director of the Company entitles to an annual fee of HK\$100,000. In determining such fee, the Board has taken into account the current market conditions. Such fee is also subject to the shareholders' approval in annual general meetings.

(iii) *Remuneration Committee*

A Remuneration Committee was established by the Company with clear terms of reference and is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the Company's establishment of a formal and transparent procedure for developing remuneration policy.

The Remuneration Committee comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Fong and Mr. David Chu. The committee met once during the year to review the remuneration policy of the Group and the management's remuneration proposals with reference to the Board's corporate goals and objectives. The committee performs an advisory role to the Board with the Board retaining the final authority to approve the remuneration packages of Directors and senior management and the model (c)(ii) as stipulated in code provision B.1.2. of the CG Code was adopted.

The attendance record of each committee member is as follows:

Name	No. of meeting attended/held
Mr. Abraham Shek (became the Chairman on 26th March, 2013)	1/1
Mr. Fong	1/1
Mr. David Chu (appointed as a member on 26th March, 2013)	0/1
Dr. Peter Po Fun Chan (retired on 26th March, 2013)	0/1

Report on corporate governance practices (Continued)

(C) Accountability and audit

(i) Financial reporting

The Board acknowledges that it is its responsibility to prepare the financial statements and to present a balanced, clear and comprehensive assessment of the performance, position and prospects of the Group in the interim and annual reports of the Group.

The reporting responsibility of the Company's auditor on the financial statements of the Group is set out in the "Independent Auditor's Report" on pages 93 to 94 of this annual report.

(ii) Internal control

The Board acknowledges that it is its responsibility to ensure that the Group maintains an effective internal control system so as to safeguard the Group's assets and thus shareholders' investments.

In this respect, the Group has adopted internal control procedures relating to financial, operational, compliance and risk management. The objectives are to provide reasonable assurance that assets are safeguarded against unauthorised use or disposition, transactions are executed in accordance with management's authorisation, the accounting records are reliable for preparing financial information within the business and for publication and risk is being identified and managed in an effective manner.

Qualified personnel throughout the Group maintains and monitors these internal control procedures on an ongoing basis. Upon the review of the effectiveness of the internal control system of the Group during the year and based on the assessment made by senior management of the Group, the Board, in conjunction with the Audit Committee, is satisfied that the existing internal control procedures of the Group are adequate for its present requirements.

(iii) Audit Committee

An Audit Committee was established by the Company with clear terms of reference to review and supervise the financial reporting process and internal controls of the Group. The Audit Committee comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Fong and Mr. Yau. The committee held three meetings during the year to discuss the relationship with the external auditor, to review the interim financial information and annual financial statements of the Group and to evaluate the internal control system of the Group. The committee has reviewed the results for the year ended 31st March, 2013 of the Group and this annual report.

Report on corporate governance practices (Continued)

(C) Accountability and audit (Continued)

(iii) Audit Committee (Continued)

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Mr. Abraham Shek (became the Chairman on 26th March, 2013)	3/3
Mr. Fong	3/3
Mr. Yau (appointed as a member on 26th March, 2013)	0/3
Dr. Peter Po Fun Chan (retired on 26th March, 2013)	3/3

(iv) Auditor's remuneration

During the year, the remuneration paid or payable to the principal auditor, PricewaterhouseCoopers, is set out as follows:

Services rendered	HK\$'000
Audit and audit related services	3,840
Non-audit services	1,200
	5,040

CORPORATE GOVERNANCE REPORT (CONTINUED)

Report on corporate governance practices (Continued)

(D) Delegation by the Board

(i) Board Committees

The Company has established four committees, namely Audit Committee, Nomination Committee, Remuneration Committee and Corporate Governance Committee (the "CG Committee"). These committees were formed with specific clear written terms of reference which deal clearly with the committees' authorities and duties.

(ii) Management function

The Board has determined which matters are to be retained by the full Board sanction and which matters are to be delegated to the executive management. The executive management has been given clear terms of reference, in particular, circumstances where the executive management should report to and obtain prior approval from the Board. All delegations to executive management are reviewed periodically to ensure that they remain appropriate.

(E) Corporate Governance

The Board delegated the corporate governance functions to the CG Committee which was established with clear terms of reference and is responsible for developing and reviewing the Company's policies and practices on corporate governance. The CG Committee is also delegated the responsibility to review any potential inside information of the Group and to make recommendations to the Board for any disclosure requirement or actions required.

The CG Committee comprises three Executive Directors, Mr. Ko Sheung Chi, Mr. Albert Chuang and Miss Candy Chuang. The committee met twice during the year to review the corporate governance matters of the Company to ensure that the Company has complied with the principles and applicable code provisions of the CG Code.

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Mr. Ko Sheung Chi *	2/2
Mr. Albert Chuang	2/2
Miss Candy Chuang	2/2

* *Chairman of the CG Committee*

Report on corporate governance practices (Continued)

(F) Communication with shareholders

The Company has established a shareholders communication policy with the objectives of enabling its shareholders to exercise their rights in an informed manner and to allow the shareholders and the investment communities to engage actively with the Company. The Board has the responsibility to review the policy regularly to ensure its effectiveness. A summary of the policy is set out below:

(i) Annual general meeting

The Board regards annual general meeting as the principal opportunity to meet the shareholders of the Company. With the exception of Mrs. Siu and Mr. Fong who did not attend the 2012 annual general meeting of the Company held on 31st August, 2012 (the "2012 AGM"), all Directors (including the Chairman and members of the respective Board Committees) attended the 2012 AGM to answer questions raised by the shareholders.

The attendance record of each Director in the 2012 AGM is as follows:

Name	Position	Attendance
Mr. Alan Chuang	Chairman	Yes
Mrs. Siu	Vice-Chairman	No
Mr. Ko Sheung Chi	Managing Director	Yes
Mr. Albert Chuang	Executive Director	Yes
Miss Candy Chuang	Executive Director	Yes
Mr. Edwin Chong (appointed on 26th March, 2013)	Executive Director	N/A
Mr. Lui Lop Kay	Executive Director	Yes
Mr. Wong Chung Wai	Executive Director	Yes
Mr. Abraham Shek	Independent Non-Executive Director	Yes
Mr. Fong	Independent Non-Executive Director	No
Mr. Yau (appointed on 3rd September, 2012)	Independent Non-Executive Director	N/A
Mr. David Chu (appointed on 6th February, 2013)	Independent Non-Executive Director	N/A
Dr. Peter Po Fun Chan (retired on 26th March, 2013)	Independent Non-Executive Director	Yes

Report on corporate governance practices (Continued)

(F) Communication with shareholders (Continued)

(ii) Significant issues

The Company has ensured that any significant issue to be dealt with in general meetings will be proposed as a separate resolution.

(iii) Voting by poll

Pursuant to Rule 13.39(4) of the Listing Rules, votes of shareholders in general meetings of the Company have been taken by poll and results of the poll have been announced in accordance with the procedures prescribed under Rule 13.39(5) of the Listing Rules.

(iv) Corporate documents available in the websites of the Company and the Stock Exchange

The Company has placed on the websites of the Company and the Stock Exchange the announcements, circulars, annual/interim reports, notices of general meetings and other information of the Company as required by the Listing Rules.

(v) Shareholders' enquiries

Shareholders of the Company may direct their questions about their shareholdings to the Company's share registrar and all other questions to the Board.

(G) Shareholders' rights

(i) Convening a special general meeting

Pursuant to Bye-law no. 58 of the Company, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting ("SGM") to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. The written requisition must state the purposes of the general meeting and is signed by the shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those shareholders.

If the requisition is in order, the secretary of the Company will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the shareholders. On the contrary, if the requisition is invalid, the shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(ii) Enquiries to the Board

Shareholders of the Company will have the opportunity to ask questions to the Board in general meetings. Shareholders of the Company may also make enquiries to the Board at their discretion. Such enquiries shall be made in writing directed to "The Board of Directors, Chuang's Consortium International Limited" by one of the following means:

- By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
- By email to : consortium-board@chuangs.com.hk
- By facsimile to : (852) 2810 6213

The Board will respond promptly to proper enquiries raised by the shareholders.

(iii) Putting forward proposals at shareholders' meetings

(a) Shareholders may put forward proposals relating to the election of Directors in general meetings as follows:

- Pursuant to Bye-law no. 89 of the Company, a shareholder or shareholders (not being the person to be proposed) who holds or collectively hold not less than 5% in nominal value of the issued shares of any class of the Company may propose a person for election as a Director at any general meeting of the Company by giving the secretary of the Company a notice in writing:
 - of his/their intention to propose such person for election; and
 - signed by the person to be proposed of his willingness to be elected.
- Any notice given for such proposal must include such person's information as may from time to time be required to be disclosed under Rule 13.51(2) of the Listing Rules in the event that such person is elected as a Director or any other applicable laws, rules and regulations which the Company may be subject to. Currently, the following information are required:
 - Full name and age;
 - Positions held with the Company and other members of the Group (if any);
 - Experience including (i) other directorships held in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(iii) Putting forward proposals at shareholders' meetings (Continued)

(a) (Continued)

- Length or proposed length of service with the Company;
 - Relationships with any Directors, senior management or substantial or controlling shareholders of the Company;
 - His interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
 - Amount of the Director's or supervisor's emoluments and the basis of determining the Director's or supervisor's emoluments and how much of these emoluments are covered by a service contract; and
 - A declaration by the nominated person stating that he is not and has not been subject to any of the events provided for under Rule 13.51(2)(h) to (w) of the Listing Rules, or if any one or more of these provisions are applicable to him, full details thereof.
- Any notice given for this purpose shall be directed to "The secretary, Chuang's Consortium International Limited" by one of the following means:
 - By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
 - By email to : chuangs@chuangs.com.hk
 - By facsimile to : (852) 2810 6213
 - Any such shareholder(s) shall be one(s) that is/are entitled to attend and vote at the meeting for which such notice is given.
 - The minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such notice(s) shall 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 seven (7) days prior to the date of such general meeting. If the notice is received less than fifteen (15) business days prior to that general meeting, the Company will need to consider adjournment of the general meeting in order to (i) assess the suitability of the proposed candidate; and (ii) publish an announcement or circulate a supplementary circular in relation to the proposal to the shareholders at least fourteen (14) clear days and not less than ten (10) business days prior to the general meeting.

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(iii) Putting forward proposals at shareholders' meetings (Continued)

- (b) Except for proposals relating to the election of Directors which should follow the procedures mentioned in (a) above, shareholders may put forward proposals at general meetings by following the requirements and procedures as set out in sections 79 and 80 of the Companies Act 1981 of Bermuda (the "Act"). Specifically, such shareholders should:
- Collectively hold not less than one-twentieth of the total voting rights of all shareholders of the Company having at the date of the requisition the right to vote at the meeting to which the requisition relates, or constitute not less than 100 shareholders.
 - Submit a written request stating the resolution intended to be moved at the annual general meeting ("AGM"), or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or business to be dealt with at that general meeting.
 - The written request/statement must be signed by such shareholders, or two more copies which between them contain the signatures of all such shareholders, and deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, for the attention of the secretary of the Company:
 - In the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
 - In the case of any other requisition, not less than one week before the meeting, provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the time required by section 80 of the Act shall be deemed to have been properly deposited for the purposes thereof.
 - If the written request is in order, the secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(iii) *Putting forward proposals at shareholders' meetings (Continued)*

(b) *(Continued)*

- Any questions relating to putting forward proposals at shareholders' meetings should be directed in writing to "The Board of Directors, Chuang's Consortium International Limited" by one of the following means:

- By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
- By email to : consortium-board@chuangs.com.hk
- By facsimile to : (852) 2810 6213

(H) Amendments to constitutional documents of the Company

At the 2012 AGM, special resolutions were passed by shareholders to amend the Bye-laws of the Company and to adopt a new set of Bye-laws so as to consolidate all the changes previously made, to keep the Bye-laws in line with the changes made to the Act and to amend certain requirements relating to election of Directors at general meetings. Details of the amendments were included in the circular to shareholders dated 30th July, 2012.

After the relevant amendments, the followings were effected:

- (a) no person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless there has been given to the secretary of the Company notice in writing by a member or members of the Company (not being the person to be proposed) who holds or collectively hold not less than 5% in nominal value of the issued shares of any class of the Company and is/are entitled to attend and vote at the meeting for which such notice is given, of his/their intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected and the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such notice(s) shall 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 seven (7) days prior to the date of such general meeting;
- (b) the register and branch register of members of the Company, as the case may be, shall be open to inspection between 10:00 a.m. and 12:00 noon on every business day by members of the public without charge at the registered office or such other place at which such register is kept in accordance with the Act; and
- (c) no dividend shall be paid otherwise than out of profits available for distribution (such profits being ascertained in accordance with the Act) or contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.

Conclusion

Except as mentioned above, the Company has complied with the code provisions of the CG Code for the year ended 31st March, 2013.

On behalf of the Board of
Chuang's Consortium International Limited

Ko Sheung Chi
Managing Director

Hong Kong, 27th June, 2013

REPORT OF THE DIRECTORS

The board of Directors (the “Board”) presents the audited financial statements of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31st March, 2013.

Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out in note 48 to the financial statements.

Analysis of the performance by the Group for the year by business lines and geographical segments is set out in note 6 to the financial statements.

Results and dividends

The results of the Group for the year are set out in the consolidated income statement on page 95.

After taking into account the need to maintain sufficient financial resources for working capital of the Group’s projects and businesses, the Directors have resolved to recommend for the shareholders’ approval at the forthcoming annual general meeting of the Company (the “AGM”) the payment of a final dividend of 3.0 HK cents (2012: 3.5 HK cents) per share for the year ended 31st March, 2013. The final dividend, if approved, will be paid on or before 18th November, 2013 by allotment of new shares with a cash option to the shareholders whose names appear on the Company’s register of members on 3rd October, 2013.

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting listing of and permission to deal in the new shares to be issued pursuant to the scrip dividend scheme, new share entitlements will be calculated by reference to the par value of shares of the Company, being HK\$0.25, or the average of the closing prices on the Stock Exchange of the shares of the Company for the five consecutive trading days up to and including 3rd October, 2013, whichever is the higher.

An interim dividend of 2.0 HK cents (2012: 2.0 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 5.0 HK cents (2012: 5.5 HK cents) per share with total amount of HK\$83.5 million (2012: HK\$87.3 million).

Subsidiaries

Particulars regarding the principal subsidiaries of the Company are set out in note 48 to the financial statements.

Property, plant and equipment

Movements in property, plant and equipment of the Group during the year are set out in note 16 to the financial statements.

Share capital

Movements of share capital of the Company during the year are set out in note 35 to the financial statements.

Donations

During the year, the Group made charitable donations and sponsorships amounting to approximately HK\$5,108,000.

Pre-emptive rights

No pre-emptive rights exist in Bermuda being the jurisdiction in which the Company was incorporated.

Reserves

Movements in reserves of the Company and the Group during the year are set out in note 36 to the financial statements. Under the Companies Act 1981 of Bermuda and the Bye-laws of the Company, the contributed surplus which arose as a result of a group reorganisation in 1991 is also distributable to the shareholders of the Company. Total distributable reserves of the Company amounted to approximately HK\$1,202,035,000 as at 31st March, 2013.

Particulars of principal properties

Particulars of principal properties held by the Group as at 31st March, 2013 are set out on pages 172 to 175.

Financial summary

A summary of financial information of the Group for the last five financial years is set out on page 176.

Directors

The Directors of the Company during the year and up to the date of this report are as follows:

Mr. Alan Chuang Shaw Swee	
Mrs. Alice Siu Chuang Siu Suen	
Mr. Ko Sheung Chi	
Mr. Albert Chuang Ka Pun	
Miss Candy Chuang Ka Wai	
Mr. Chong Ka Fung	(appointed on 26th March, 2013)
Mr. Lui Lop Kay	
Mr. Wong Chung Wai	
Mr. Abraham Shek Lai Him	
Mr. Fong Shing Kwong	
Mr. Yau Chi Ming	(appointed on 3rd September, 2012)
Mr. David Chu Yu Lin	(appointed on 6th February, 2013)
Dr. Peter Po Fun Chan	(retired on 26th March, 2013)

At the AGM, Mr. Alan Chuang Shaw Swee, Mr. Albert Chuang Ka Pun, Mr. Chong Ka Fung, Mr. Lui Lop Kay, Mr. Yau Chi Ming and Mr. David Chu Yu Lin will retire from office in accordance with the Company's Bye-laws nos. 86(2) and 87(2) and Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and, being eligible, will offer themselves for re-election.

REPORT OF THE DIRECTORS (CONTINUED)

Directors' rights to acquire shares or debentures

Other than the share option schemes adopted by the Company and its subsidiaries as detailed in the section headed "Share option schemes" below, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests and short positions in shares, underlying shares and debentures

As at 31st March, 2013, the interests and short positions of the Directors and chief executive of the Company in 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 (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Company

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	896,436,025	Note 1	53.34
Mrs. Alice Siu Chuang Siu Suen ("Mrs. Siu")	273,609,710	Note 2	16.28
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	1,211,293	Beneficial owner	0.07
Mr. Lui Lop Kay ("Mr. Lui")	119,602	Beneficial owner	0.007

Note 1: Such interests comprised 698,829,332 shares in the Company owned by Evergain Holdings Limited ("Evergain"), a company beneficially owned by Mr. Alan Chuang, and the remaining interests arose as a result of Mr. Alan Chuang being a discretionary object of a discretionary trust, the trustee of which held 197,606,693 shares in the Company. Mr. Alan Chuang, Mr. Albert Chuang, Miss Candy Chuang Ka Wai and Mr. Chong Ka Fung are directors of Evergain.

Note 2: Such interests comprised 76,003,017 shares in the Company owned by Hilltop Assets Limited, a company beneficially owned by Mrs. Siu, and the remaining interests arose as a result of Mrs. Siu being a discretionary object of a discretionary trust, the trustee of which held 197,606,693 shares in the Company.

Directors' interests and short positions in shares, underlying shares and debentures (Continued)

(b) Interests in Chuang's China Investments Limited ("Chuang's China")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	889,069,949	Notes 3 & 6	56.92
Mrs. Siu	2,000,000	Beneficial owner	0.13
Miss Candy Chuang Ka Wai ("Miss Candy Chuang")	1,047,961	Beneficial owner	0.07
Mr. Lui	12,838	Beneficial owner	0.001

(c) Interests in Midas International Holdings Limited ("Midas")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	1,570,869,885	Notes 4 & 6	71.17
Mr. Abraham Shek Lai Him	30,000	Beneficial owner	0.0014

(d) Interests in Treasure Auctioneer International Limited ("Treasure")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	800,000	Notes 5 & 6	80.0

Note 3: Such interests are held by Profit Stability Investments Limited, a wholly-owned subsidiary of the Company.

Note 4: Such interests comprised 1,341,049,258 ordinary shares in Midas and 229,820,627 conversion shares to be issued by Midas upon the exercise of conversion rights attached to a convertible note due 2014. All the above interests are held by Gold Throne Finance Limited, a wholly-owned subsidiary of the Company.

Note 5: Such interests comprised 550,000 shares in Treasure owned by a corporation beneficially owned by Mr. Alan Chuang and 250,000 shares in Treasure beneficially owned by China Cyberworld Limited, a wholly-owned subsidiary of Chuang's China. Chuang's China is a subsidiary of the Company.

Note 6: Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of the Company.

Save as disclosed, during the year, none of the Directors and chief executive of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.

REPORT OF THE DIRECTORS (CONTINUED)

Directors' interests and short positions in shares, underlying shares and debentures (Continued)

Other than as disclosed herein, as at 31st March, 2013, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Directors' interests in contracts

There was no contract of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a Director had, whether directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

Directors' service contracts

None of the Directors has any service contract with the Company or any of its subsidiaries not terminable by the employing company within one year without payment of compensation (other than statutory compensation).

Directors' interests in competing business

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that Mr. Alan Chuang (the chairman and an executive Director of the Company) holds equity interests and directorships in, and Mr. Ko Sheung Chi, Mr. Albert Chuang, Miss Candy Chuang and Mr. Chong Ka Fung (all are executive Directors of the Company) hold directorships in, certain private companies (the "Private Companies") which are engaged in the businesses of luxurious residential property investment in Hong Kong. Mr. Ko Sheung Chi is also a non-executive director of CNT Group Limited ("CNT"), a company whose issued shares are listed on the Stock Exchange, the principal activities of which include property investments and developments in Hong Kong and the People's Republic of China. As the properties owned by the Private Companies and CNT are of different types and/or in different locations from those of the Group, the Group operates its businesses independently of the businesses of, and at arm's length from, the businesses of the Private Companies and CNT.

Substantial shareholders

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed "Directors' interests and short positions in shares, underlying shares and debentures" above, as at 31st March, 2013, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of Shareholder	Number of shares of the Company	Capacity	Percentage of shareholding
Evergain	698,829,332	Beneficial owner, <i>Note 1</i>	41.58
Mrs. Chong Ho Pik Yu	698,829,332	<i>Note 2</i>	41.58
Madam Chuang Shau Har ("Madam Chuang")	198,329,917	<i>Note 3</i>	11.80
Mr. Lee Sai Wai ("Mr. Lee")	198,329,917	<i>Note 4</i>	11.80

Note 1: Such interests have been mentioned in Note 1 to the section headed "Directors' interests and short positions in shares, underlying shares and debentures".

Note 2: Such interests arose by attribution through her spouse, Mr. Alan Chuang, whose interests have been mentioned in Note 1 to the section headed "Directors' interests and short positions in shares, underlying shares and debentures".

Note 3: Interests in 197,606,693 shares in the Company arose as a result of Madam Chuang being the trustee and a discretionary object of a discretionary trust which owned such shares in the Company. The remaining interests in 723,224 shares in the Company arose by attribution through her spouse, Mr. Lee.

Note 4: Interests in 197,606,693 shares in the Company arose by attribution through his spouse, Madam Chuang, whose interests have been mentioned in Note 3 above. The remaining interests in 723,224 shares in the Company are beneficially owned by Mr. Lee.

Save as disclosed above, as at 31st March, 2013, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

Controlling shareholders' interests in contracts

There was no contract of significance between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries at the balance sheet date or at any time during the year and up to the date of this report.

REPORT OF THE DIRECTORS (CONTINUED)

Borrowings

Bank borrowings of the Group are set out in note 37 to the financial statements.

Pledge of assets

As at 31st March, 2013, the Group has pledged certain assets, including property, plant and equipment, investment properties, leasehold land and land use rights, properties for sale and bank deposits, with an aggregate carrying value of HK\$6,758,028,000 (2012: HK\$4,930,105,000), to secure general banking and financial guarantee facilities granted to the subsidiaries. As at 31st March, 2012, the Group had also pledged certain financial assets at fair value through profit or loss of HK\$57,707,000 for the commitments to purchase certain listed securities in Hong Kong.

Purchase, sale or redemption of the Company's listed securities

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares during the year.

Major suppliers and customers

The aggregate purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for approximately 29% and 57% of the total purchases of the Group for the year respectively.

The aggregate turnover attributable to the five largest customers of the Group accounted for less than 30% of the total turnover of the Group for the year.

None of the Directors, their associates, or any shareholder (which to the knowledge of the Directors owns more than 5% of the share capital of the Company) has any interest in the five largest suppliers of the Group.

Retirement schemes

Details of retirement schemes of the Group are set out in note 9 to the financial statements.

Share option schemes

Pursuant to the ordinary resolutions passed in the annual general meeting of the Company held on 31st August, 2012, a share option scheme of the Company (the "Scheme") has been adopted, and the share option scheme adopted by Chuang's China on 31st August, 2012 (the "Chuang's China Scheme") and the share option scheme adopted by Midas on 29th August, 2012 (the "Midas Scheme") have been approved respectively.

(a) A summary of the Scheme is set out as follows:

1. Purpose: To give incentive to Directors, employees or business consultants of the Group and any other party as approved under the Scheme
2. Participants: Including, inter alia, Directors, employees or business consultants of the Group
3. Total number of shares available for issue under the Scheme and percentage of the issued share capital that it represents as at the date of this report: 159,284,491 shares are available for issue under the Scheme, representing approximately 9.48% of the issued share capital as at the date of this report
4. Maximum entitlement of each participant: 1% of the maximum aggregate number of shares that may be issued within 12 months pursuant to the Scheme
5. Period within which the shares must be taken up under an option: Not applicable. No share option has been granted since the date of adoption of the Scheme on 31st August, 2012
6. Amount payable on acceptance of an option and the period within which payments shall be made: HK\$1.00 payable to the Company upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7. The basis of determining the exercise price: No less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of the Company
8. The remaining life of the Scheme: Valid until 30th August, 2022 unless otherwise terminated under the terms of the Scheme

REPORT OF THE DIRECTORS (CONTINUED)

Share option schemes (Continued)

(b) A summary of the Chuang's China Scheme is set out as follows:

1. Purpose: To give incentive to directors, employees or business consultants of Chuang's China and its subsidiaries (collectively as the "Chuang's China Group") and any other party as approved under the Chuang's China Scheme
2. Participants: Including, inter alia, directors, employees or business consultants of the Chuang's China Group
3. Total number of shares of Chuang's China available for issue under the Chuang's China Scheme and percentage of the issued share capital of Chuang's China that it represents as at the date of this report: 152,332,870 shares of Chuang's China are available for issue under the Chuang's China Scheme, representing approximately 9.75% of the issued share capital of Chuang's China as at the date of this report
4. Maximum entitlement of each participant: 1% of the maximum aggregate number of shares of Chuang's China that may be issued within 12 months pursuant to the Chuang's China Scheme
5. Period within which the shares of Chuang's China must be taken up under an option: Not applicable. No share option has been granted by Chuang's China since the date of adoption of the Chuang's China Scheme on 31st August, 2012
6. Amount payable on acceptance of an option and the period within which payments shall be made: HK\$1.00 payable to Chuang's China upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7. The basis of determining the exercise price: No less than the highest of (i) the closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of Chuang's China
8. The remaining life of the Chuang's China Scheme: Valid until 30th August, 2022 unless otherwise terminated under the terms of the Chuang's China Scheme

Share option schemes (Continued)

(c) A summary of the Midas Scheme is set out as follows:

1. Purpose: To give incentive to directors, employees or business consultants of Midas and its subsidiaries (collectively as the "Midas Group") and any other party as approved under the Midas Scheme
2. Participants: Including, inter alia, directors, employees or business consultants of the Midas Group
3. Total number of shares of Midas available for issue under the Midas Scheme and percentage of the issued share capital of Midas that it represents as at the date of this report: 220,720,827 shares of Midas are available for issue under the Midas Scheme, representing approximately 10% of the issued share capital of Midas as at the date of this report
4. Maximum entitlement of each participant: 1% of the maximum aggregate number of shares of Midas that may be issued within 12 months pursuant to the Midas Scheme
5. Period within which the shares of Midas must be taken up under an option: Not applicable. No share option has been granted by Midas since the date of adoption of the Midas Scheme on 29th August, 2012
6. Amount payable on acceptance of an option and the period within which payments shall be made: HK\$1.00 payable to Midas upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7. The basis of determining the exercise price: No less than the highest of (i) the closing price of the shares of Midas as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of Midas as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of Midas
8. The remaining life of the Midas Scheme: Valid until 28th August, 2022 unless otherwise terminated under the terms of the Midas Scheme

REPORT OF THE DIRECTORS (CONTINUED)

Update on information of Directors pursuant to Rule 13.51B(1) of the Listing Rules

The annual remuneration of the following Directors have been revised since 1st April, 2013:

Name of Director	Revised annual remuneration [#] HK\$'000
Mr. Lui	1,762
Mr. Wong Chung Wai	2,135

[#] *The annual remuneration includes salary, retirement scheme contribution, other benefits and director's fee, which is determined by reference to his duties and experience as well as the prevailing market conditions.*

Sufficiency of public float

The Company has maintained a sufficient public float of the Company's securities as required under the Listing Rules throughout the year ended 31st March, 2013 and up to the date of this report.

Auditor

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board of
Chuang's Consortium International Limited

Ko Sheung Chi
Managing Director

Hong Kong, 27th June, 2013



羅兵咸永道

TO THE SHAREHOLDERS OF
CHUANG'S CONSORTIUM INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Chuang's Consortium International Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 95 to 171, which comprise the consolidated and company balance sheets as at 31st March, 2013, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity 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 Section 90 of the Companies Act 1981 of Bermuda 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.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2013, and of the Group's profit 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.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 27th June, 2013

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	2013 HK\$'000	2012 HK\$'000
Revenues	5	1,100,345	2,207,128
Cost of sales		(666,584)	(1,142,430)
Gross profit		433,761	1,064,698
Other income and net gain	7	65,630	235,146
Selling and marketing expenses		(73,344)	(90,827)
Administrative and other operating expenses		(358,601)	(390,555)
Change in fair value of investment properties	17	1,199,085	515,726
Operating profit	8	1,266,531	1,334,188
Finance costs	10	(47,677)	(54,631)
Share of results of associated companies	22	(400)	(3,167)
Share of result of a jointly controlled entity	23(b)	(29)	(35)
Profit before taxation		1,218,425	1,276,355
Taxation	12	(79,399)	(221,570)
Profit for the year		1,139,026	1,054,785
Attributable to:			
Equity holders	13	1,147,641	901,313
Non-controlling interests		(8,615)	153,472
		1,139,026	1,054,785
Dividends	14	83,467	87,347
Earnings per share (basic and diluted)	15	HK cents 70.88	HK cents 57.07

The notes on pages 102 to 171 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH, 2013

	2013 HK\$'000	2012 HK\$'000
Profit for the year	1,139,026	1,054,785
Other comprehensive income:		
Net exchange differences	23,265	39,440
Share of exchange reserve of an associated company	–	(19)
Realisation of reserves upon disposal of an associated company	–	(3,723)
Change in fair value of available-for-sale financial assets	(11,790)	2,904
Other comprehensive income for the year	11,475	38,602
Total comprehensive income for the year	1,150,501	1,093,387
Total comprehensive income attributable to:		
Equity holders	1,153,095	917,432
Non-controlling interests	(2,594)	175,955
	1,150,501	1,093,387

The notes on pages 102 to 171 are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2013

	Note	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Property, plant and equipment	16	298,872	323,420
Investment properties	17	6,060,410	4,830,675
Leasehold land and land use rights	18	83,893	83,534
Properties for/under development	19, 23(a)	530,120	421,502
Cemetery assets	20	551,029	536,209
Associated companies	22	10,219	10,669
Jointly controlled entity	23(b)	–	–
Amount due from a jointly controlled entity	23(c)	61,138	58,685
Available-for-sale financial assets	24	111,050	92,984
Loans and receivables	23(a), 25	12,836	14,408
		7,719,567	6,372,086
Current assets			
Properties for sale	26	2,190,179	1,849,084
Inventories	27	132,704	124,713
Cemetery assets for sale	20	111,290	112,679
Debtors and prepayments	28	623,054	575,670
Tax recoverable		–	117
Financial assets at fair value through profit or loss	30	247,745	330,494
Pledged bank balances	31	30,516	–
Cash and bank balances	31	1,803,087	1,890,245
		5,138,575	4,883,002
Current liabilities			
Creditors and accruals	32	309,146	341,377
Sales deposits received	33	366,266	136,282
Derivative financial instruments	34	–	3,500
Short-term bank borrowings	37	26,577	14,511
Current portion of long-term bank borrowings	37	521,572	437,814
Taxation payable		361,842	310,142
		1,585,403	1,243,626
Net current assets		3,553,172	3,639,376
Total assets less current liabilities		11,272,739	10,011,462

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 31ST MARCH, 2013

	Note	2013 HK\$'000	2012 HK\$'000
Equity			
Share capital	35	420,138	398,211
Reserves	36	6,907,535	5,787,695
Proposed final dividend	36	50,417	55,750
Shareholders' funds		7,378,090	6,241,656
Non-controlling interests		1,465,272	1,477,061
Total equity		8,843,362	7,718,717
Non-current liabilities			
Long-term bank borrowings	37	2,009,681	1,883,409
Convertible note	38	52,549	46,343
Deferred taxation liabilities	39	356,972	352,824
Loans from non-controlling interests	40	10,175	10,169
		2,429,377	2,292,745
		11,272,739	10,011,462

Ko Sheung Chi
Director

Albert Chuang Ka Pun
Director

The notes on pages 102 to 171 are an integral part of these financial statements.

BALANCE SHEET

AS AT 31ST MARCH, 2013

	Note	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Property, plant and equipment	16	10	42
Subsidiaries	21	888,708	888,708
Loan receivable from a subsidiary	29	56,225	56,225
		944,943	944,975
Current assets			
Debtors and prepayments	28	259	1,140
Amounts due from subsidiaries	29	781,988	549,172
Cash and bank balances	31	676,707	886,319
		1,458,954	1,436,631
Current liabilities			
Creditors and accruals	32	1,942	2,465
Net current assets			
		1,457,012	1,434,166
Net assets			
		2,401,955	2,379,141
Equity			
Share capital	35	420,138	398,211
Reserves	36	1,931,400	1,925,180
Proposed final dividend	36	50,417	55,750
Total equity			
		2,401,955	2,379,141

Ko Sheung Chi
Director

Albert Chuang Ka Pun
Director

The notes on pages 102 to 171 are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	2013 HK\$'000	2012 HK\$'000
Cash flows from operating activities			
Cash (used in)/from operations	44(a)	(150,592)	773,079
Interest paid		(56,801)	(58,709)
Overseas tax paid		(31,855)	(79,941)
Net cash (used in)/from operating activities		(239,248)	634,429
Cash flows from investing activities			
Purchase of property, plant and equipment		(21,899)	(21,534)
Purchase of investment properties		(5,641)	(51,489)
Purchase of available-for-sale financial assets		(35,875)	(3,674)
Proceeds from disposal of property, plant and equipment		5,258	1,807
Net proceeds from disposal of investment properties		14,639	55,320
Net proceeds from disposal of available-for-sale financial assets		10,198	458
Net cash inflow from business combination	43	–	94,698
(Decrease)/increase in amount payable to an associated company		(1,447)	656
Increase in amount due from a jointly controlled entity		(2,482)	(2,433)
(Increase)/decrease in pledged bank balances		(29,795)	119
(Increase)/decrease in bank deposits maturing more than three months from date of placement		(15,225)	5,194
Interest income received		20,842	29,347
Dividend income received		1,027	3,954
Net cash (used in)/from investing activities		(60,400)	112,423
Cash flows from financing activities			
New bank borrowings		515,607	58,988
Repayment of bank borrowings		(294,505)	(384,447)
Dividends paid to shareholders		(13,721)	(70,841)
Dividends paid to non-controlling interests		(12,135)	(6,544)
Net cash from/(used in) financing activities		195,246	(402,844)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		1,888,759	1,530,004
Exchange difference on cash and cash equivalents		2,740	14,747
Cash and cash equivalents at the end of the year	44(b)	1,787,097	1,888,759

The notes on pages 102 to 171 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2013

	Attributable to equity holders of the Company						
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Proposed final dividend HK\$'000	Shareholders' funds HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1st April, 2011	394,218	1,179,944	3,770,444	50,460	5,395,066	952,616	6,347,682
Profit for the year	-	-	901,313	-	901,313	153,472	1,054,785
Other comprehensive income:							
Net exchange differences	-	19,055	-	-	19,055	20,385	39,440
Share of exchange reserve of an associated company	-	(11)	-	-	(11)	(8)	(19)
Realisation of reserves upon disposal of an associated company	-	(13,238)	9,515	-	(3,723)	-	(3,723)
Change in fair value of available-for-sale financial assets	-	797	-	-	797	2,107	2,904
Total comprehensive income for the year	-	6,603	910,828	-	917,431	175,956	1,093,387
Transactions with owners:							
2011 final scrip dividend paid	745	1,175	-	(50,460)	(48,540)	-	(48,540)
2012 interim scrip dividend paid	3,248	6,048	(31,597)	-	(22,301)	-	(22,301)
2012 proposed final scrip dividend	-	-	(55,750)	55,750	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	(6,544)	(6,544)
Purchase of a subsidiary	-	-	-	-	-	355,033	355,033
At 31st March, 2012	398,211	1,193,770	4,593,925	55,750	6,241,656	1,477,061	7,718,717
Profit/(loss) for the year	-	-	1,147,641	-	1,147,641	(8,615)	1,139,026
Other comprehensive income:							
Net exchange differences	-	11,819	-	-	11,819	11,446	23,265
Change in fair value of available-for-sale financial assets	-	(6,365)	-	-	(6,365)	(5,425)	(11,790)
Total comprehensive income/(loss) for the year	-	5,454	1,147,641	-	1,153,095	(2,594)	1,150,501
Transactions with owners:							
2012 final scrip dividend paid	14,908	32,320	-	(55,750)	(8,522)	-	(8,522)
2013 interim scrip dividend paid	7,019	20,832	(33,050)	-	(5,199)	-	(5,199)
2013 proposed final scrip dividend	-	-	(50,417)	50,417	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	(19,815)	(19,815)
Increase of interests in a subsidiary by non-controlling interests	-	(2,940)	-	-	(2,940)	10,620	7,680
At 31st March, 2013	420,138	1,249,436	5,658,099	50,417	7,378,090	1,465,272	8,843,362

The notes on pages 102 to 171 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2013

1 General information

Chuang's Consortium International Limited (the "Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is 25th Floor, Alexandra House, 18 Chater Road, Central.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property investment and development, hotel operation, manufacturing and sale of watch components, merchandise, bonded polyester fabrics, home finishing products and printed products, securities investment and trading, and the development and operation of cemetery.

2 Summary of significant accounting policies

The significant accounting policies adopted for the preparation of these financial statements, which have been consistently applied to all the years presented, are set out below:

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, derivative financial instruments and financial assets at fair value through profit or loss at fair values, and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The adoption of revised HKFRSs

For the financial year ended 31st March, 2013, the Group adopted the following amendment that is effective for the Group's accounting periods beginning on 1st April, 2012 and relevant to the operations of the Group:

HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Transfers of Financial Assets
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The Group has assessed the impact of the adoption of this amendment and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the financial statements.

The Group had early adopted HKAS 12 (Amendment) "Deferred Tax: Recovery of Underlying Assets" since the financial year beginning on 1st April, 2010.

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

Standards and amendments to existing standards that are not yet effective

The following new and amended standards and amendments have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1st April, 2013, but have not yet been adopted by the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements (effective from 1st July, 2012)
HKAS 19 (2011)	Employee Benefits (effective from 1st January, 2013)
HKAS 27 (2011)	Separate Financial Statements (effective from 1st January, 2013)
HKAS 28 (2011)	Investments in Associates and Joint Ventures (effective from 1st January, 2013)
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective from 1st January, 2014)
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective from 1st January, 2013)
HKFRS 9	Financial Instruments (effective from 1st January, 2015)
HKFRS 10	Consolidated Financial Statements (effective from 1st January, 2013)
HKFRS 11	Joint Arrangements (effective from 1st January, 2013)
HKFRS 12	Disclosures of Interests in Other Entities (effective from 1st January, 2013)
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendment)	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance (effective from 1st January, 2013)
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment Entities (effective from 1st January, 2014)
HKFRS 13	Fair Value Measurement (effective from 1st January, 2013)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle (effective from 1st January, 2013)

The Group will adopt the above new and amended standards and amendments as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st March and include the share of post-acquisition results and reserves of its associated companies and joint ventures attributable to the Group.

Results attributable to subsidiaries, associated companies and joint ventures acquired or disposed of during the financial period are included in the consolidated income statement from the date of acquisition or up to the date of disposal as applicable.

The gain or loss on disposal of subsidiaries, associated companies or joint ventures is calculated by reference to the share of net assets at the date of disposal including the attributable amount of goodwill not yet written off.

2 Summary of significant accounting policies (Continued)

(c) Subsidiaries

Subsidiaries are companies in which the Group has the power to exercise control governing the financial and operating policies of the company, generally accompanying a direct or indirect shareholding of more than half of the voting power, or holds more than half of the issued equity capital. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

When the Group ceases to have control, any retained interest in the subsidiary is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered as an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

In the balance sheet of the Company, investments in subsidiaries are carried at cost less impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend income.

(d) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the income statement where appropriate.

2 Summary of significant accounting policies (Continued)

(e) Associated companies

An associated company is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence is exercised in its management, accompanying a shareholding of between 20% to 50% of the voting rights.

Investments in associated companies are accounted for under the equity method of accounting and are initially recognised at cost. The investments in associated companies of the Group include goodwill, net of any accumulated impairment loss, identified on acquisition.

The share of post-acquisition profits or losses of associated companies attributable to the Group is recognised in the income statement, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses of the Group in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

The Group determines at each balance sheet date whether there is any objective evidence that the investment in associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognises the amount adjacent to “share of results of associated companies” in the income statement.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the interest in the associated companies held by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group. Dilution gains and losses arising from investments in associated companies are recognised in the income statement.

(f) Joint ventures

Jointly controlled asset

A joint venture which does not involve the establishment of a separate entity but involves the joint control and ownership by the Group and other parties of assets contributed to, or acquired for the purpose of, the joint venture is accounted for as a jointly controlled asset. The Group’s share of jointly controlled assets and any liabilities incurred jointly with other joint venture partners are recognised and classified according to the nature of the relevant items. Income from the sale or use of the Group’s share of the output of jointly controlled assets is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group, while the Group’s share of expenses in respect of jointly controlled assets is recognised as incurred.

Jointly controlled entity

The Group’s interest in jointly controlled entity is accounted for under equity method of accounting and is initially recognised at cost. The investment in jointly controlled entity of the Group includes goodwill, net of any accumulated impairment loss, identified on acquisition.

2 Summary of significant accounting policies (Continued)

(f) Joint ventures (Continued)

Jointly controlled entity (Continued)

The share of post-acquisition profits or losses of jointly controlled entity attributable to the Group is recognised in the income statement, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses of the Group in a jointly controlled entity equals or exceeds its interest in the jointly controlled entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the jointly controlled entity.

Unrealised gains on transactions between the Group and its jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity held by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of jointly controlled entity have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(g) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets of the acquired subsidiaries, associated companies or joint ventures attributable to the Group at the effective date of acquisition, and in respect of an increase in holding in a subsidiary, it is regarded as a transaction with non-controlling interest. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Goodwill on acquisitions of subsidiaries is included in intangible assets while goodwill on acquisitions of associated companies or joint ventures is included in investments in associated companies or joint ventures respectively. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the income statement.

Goodwill is tested for impairment at least annually and whenever there is an indication for impairment, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose has been identified according to operating segment.

Impairment testing of the investments in subsidiaries, associated companies and joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiaries, associated companies and joint ventures in the period the dividend is declared or if the carrying amounts of the investments in the separate financial statements exceed the carrying amounts in the consolidated financial statements of the investee's net assets including goodwill.

2 Summary of significant accounting policies (Continued)

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives at the following annual rates:

Buildings	2% to 5%
Plant and machinery	6.7% to 33.3%
Furniture and fixtures	10% to 33.3%
Other assets	10% to 33.3%

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. Where the estimated recoverable amounts have declined below their carrying amounts, the carrying amounts are written down to their estimated recoverable amounts.

Gain or loss on disposal is determined as the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognised in the income statement.

(i) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment properties. Investment properties also include properties that are being constructed or developed for future use as investment properties.

Investment properties comprise land held under operating leases and buildings held under finance leases. Land held under operating leases is classified and accounted for as investment properties when the rest of the definition of investment properties is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively under way and will be ceased once the asset is substantially completed, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on valuations carried out by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

2 Summary of significant accounting policies (Continued)

(i) Investment properties (Continued)

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non-standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar constructions
- Status of construction permits

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as liabilities, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is capitalised to the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Group and the cost can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement. Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Investment properties under construction have been valued at the balance sheet date. All fair value gains or losses, including those unrecognised fair value gains and losses (if the losses have not already been recognised through impairment), are recognised in the income statement as fair value gains or losses.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

The investment properties are classified under non-current assets except for those properties which are expected to be disposed of within one year and are classified under current assets.

2 Summary of significant accounting policies (Continued)

(j) Leasehold land and land use rights

Leasehold land and land use rights represent non-refundable rental payments for lease of land. The up-front prepayments made for leasehold land and land use rights are amortised on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. The amortisation of the leasehold land and land use rights is capitalised under the relevant assets when the properties on the land are under construction. In all other cases, the amortisation is recognised in the income statement. No amortisation is provided for the leasehold land and land use rights recorded under properties for sale.

(k) Cemetery assets

Cost of cemetery assets comprises the leasehold land and land use rights and costs of development expenditures incurred for the grave plots and niches for cremation urns. Cemetery assets are classified under current assets unless the construction period of the relevant grave plots or niches for cremation urns is expected to complete beyond the normal operating cycle.

Grave plots and niches for cremation urns are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for cemetery assets less all estimated costs of completion and costs necessary to make the sale.

(l) Properties for/under development

Properties for/under development are stated at cost less impairment losses. Costs include land cost, amortisation of leasehold land and land use rights, development and construction expenditure incurred and any interest and other direct costs attributable to the development.

Properties under development are classified as properties for sale under current assets unless the construction period of the relevant development project is expected to complete beyond the normal operating cycle.

(m) Properties for sale

Properties for sale which include properties under development (note 2(l)), completed properties and leasehold land and land use rights for sale are classified under current assets and comprise land cost, development and construction expenditure, any interest and other direct costs attributable to the development, less provision for foreseeable losses. Completed properties for sale are carried at the lower of cost and net realisable value. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(n) Financial assets

The Group classifies its financial assets in the categories of financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition according to the purpose for which the financial assets are acquired.

2 Summary of significant accounting policies (Continued)

(n) Financial assets (Continued)

Financial assets at fair value through profit or loss are classified as current assets if they are either held for trading or are expected to be realised within twelve months from the balance sheet date. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement, and subsequently carried at fair value.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are carried at amortised cost using effective interest method.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months from the balance sheet date. Available-for-sale financial assets are initially recognised at fair value plus transaction cost, and subsequently carried at fair value.

Regular purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss, including interest and dividend income, are included in the income statement in the financial period in which they arise. Unrealised gains and losses arising from the change in the fair value of available-for-sale financial assets are recognised in other comprehensive income. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are recognised in the income statement as gains or losses.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value below its cost is considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on available-for-sale financial assets are not reversed through the income statement.

2 Summary of significant accounting policies (Continued)

(o) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate.

Derivative financial instruments that do not qualify for hedge accounting are accounted for as financial assets at fair value through profit or loss and changes in the fair value are recognised in the income statement.

(p) Convertible note

Convertible note issued by a subsidiary of the Group that contains both the liability and conversion option components is classified by the subsidiary separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the subsidiary's own equity instruments is classified as an equity instrument of the subsidiary.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceed of the issue of the convertible note and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible note into equity, is included in equity (convertible note equity reserve) of the subsidiary.

In subsequent periods, the liability component of the convertible note is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the subsidiary, will remain in convertible note equity reserve of the subsidiary until the embedded option is exercised (in which case the balance stated in convertible note equity reserve of the subsidiary will be transferred to share premium of the subsidiary). Where the option remains unexercised at the expiry date, the balance stated in convertible note equity reserve of the subsidiary will be released to the retained profits of the subsidiary. No gain or loss is recognised in the income statement of the subsidiary upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible note are allocated to the liability and equity components of the subsidiary in proportion to the allocation of the gross proceed. Transaction costs relating to the equity component are charged directly to equity of the subsidiary. Transaction costs relating to the liability component are included in the carrying amount of the liability portion of the subsidiary and amortised over the period of the convertible note using the effective interest method.

The liability component (or part of the liability component) of the convertible note of the subsidiary is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

The liability component of the convertible note is classified under current liability unless the subsidiary has an unconditional right to defer settlement of the liability for at least twelve months from the balance sheet date.

2 Summary of significant accounting policies (Continued)

(q) Inventories

Inventories, which mainly comprise watch components, merchandise, printed products, bonded polyester fabrics and home finishing products, are stated at the lower of cost and net realisable value. Costs, calculated on the first-in first-out basis or weighted average basis, include material cost, direct labour cost and an appropriate proportion of production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(r) Trade and other debtors

Trade and other debtors are amounts due from customers for properties and merchandise sold or services performed in the ordinary course of business. If collection of trade and other debtors is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, which is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganisation, and default or delinquency in payments are considered as indicators that the receivable is impaired. The amount of the provision is recognised in the income statement.

(s) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the fair value of an asset less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

(t) Creditors and accruals

Creditors and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Creditors and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 Summary of significant accounting policies (Continued)

(u) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(v) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

(w) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial liability, including fees and commissions to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified under current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months from the balance sheet date.

2 Summary of significant accounting policies (Continued)

(x) Current and deferred taxation

The tax expenses for the year comprise current and deferred taxes. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group, its associated companies and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be payable to the tax authorities.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(y) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of lease.

(z) Revenue and income recognition

Revenue is recognised when the amount can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria for each of the activities have been met. Revenue is shown net of sales tax, returns, rebates and discounts, allowances for credit and other revenue reducing factors. The Group recognises its revenue and income on the following basis:

- (i) Sales of properties are recognised when the significant risks and rewards of the properties have been passed to the purchasers, which is when the construction of the relevant properties has been completed, notification of delivery of properties has been issued to the purchasers and the collectability of related receivables pursuant to the sale agreements is reasonably assured. Deposits and instalments received on properties sold prior to the transfer of the significant risks and rewards of the properties are included as sales deposits received under current liabilities.
- (ii) Rental income, net of incentives given to lessees, is recognised on a straight-line basis over the period of the respective leases.

2 Summary of significant accounting policies (Continued)

(z) Revenue and income recognition (Continued)

- (iii) Sales of goods are recognised on the transfer of risks and rewards of ownership, which generally coincide with the time when goods are delivered to the customers and legal title has been passed.
- (iv) Gain or loss from securities trading is recognised on the transaction date when the relevant sale and purchase contracts are entered into.
- (v) Revenues from sales of cemetery assets are recognised when the Group has transferred to the customers the right to use the cemetery assets upon the execution of a binding agreement.
- (vi) Service and management fees are recognised when the services are rendered.
- (vii) Interest income is recognised on a time proportion basis, using the effective interest method, taking into account the principal amounts outstanding and the interest rates applicable.
- (viii) Dividend income is recognised when the right to receive payment is established.

(aa) Borrowing costs

Interest and related costs on borrowings attributable to the construction or acquisition of an asset that necessarily takes a substantial period of time to complete and prepare for its intended use or sale are capitalised as part of the cost of their assets. All other borrowing costs are charged to the income statement in the financial period in which they are incurred.

(ab) Employee benefits

Contributions to defined contribution retirement schemes such as the Mandatory Provident Fund Scheme in Hong Kong and the respective government employee retirement benefit schemes are charged to the income statement in the financial period to which the contributions relate.

Employee entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick and maternity leaves are not recognised until the time of leaves.

Provisions for bonus entitlements are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Such bonuses are payable within twelve months from the balance sheet date.

(ac) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, deposits with banks and financial institutions with maturity within three months from the date of placement, net of bank overdrafts and advances from banks and financial institutions repayable within three months from the date of advance.

2 Summary of significant accounting policies (Continued)

(ad) Translation of foreign currencies

Transactions included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Hong Kong dollar, which is the functional and presentation currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates ruling at the balance sheet date are recognised in the income statement.

The results and financial position of all the entities in the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the rate of exchange ruling at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange ruling at the balance sheet date.

On the disposal of a foreign operation (that is, 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), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to the income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the income statement.

(ae) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors and senior management.

(af) Dividend distribution

Dividend distribution to the shareholders of the Company is recognised as a liability in the financial statements in the financial period in which the dividends are approved by the Company's shareholders or Directors as applicable.

2 Summary of significant accounting policies (Continued)

(ag) Financial guarantee liabilities

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group to banks for mortgage loans made by the banks to certain purchasers of the Group's properties in the People's Republic of China (the "PRC").

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such guarantees are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation.

Financial guarantee liabilities are derecognised from the balance sheet when, and only when, the obligation specified in the guarantees is discharged or cancelled or expired.

3 Financial risk management

(a) Financial risk factors

The activities of the Group expose it to a variety of financial risks including credit risk, liquidity risk, cash flow and fair value interest rate risk, foreign exchange risk and price risk. The overall risk management programme of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out by the finance department under policies approved by the board of Directors (the "Board"). The Board provides principles for overall risk management, as well as written policies covering specific areas.

(i) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial assets (other than available-for-sale financial assets and financial assets at fair value through profit or loss) after deducting any impairment provision in the balance sheet. The Group's exposure to credit risk arising from debtors and prepayments is set out in Note 28.

Credit risk of the Group is primarily attributable to deposits with banks and financial institutions and non-current loans and receivables, as well as credit exposures to customers and other debtors. The Group has credit policies in place and exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions by monitoring credit ratings and only places deposits to banks and financial institutions with no history of defaults. As at 31st March, 2013, the monies (including pledged bank balances) placed in Hong Kong and the PRC banks and financial institutions amounted to approximately HK\$1,383 million (2012: HK\$1,487 million) and HK\$439 million (2012: HK\$393 million) respectively.

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

In respect of credit exposures to customers, the Group normally receives deposits or progress payments from customers prior to the completion of sale of property transactions. Customers are assessed and rated individually based on the credit quality by taking into account their financial position, credit history and other factors. Rentals in respect of investment properties are payable in advance by tenants in accordance with the lease agreements. The Group has policies in place to ensure that rental deposits are required from tenants prior to the commencement of leases. Loans and receivables are generally supported by the respective underlying assets. For customers of sales of goods transactions, the Group has purchased a credit insurance from Export Credit Insurance Corporation on certain overseas sales to compensate for losses from debts that are not collectible.

In addition, the Group has other monitoring procedures to ensure that follow up action is taken to recover overdue debts. The Group reviews regularly the recoverable amount of each individual debtor to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk as the receivables consist of a large number of customers, and the customers are widely dispersed across diverse geographical areas.

In respect of the other debtors, amount due from a jointly controlled entity and loans and receivables, the Group monitors the recovery of the balances closely and ensures that adequate impairment has been made for the estimated irrecoverable amounts.

The Group has provided guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Since the Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Group to the banks, the management considers that the Group's credit risk is minimal (see also note 42).

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of prudent ratios regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group has allowed a policy of obtaining long-term banking facilities to match its long-term investments in Hong Kong, the PRC and other countries. The Group also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the ordinary course of business. In addition, as at 31st March, 2013, standby banking facilities are established to provide contingency liquidity support which amounted to approximately HK\$443 million (2012: HK\$262 million). Details of the bank borrowings are disclosed in note 37.

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

The table below analyses the Group's and the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within the first year HK\$'000	Within the second year HK\$'000	Within the third to fifth years HK\$'000	After the fifth years HK\$'000	Total HK\$'000
Group					
2013					
Creditors and accruals	309,146	–	–	–	309,146
Sales deposits received	366,266	–	–	–	366,266
Bank borrowings	565,382	146,169	1,300,760	787,106	2,799,417
Convertible note	513	51,421	–	–	51,934
Loans from non-controlling interests	–	–	–	10,175	10,175
	1,241,307	197,590	1,300,760	797,281	3,536,938
Financial guarantees (note 42)	–	–	–	443,160	443,160
2012					
Creditors and accruals	341,377	–	–	–	341,377
Sales deposits received	136,282	–	–	–	136,282
Bank borrowings	495,267	417,812	579,135	1,046,965	2,539,179
Convertible note	–	–	47,424	–	47,424
Loans from non-controlling interests	–	–	–	10,169	10,169
	972,926	417,812	626,559	1,057,134	3,074,431
Financial guarantees (note 42)	–	–	–	351,573	351,573
Company					
2013					
Creditors and accruals	1,942	–	–	–	1,942
Financial guarantees (note 42)					
Bank borrowings of subsidiaries	427,860	121,466	1,026,527	787,106	2,362,959
Bank borrowing of a jointly controlled entity	118,907	–	–	–	118,907
	546,767	121,466	1,026,527	787,106	2,481,866
2012					
Creditors and accruals	2,465	–	–	–	2,465
Financial guarantees (note 42)					
Bank borrowings of subsidiaries	400,659	417,812	579,135	1,046,965	2,444,571
Bank borrowing of a jointly controlled entity	1,989	118,989	–	–	120,978
	402,648	536,801	579,135	1,046,965	2,565,549

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the position of the Group may be adversely affected by the changes in market interest rate. The policy of the Group involves close monitoring of interest rate movements and replacing and entering into new banking facilities when favourable pricing opportunities arise.

The interest rate risk of the Group mainly arises from interest-bearing bank deposits, bank borrowings and convertible note. Bank deposits and bank borrowings issued at variable rates expose the Group to cash flow interest rate risk, whereas the convertible note is at fixed rate. The Group has not hedged its cash flow interest rate risk.

As at 31st March, 2013, if interest rates had been 0.5% higher/lower with all other variables held constant, the pre-tax result of the Group would have decreased/increased by approximately HK\$2,240,000 (2012: HK\$4,391,000).

(iv) Foreign exchange risk

Foreign exchange risk arises on monetary assets and liabilities being denominated in a currency that is not the functional currency; differences resulting from the translation of financial statements into the presentation currency of the Group are not taken into consideration.

The Group mainly operates in Hong Kong, the PRC, Singapore, Malaysia, Vietnam and Mongolia. The Group has no significant foreign exchange risk due to limited foreign currency transactions other than the functional currencies of the respective entities.

(v) Price risk

The Group is exposed to securities price risk because investments held by the Group are classified as available-for-sale financial assets and financial assets at fair value through profit or loss. Unrealised gains and losses arising from the change in the fair value of available-for-sale financial assets and financial assets at fair value through profit or loss are recognised in other comprehensive income and the income statement respectively. When available-for-sale financial assets are impaired, the accumulated fair value adjustments are recognised in the income statement as losses. To manage its price risk arising from investments in securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's securities instruments of other entities are primarily publicly traded. The table below summarises the impact of increase/decrease of the market price of the Group's investments publicly-traded by 5% with all other variables held constant:

	Impact on pre-tax result		Impact on investment revaluation reserve	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
5% change in market price	12,387	16,525	3,524	3,048

3 Financial risk management (Continued)

(b) Capital risk management

The objectives of the Group when managing capital are to safeguard the ability of the Group to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings (including short-term and long-term bank borrowings as shown in the consolidated balance sheet) less cash and bank balances (including pledged bank balances) and financial assets at fair value through profit or loss. Total capital represents shareholders' funds as shown in the consolidated balance sheet. The gearing ratio at 31st March, 2013 is 6.5% (2012: 1.8%).

(c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price and the appropriate quoted market price for financial liabilities is the current ask price.

The fair values of long-term bank borrowings are estimated using the expected future payments discounted at market interest rates. The carrying values of the long-term bank borrowings approximate their fair values since they are floating interest rate borrowings.

The carrying values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, including debtors and prepayments, cash and bank balances, amounts due from subsidiaries, creditors and accruals, sales deposits received and current bank borrowings approximate their fair values.

The Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31st March, 2013 and 2012.

	Level 1 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Group			
2013			
Assets			
Available-for-sale financial assets			
– Listed securities	94,152	–	94,152
– Unlisted investments	–	16,898	16,898
	94,152	16,898	111,050
Financial assets at fair value through profit or loss			
– Listed securities	247,745	–	247,745
Total assets	341,897	16,898	358,795
2012			
Assets			
Available-for-sale financial assets			
– Listed securities	74,537	–	74,537
– Unlisted investments	–	18,447	18,447
	74,537	18,447	92,984
Financial assets at fair value through profit or loss			
– Listed securities	330,494	–	330,494
Total assets	405,031	18,447	423,478
Liabilities			
Derivative financial instruments	–	(3,500)	(3,500)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for these financial assets held by the Group, which are listed securities in Hong Kong, is the closing price in stock markets. These instruments are included in level 1 which comprise primarily investments classified as available-for-sale financial assets (listed securities) and financial assets at fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 which comprises primarily investments classified as available-for-sales financial assets (unlisted investments) and derivative financial instruments.

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- Other techniques, such as discounted cash flow analysis and option pricing models, are used to determine fair value for the remaining financial instruments

The following table presents the changes in level 3 instruments of the Group for the years ended 31st March, 2013 and 2012.

	Assets	Liabilities
	Available- for-sale financial assets	Derivative financial instruments
	HK\$'000	HK\$'000
Group		
At 1st April, 2011	16,994	(2,566)
Elimination upon purchase of a subsidiary	–	2,566
Additions	3,674	–
Disposals	(221)	–
Change in fair value recognised in the income statement	–	(3,500)
Change in fair value recognised in other comprehensive income	(2,000)	–
At 31st March, 2012	18,447	(3,500)
Additions	3,669	–
Disposals	(6,019)	–
Change in fair value recognised in the income statement	–	3,500
Change in fair value recognised in other comprehensive income	801	–
At 31st March, 2013	16,898	–
Total gain/(loss) for the year in the income statement for instruments held as at the balance sheet date		
2013		
Fair value gain	–	3,500
2012		
Fair value loss	–	(3,500)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

3 Financial risk management (Continued)

(d) Financial instruments by category

Group
2013

	Loans and receivables HK\$'000	Financial assets at fair value through profit or loss HK\$'000	Available- for-sale financial assets HK\$'000	Total HK\$'000
Assets as per balance sheet				
Amount due from a jointly controlled entity	61,138	–	–	61,138
Available-for-sale financial assets	–	–	111,050	111,050
Loans and receivables	12,836	–	–	12,836
Debtors and prepayments excluding prepayments	615,363	–	–	615,363
Financial assets at fair value through profit or loss	–	247,745	–	247,745
Pledged bank balances	30,516	–	–	30,516
Cash and bank balances	1,803,087	–	–	1,803,087
Total	2,522,940	247,745	111,050	2,881,735
				Financial liabilities at amortised cost HK\$'000
Liabilities as per balance sheet				
Creditors and accruals excluding accrued expenses				261,664
Sales deposits received				366,266
Bank borrowings				2,557,830
Convertible note				52,549
Loans from non-controlling interests				10,175
Total				3,248,484

3 Financial risk management (Continued)

(d) Financial instruments by category (Continued)

Group (Continued)

2012

	Loans and receivables HK\$'000	Financial assets at fair value through profit or loss HK\$'000	Available- for-sale financial assets HK\$'000	Total HK\$'000
Assets as per balance sheet				
Amount due from a jointly controlled entity	58,685	–	–	58,685
Available-for-sale financial assets	–	–	92,984	92,984
Loans and receivables	14,408	–	–	14,408
Debtors and prepayments excluding prepayments	565,393	–	–	565,393
Financial assets at fair value through profit or loss	–	330,494	–	330,494
Cash and bank balances	1,890,245	–	–	1,890,245
Total	2,528,731	330,494	92,984	2,952,209

	Financial liabilities at fair value through profit or loss HK\$'000	Other financial liabilities at amortised cost HK\$'000	Total HK\$'000
Liabilities as per balance sheet			
Creditors and accruals excluding accrued expenses	–	306,570	306,570
Sales deposits received	–	136,282	136,282
Derivative financial instruments	3,500	–	3,500
Bank borrowings	–	2,335,734	2,335,734
Convertible note	–	46,343	46,343
Loans from non-controlling interests	–	10,169	10,169
Total	3,500	2,835,098	2,838,598

3 Financial risk management (Continued)

(d) Financial instruments by category (Continued)

Company

	Loans and receivables	
	2013 HK\$'000	2012 HK\$'000
Assets as per balance sheet		
Loan receivable from a subsidiary	56,225	56,225
Debtors and prepayments excluding prepayments	203	1,084
Amounts due from subsidiaries	781,988	549,172
Cash and bank balances	676,707	886,319
Total	1,515,123	1,492,800
Financial liabilities at amortised cost		
	2013 HK\$'000	2012 HK\$'000
Liabilities as per balance sheet		
Creditors and accruals excluding accrued expenses	1,942	2,465

4 Critical accounting estimates and judgments

Estimates and judgments used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant effect on the carrying values of assets and liabilities are discussed below:

(a) Estimate of fair value of investment properties

The valuation of investment properties is mainly performed in accordance with the "The HKIS Valuation Standards on Properties (2012 Edition)" published by the Hong Kong Institute of Surveyors and other international valuation standards. The valuation is reviewed annually by qualified valuers by considering the information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences;
- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;
- (iii) rental income derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using capitalisation rates that reflect current market assessments of the uncertainty in the amount and timing of the rental income; and
- (iv) estimated costs to completion for investment properties under construction with reference to past experience and committed contracts as well as allowances for contingencies.

4 Critical accounting estimates and judgments (Continued)

(a) Estimate of fair value of investment properties (Continued)

If the information on current or recent prices of investment properties is not available, the fair values of investment properties are mainly determined using income capitalisation valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(b) Fair values of derivative financial instruments

The fair values of derivative financial instruments that are not traded in active markets are determined by using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the fair values of derivative financial instruments. Details of the carrying values of the derivative financial instruments are disclosed in note 34.

(c) Fair values of financial assets

The fair values of quoted investments are based on closing prices in stock markets. If the market for a financial asset is not active, and for unlisted investments, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the specific circumstances of the issuer. Details of the carrying values of the financial assets are disclosed in note 3(c).

(d) Impairment of property, plant and equipment

The Group assesses the carrying values of property, plant and equipment with their recoverable amounts, which are the higher of the net realisable value and the value-in-use. In determining the value-in-use, the management assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life at the appropriate discount rate based on cash flow projections. Provision for impairment is made when events or changes in circumstances indicate that the carrying values may not be realised. The assessment requires the use of judgment and estimates.

(e) Impairment of properties for/under development and properties for sale

The Group assesses the carrying values of properties for/under development and properties for sale according to their estimated recoverable amounts or net realisable values based on assessment of the realisability of these properties, taking into account costs to completion based on past experience and net sales value based on prevailing market conditions. Provision for impairment is made when events or changes in circumstances indicate that the carrying values may not be realised. The assessment requires the use of judgment and estimates.

4 Critical accounting estimates and judgments (Continued)

(f) Impairment of the Group's printing business

The management conducts an impairment review of the cash generating unit of the Group's printing business and determines the recoverable amount of the printing business based on the value-in-use calculation taking into account the estimated useful lives of the property, plant and equipment. This calculation uses cash flow projections based on financial budgets approved by the management covering a 15-year period with a discount rate of 12% and uses growth rates with a range from 7% to 18% and a perpetual growth rate of 5% after 6 years. The management determined that there was no impairment of the Group's printing business as at 31st March, 2013.

(g) Impairment of the Group's cemetery business

The Group assesses the estimated recoverable amount of the cash generating unit of the Group's cemetery business. The estimated recoverable amount is based on the valuation report from independent valuer, in which the report is prepared according to the cash flow projections from the management.

Cash flow projections covered a 10-year period with a discount rate of 15.47%. Cash flows beyond the 10-year period are extrapolated using a steady growth rate of 40% for various types of products for another 30-year period. The key assumptions for the value-in-use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin are based on management's expectation on the market development and the existing and past sales performance. The management determined that there was no impairment of the Group's cemetery business as at 31st March, 2013.

(h) Impairment of inventories

The Group assesses the carrying values of inventories by reviewing the inventory listing and aging analysis on a product-by-product basis at each balance sheet date, and makes impairment for those obsolete, slow-moving inventories and items that are no longer suitable for use in production. Provision for impairment is made by reference to the latest market value and current market conditions for those inventories identified. The assessment requires the use of judgment and estimates.

(i) Impairment of receivables

The Group assesses the carrying values of receivables based on the evaluation of collectabilities and aging analysis of receivables, and management's judgment regarding the creditworthiness and the past collection history of each customer. Provision for impairment is made by reference to the estimates of the extent and timing of future cash flows using applicable discount rates. The final outcome of the recoverability and cash flows of these receivables will impact the amount of impairment required.

(j) Income taxes, land use taxes, land appreciation taxes and deferred taxes

The Group is subject to income taxes, land use taxes, land appreciation taxes and deferred taxes mainly in Hong Kong and the PRC. Significant judgment is required in determining the provision for taxation for each entity of the Group. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these estimates is different from the amounts that are initially recorded, such differences will impact the current and deferred taxation in the financial period in which such determination is made.

4 Critical accounting estimates and judgments (Continued)

(k) Capitalisation of borrowing costs and amortisation of leasehold land and land use rights

Borrowing costs directly attributable to the construction of properties under development and cemetery assets, and amortisation of leasehold land and land use rights of properties not for sale, are capitalised from the date that expenditure is incurred and development activities on the qualifying assets commence. As part of this assessment, judgment is required in determining the unit of account in circumstances where development will be performed in phases. Management assesses the date from which capitalisation of borrowing costs and amortisation of leasehold land and land use rights should commence on a project-by-project basis. Key indicators used by the management to identify a standalone development include that all assets in the development are:

- (i) subject to a single development plan; and
- (ii) expected to be completed within the Group's normal operating cycle.

5 Revenues

Revenues (representing turnover) recognised during the year are as follows:

	2013 HK\$'000	2012 HK\$'000
Sales of properties	565,782	1,780,436
Rental income and management fees	147,506	143,217
Interest income from loans and receivables for property financing	85	244
Sales of goods	361,564	310,506
Securities trading	14,657	(37,866)
Interest income from financial assets at fair value through profit or loss	1,497	1,500
Dividend income from listed investments	3,024	2,497
Revenues from sales of cemetery assets	6,230	6,594
	1,100,345	2,207,128

Sales of properties include sales of properties under development and land use rights for sale in the PRC of HK\$34.0 million (2012: HK\$818.9 million).

6 Segment information

(a) Segment information by business lines

The CODM has been identified as the Executive Directors and senior management. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business from a business perspective, including property investment and development, sale of goods and services, securities investment and trading, cemetery and others (including hotel operation). The CODM assesses the performance of the operating segments based on a measure of segment result.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

6 Segment information (Continued)

(a) Segment information by business lines (Continued)

The segment information by business lines is as follows:

	Property investment and development HK\$'000	Sale of goods and services HK\$'000	Securities investment and trading HK\$'000	Cemetery HK\$'000	Others and corporate HK\$'000	2013 Total HK\$'000
Revenues	713,373	361,564	19,178	6,230	-	1,100,345
Other income and net gain	25,004	19,580	-	8	21,038	65,630
Operating profit/(loss)	1,456,492	(43,198)	19,178	(6,352)	(159,589)	1,266,531
Finance costs	(43,781)	(3,896)	-	-	-	(47,677)
Share of results of associated companies	49	-	-	-	(449)	(400)
Share of result of a jointly controlled entity	(29)	-	-	-	-	(29)
Profit/(loss) before taxation	1,412,731	(47,094)	19,178	(6,352)	(160,038)	1,218,425
Taxation (charge)/credit	(79,537)	(567)	-	636	69	(79,399)
Profit/(loss) for the year	1,333,194	(47,661)	19,178	(5,716)	(159,969)	1,139,026
Segment assets	9,767,869	481,499	247,745	680,507	1,609,165	12,786,785
Associated companies	2,697	-	-	-	7,522	10,219
Jointly controlled entity	-	-	-	-	-	-
Amount due from a jointly controlled entity	61,138	-	-	-	-	61,138
Total assets	9,831,704	481,499	247,745	680,507	1,616,687	12,858,142
Total liabilities	3,577,760	111,247	-	177,342	148,431	4,014,780
Other segment items are as follows:						
Capital expenditure	694,883	11,697	-	6,834	6,689	720,103
Depreciation	4,525	29,708	-	744	12,578	47,555
Amortisation of leasehold land and land use rights						
- charged to income statement	32	2,557	-	73	-	2,662
- capitalised into properties	4,000	-	-	-	-	4,000
Write off of trade debtors	21	2,366	-	-	-	2,387
Recovery of trade debtors written off	952	1,414	-	-	-	2,366
Impairment of properties for/under development	759	-	-	-	-	759
Impairment of properties for sale	2,000	-	-	-	-	2,000
Impairment of inventories	-	617	-	-	-	617
Impairment of other deposits	4,000	-	-	-	-	4,000

6 Segment information (Continued)

(a) Segment information by business lines (Continued)

	Property investment and development HK\$'000	Sale of goods and services HK\$'000	Securities investment and trading HK\$'000	Cemetery HK\$'000	Others and corporate HK\$'000	2012 Total HK\$'000
Revenues	1,923,897	310,506	(33,869)	6,594	-	2,207,128
Other income and net gain	51,534	10,940	-	18	172,654	235,146
Operating profit/(loss)	1,424,961	(40,320)	(33,869)	(15,129)	(1,455)	1,334,188
Finance costs	(45,740)	(342)	-	-	(8,549)	(54,631)
Share of results of associated companies	274	(6,928)	-	-	3,487	(3,167)
Share of result of a jointly controlled entity	(35)	-	-	-	-	(35)
Profit/(loss) before taxation	1,379,460	(47,590)	(33,869)	(15,129)	(6,517)	1,276,355
Taxation (charge)/credit	(226,542)	2,151	-	2,818	3	(221,570)
Profit/(loss) for the year	1,152,918	(45,439)	(33,869)	(12,311)	(6,514)	1,054,785
Segment assets	8,023,607	496,917	330,494	666,116	1,668,600	11,185,734
Associated companies	2,699	-	-	-	7,970	10,669
Jointly controlled entity	-	-	-	-	-	-
Amount due from a jointly controlled entity	58,685	-	-	-	-	58,685
Total assets	8,084,991	496,917	330,494	666,116	1,676,570	11,255,088
Total liabilities	3,119,149	119,167	3,500	175,975	118,580	3,536,371
Other segment items are as follows:						
Capital expenditure	610,897	9,144	-	252	9,613	629,906
Depreciation	4,444	21,063	-	492	9,833	35,832
Amortisation of leasehold land and land use rights						
- charged to income statement	193	2,775	-	54	-	3,022
- capitalised into properties	4,000	-	-	-	-	4,000
Write off of trade debtors	967	1,669	-	-	-	2,636
Impairment of property, plant and equipment	-	2,623	-	-	-	2,623
Impairment of inventories	-	1,119	-	-	-	1,119
Impairment of other deposits	34,955	-	-	-	-	34,955

6 Segment information (Continued)

(b) Geographical segment information

The business of the Group operates in different geographical areas. Revenues are based on the country in which the customer is located. Non-current assets, total assets and capital expenditure are based on the country where the assets are located. The segment information by geographical area is as follows:

	Revenues		Capital expenditure	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Hong Kong	232,590	425,700	202,136	208,947
The PRC	520,627	1,484,554	457,654	383,245
Other countries	347,128	296,874	60,313	37,714
	1,100,345	2,207,128	720,103	629,906

	Non-current assets (Note)		Total assets	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Hong Kong	5,854,493	4,638,633	8,121,382	6,974,598
The PRC	1,255,540	1,147,743	3,957,915	3,596,739
Other countries	485,648	478,318	778,845	683,751
	7,595,681	6,264,694	12,858,142	11,255,088

Note: Non-current assets in geographical segment represent non-current assets other than available-for-sale financial assets and loans and receivables.

7 Other income and net gain

	2013 HK\$'000	2012 HK\$'000
Interest income from		
Bank deposits	19,972	26,308
Loans and receivables	557	740
Dividend income from available-for-sale financial assets	977	1,954
Sale of scraped material	3,899	3,144
Recovery of trade debtors written off	2,366	–
Compensation for late delivery of land use right	–	2,923
Forfeited deposits from sales of properties	–	1,472
Negative goodwill arising from the purchase of a subsidiary	–	290,570
Loss on remeasurement of previously held equity interest in an associated company	–	(135,560)
Gain on transfer of properties from properties for sale to investment properties	18,413	–
(Loss)/gain on disposal of investment property	(41)	38,160
Net gain/(loss) on disposal of property, plant and equipment	4,916	(161)
Gain on disposal of available-for-sale financial assets	4,179	237
Net exchange loss	(1,096)	(5,043)
Sundries	11,488	10,402
	65,630	235,146

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

8 Operating profit

	2013 HK\$'000	2012 HK\$'000
Operating profit is stated after crediting:		
Gross rental income from investment properties	122,274	126,610
Net realised gain of financial assets at fair value through profit or loss	72,251	22,825
Fair value gain on derivative financial instruments	3,500	–
and after charging:		
Cost of properties sold	321,703	844,440
Cost of inventories sold	231,482	238,281
Depreciation	47,555	35,832
Amortisation of leasehold land and land use rights	2,662	3,022
Write off of trade debtors	2,387	2,636
Impairment of property, plant and equipment	–	2,623
Impairment of properties for/under development	759	–
Impairment of properties for sale	2,000	–
Impairment of inventories	617	1,119
Impairment of other deposits	4,000	34,955
Fair value loss of financial assets at fair value through profit or loss	61,094	57,191
Fair value loss on derivative financial instruments	–	3,500
Staff costs, including Directors' emoluments		
Wages and salaries	181,357	168,247
Retirement benefit costs (note 9)	5,190	4,862
Operating lease rental on land and buildings	18,529	16,502
Outgoings in respect of investment properties	45,510	43,066
Auditors' remuneration		
Audit and audit related services	4,262	4,767
Non-audit services	1,200	2,118

9 Employee retirement benefits

The Group operates defined contribution schemes in Hong Kong for all eligible employees. Contributions to these schemes are calculated based on certain percentages of the applicable payroll costs or pre-determined fixed sums. The assets of the schemes are held separately from those of the Group in independently administered funds. Contributions to one of the schemes can be reduced by contributions forfeited by those employees who leave that scheme prior to vesting fully in those contributions.

The Group participates in respective government retirement benefit schemes in the PRC, Singapore, Malaysia, Vietnam and Mongolia pursuant to the relevant regulations whereby the Group is required to contribute to the schemes to fund the retirement benefits of the eligible employees. Contributions made to the schemes are calculated either based on certain percentages of the applicable payroll costs or fixed sums as stipulated under the requirements in the respective countries. The governments of the respective countries are responsible for the entire retirement benefit obligations payable to the retired employees. The Group has no other obligations apart from making ongoing contributions under the schemes.

The retirement benefit costs represent the contributions by the Group to the above schemes.

10 Finance costs

	2013 HK\$'000	2012 HK\$'000
Interest expenses		
Bank borrowings wholly repayable within five years	36,770	23,926
Bank borrowings wholly repayable after five years	19,154	28,904
Bank overdraft wholly repayable within five years	269	342
Convertible note wholly repayable within five years	6,826	4,660
	63,019	57,832
Amount capitalised into		
Properties for/under development	(1,208)	(1,414)
Properties for sale	(7,308)	(1,787)
Cemetery assets	(6,826)	–
	(15,342)	(3,201)
	47,677	54,631

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements. The capitalisation rates applied to funds borrowed for the development of properties range from 2.95% to 6.15% (2012: 1.50% to 5.85%) per annum, whereas the capitalised effective rate for cemetery assets is 14.86% (2012: N/A) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

11 Directors', five highest paid individuals' and senior management's emoluments

(a) Directors' emoluments

Name of Director	Fees HK\$'000	Salaries and bonuses HK\$'000	Other benefits HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
2013					
Mr. Alan Chuang Shaw Swee	30	2,440	2,400	288	5,158
Mrs. Alice Siu Chuang Siu Suen	20	600	–	45	665
Mr. Ko Sheung Chi	20	2,304	696	15	3,035
Mr. Albert Chuang Ka Pun	20	–	–	–	20
Miss Candy Chuang Ka Wai	20	1,200	–	15	1,235
Mr. Chong Ka Fung ¹	–	–	–	–	–
Mr. Lui Lop Kay	20	1,560	–	117	1,697
Mr. Wong Chung Wai	20	1,800	–	15	1,835
Dr. Peter Po Fun Chan ²	100	–	–	–	100
Mr. Abraham Shek Lai Him	100	–	–	–	100
Mr. Fong Shing Kwong	100	–	–	–	100
Mr. Yau Chi Ming ³	58	–	–	–	58
Mr. David Chu Yu Lin ⁴	17	–	–	–	17
	525	9,904	3,096	495	14,020
2012					
Mr. Alan Chuang Shaw Swee	30	2,440	2,400	288	5,158
Mrs. Alice Siu Chuang Siu Suen	20	600	–	45	665
Mr. Ko Sheung Chi	20	2,064	696	12	2,792
Mr. Albert Chuang Ka Pun	20	–	–	–	20
Miss Candy Chuang Ka Wai	20	1,200	–	12	1,232
Mr. Lui Lop Kay	20	1,500	–	112	1,632
Mr. Wong Chung Wai	20	1,674	–	12	1,706
Dr. Peter Po Fun Chan	100	–	–	–	100
Mr. Abraham Shek Lai Him	100	–	–	–	100
Mr. Fong Shing Kwong	100	–	–	–	100
	450	9,478	3,096	481	13,505

1 Appointed on 26th March, 2013

2 Retired on 26th March, 2013

3 Appointed on 3rd September, 2012

4 Appointed on 6th February, 2013

The emoluments paid to the Independent Non-Executive Directors amounted to HK\$375,000 (2012: HK\$300,000).

11 Directors', five highest paid individuals' and senior management's emoluments (Continued)

(b) Five highest paid individuals' emoluments

The five highest paid individuals in the Group include three (2012: four) Directors. Details of the emoluments paid to the two (2012: one) individuals, whose emoluments were the highest in the Group and who are not Directors, are set out below:

	2013	2012
	HK\$'000	HK\$'000
Salaries, bonuses and other benefits	4,100	1,940
Retirement scheme contributions	182	144
	4,282	2,084

The emoluments of these individuals fall within the following band:

Emolument band	Number of individuals	
	2013	2012
HK\$2,000,001 to HK\$2,500,000	2	1

The Directors represent key management personnel of the Company having authority and responsibility for planning, directing and controlling the activities of the Group.

During the year, the Group did not pay to the Directors or the five highest paid individuals any inducement to join or upon joining the Group, or as compensation for loss of office. No Directors waived or agreed to waive any emoluments during the year.

(c) Senior management's emoluments

Other than the emoluments of Directors disclosed in note 11(a), the emoluments of senior management whose profiles are included in the section "Biographical Details of Directors and Senior Management" of this report fall within the following bands:

Emolument band	Number of individuals	
	2013	2012
HK\$1,000,000 or below	7	7
HK\$1,000,001 to HK\$1,500,000	3	2
	10	9

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

12 Taxation

	2013 HK\$'000	2012 HK\$'000
Current taxation		
Hong Kong profits tax	24,009	6,000
Overseas profits tax	419	93
PRC corporate income tax	23,750	107,170
PRC land appreciation tax	29,482	129,972
Deferred taxation (note 39)	1,739	(21,665)
	79,399	221,570

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates. PRC land appreciation tax is levied at the progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

Share of taxation credit of associated companies for the year ended 31st March, 2013 amounting to HK\$68,000 (2012: taxation charge of HK\$282,000) is included in the income statement as share of results of associated companies. There is no taxation charge/credit of the jointly controlled entity for the year ended 31st March, 2013 (2012: Nil).

The tax of the profit before taxation of the Group differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2013 HK\$'000	2012 HK\$'000
Profit before taxation	1,218,425	1,276,355
Share of results of associated companies	400	3,167
Share of result of a jointly controlled entity	29	35
	1,218,854	1,279,557
Tax charge at the rate of 16.5% (2012: 16.5%)	201,111	211,127
Effect of different taxation rates in other countries	(278)	(31,656)
Income not subject to taxation	(202,335)	(153,987)
Expenses not deductible for taxation purposes	32,911	52,636
PRC land appreciation tax deductible for taxation purposes	(5,797)	(8,333)
Utilisation of previously unrecognised tax losses	(5,328)	(13,028)
Other temporary differences and tax losses not recognised	29,633	34,839
	49,917	91,598
PRC land appreciation tax	29,482	129,972
Taxation	79,399	221,570

13 Profit attributable to equity holders

Profit attributable to equity holders includes profit of HK\$36,535,000 (2012: HK\$8,297,000) which is dealt with in the financial statements of the Company.

14 Dividends

	2013 HK\$'000	2012 HK\$'000
Interim scrip dividend with a cash option of 2.0 HK cents (2012: 2.0 HK cents) per share	33,050	31,597
Proposed final scrip dividend with a cash option of 3.0 HK cents (2012: 3.5 HK cents) per share	50,417	55,750
	83,467	87,347

On 27th June, 2013, the Board proposed a final scrip dividend with a cash option of 3.0 HK cents (2012: 3.5 HK cents) per share amounting to HK\$50,417,000 (2012: HK\$55,750,000). The amount of HK\$50,417,000 is calculated based on 1,680,550,531 issued shares as at 27th June, 2013. This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected and accounted for as an appropriation of reserves in the year ending 31st March, 2014 upon the approval by the shareholders.

15 Earnings per share

The calculation of the earnings per share is based on the profit attributable to equity holders of HK\$1,147,641,000 (2012: HK\$901,313,000) and the weighted average number of 1,619,158,971 (2012: 1,579,186,093) shares in issue during the year.

The diluted earnings per share is equal to the basic earnings per share since there are no dilutive potential shares in issue during the years and the convertible notes issued by a subsidiary are anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

16 Property, plant and equipment

Group

	Buildings HK\$'000	Plant and machinery HK\$'000	Furniture and fixtures HK\$'000	Other assets HK\$'000	Total HK\$'000
Cost					
At 1st April, 2011	67,049	17,471	52,861	58,272	195,653
Changes in exchange rates	4,643	12	164	320	5,139
Additions	–	7,554	2,227	11,753	21,534
Transfer from debtors and prepayments	–	–	–	68,884	68,884
Purchase of a subsidiary	125,783	344,837	47,314	5,821	523,755
Disposals	–	(4,110)	(5,318)	(5,363)	(14,791)
Impairment	–	(4,339)	(3,012)	(1,086)	(8,437)
At 31st March, 2012	197,475	361,425	94,236	138,601	791,737
Changes in exchange rates	1,715	164	161	113	2,153
Additions	612	7,063	5,991	8,233	21,899
Disposals	–	(35,502)	(7,648)	(3,098)	(46,248)
At 31st March, 2013	199,802	333,150	92,740	143,849	769,541
Accumulated depreciation and impairment					
At 1st April, 2011	18,555	16,322	36,667	35,800	107,344
Changes in exchange rates	86	11	130	214	441
Charge for the year	7,078	11,660	6,384	10,710	35,832
Purchase of a subsidiary	23,575	273,658	41,226	4,878	343,337
Disposals	–	(3,558)	(4,415)	(4,850)	(12,823)
Impairment	–	(3,656)	(1,173)	(985)	(5,814)
At 31st March, 2012	49,294	294,437	78,819	45,767	468,317
Changes in exchange rates	393	160	51	99	703
Charge for the year	9,594	17,555	6,628	13,778	47,555
Disposals	–	(35,347)	(7,476)	(3,083)	(45,906)
At 31st March, 2013	59,281	276,805	78,022	56,561	470,669
Net book value					
At 31st March, 2013	140,521	56,345	14,718	87,288	298,872
At 31st March, 2012	148,181	66,988	15,417	92,834	323,420

16 Property, plant and equipment (Continued)

Company

	Other assets	
	2013 HK\$'000	2012 HK\$'000
Cost		
At the beginning and end of the year	532	532
Accumulated depreciation		
At the beginning of the year	490	446
Charge for the year	32	44
At the end of the year	522	490
Net book value		
At the end of the year	10	42

- (a) Other assets comprise computer equipment, motor vehicles and yachts.
- (b) Buildings of the Group with net book value of HK\$11,346,000 (2012: HK\$23,264,000) have been pledged as securities for the borrowing facilities granted to the Group (note 37).
- (c) Buildings of the Group are situated on land with the following lease terms:

	2013 HK\$'000	2012 HK\$'000
Outside Hong Kong		
Long-term leases	20,763	21,041
Medium-term leases	119,758	127,140
	140,521	148,181

- (d) Depreciation of the Group of HK\$23,829,000 (2012: HK\$15,730,000), HK\$10,000 (2012: HK\$23,000) and HK\$23,716,000 (2012: HK\$20,079,000) have been included in cost of sales, selling and marketing expenses, and administrative and other operating expenses, respectively.
- (e) In view of the respective performance of the sale of goods and services segment, management performed impairment assessment on the respective property, plant and equipment and determined that there is no impairment on the respective property, plant and equipment as at 31st March, 2013 (2012: impairment of HK\$2,623,000 was made). The recoverable amounts were determined based on the cash flow projections from the management, taking into account the estimated useful lives of the respective property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

17 Investment properties

	Group	
	2013	2012
	HK\$'000	HK\$'000
At the beginning of the year	4,830,675	4,265,957
Changes in exchange rates	(2,198)	(2,497)
Additions	5,641	51,489
Transfer from properties for sale	23,474	–
Gain on transfer of properties from properties for sale to investment properties (note 7)	18,413	–
Disposals	(14,680)	–
Change in fair value	1,199,085	515,726
At the end of the year	6,060,410	4,830,675

(a) Investment properties of the Group are held under the following lease terms:

	2013	2012
	HK\$'000	HK\$'000
In Hong Kong		
Long-term leases	1,246,810	971,690
Medium-term leases	4,278,000	3,402,680
	5,524,810	4,374,370
Outside Hong Kong		
Freehold	383,846	380,445
Long-term leases	151,754	75,860
	535,600	456,305
	6,060,410	4,830,675

(b) Investment properties in Hong Kong, Malaysia and the PRC were revalued at 31st March, 2013 on an open market value basis by Vigers Appraisal And Consulting Limited, VPC Alliance (KL) Sendirian Berhad and DTZ Debenham Tie Leung Limited, independent professional property valuers, respectively.

(c) Investment properties with net book value of HK\$5,873,847,000 (2012: HK\$4,703,845,000) have been pledged as securities for the borrowing facilities granted to the Group (note 37).

18 Leasehold land and land use rights

	Group	
	2013	2012
	HK\$'000	HK\$'000
At the beginning of the year	83,534	13,748
Changes in exchange rates	3,021	823
Purchase of a subsidiary	–	74,446
Transfer to properties for/under development	–	(2,359)
Amortisation	(2,662)	(3,022)
Disposals	–	(102)
At the end of the year	83,893	83,534

(a) Leasehold land and land use rights of the Group are held under the following lease terms:

	2013	2012
	HK\$'000	HK\$'000
Outside Hong Kong		
Long-term leases	1,664	1,694
Medium-term leases	82,229	81,840
	83,893	83,534

(b) The interests in leasehold land and land use rights represent prepaid operating lease payments. As at 31st March, 2012, leasehold land and land use rights of HK\$1,694,000 had been pledged as securities for the borrowing facilities granted to the Group (note 37).

(c) Amounts of HK\$429,000 (2012: HK\$220,000) and HK\$2,233,000 (2012: HK\$2,802,000) of amortisation charged to income statement from leasehold land and land use rights have been included in cost of sales and administrative and other operating expenses, respectively.

19 Properties for/under development

	Group	
	2013 HK\$'000	2012 HK\$'000
At the beginning of the year	421,502	404,402
Changes in exchange rates	3,351	3,832
Additions	125,982	128,609
Interest expenses capitalised	1,208	1,414
Transfer from leasehold land and land use rights	–	2,359
Transfer from properties for sale	–	149,903
Transfer to properties for sale	(21,164)	(269,017)
Impairment	(759)	–
At the end of the year	530,120	421,502

(a) Properties for/under development of the Group are held under the following lease terms:

	2013 HK\$'000	2012 HK\$'000
In Hong Kong		
Long-term leases	166,556	98,746
Outside Hong Kong		
Long-term leases	151,766	171,376
Medium-term leases	149,968	116,489
Short-term leases	61,830	34,891
	363,564	322,756
	530,120	421,502

(b) During the year, amortisation of leasehold land and land use rights classified under properties for/under development of HK\$4,000,000 (2012: HK\$4,000,000) was capitalised therein.

(c) In view of the respective market conditions, management performed impairment assessment on properties for/under development and an impairment of HK\$759,000 (2012: Nil) was recorded for the year ended 31st March, 2013. The recoverable amount was determined based on the valuation performed by Vigers Appraisal And Consulting Limited, an independent professional property valuer.

20 Cemetery assets

	Group	
	2013	2012
	HK\$'000	HK\$'000
Cost		
At the beginning of the year	584,662	–
Purchase of a subsidiary	–	567,066
Changes in exchange rates	8,767	17,596
Additions	6,826	–
At the end of the year	600,255	584,662
Accumulated amortisation		
At the beginning of the year	48,453	–
Purchase of a subsidiary	–	39,616
Changes in exchange rates	773	625
Charge for the year	–	8,212
At the end of the year	49,226	48,453
Net book value		
At the end of the year	551,029	536,209

As at 31st March, 2013, included in the cemetery assets for sale which are classified as current assets are grave plots and niches for cremation urns of cemetery business with the aggregate carrying value of HK\$107,145,000 (2012: HK\$100,338,000) that are expected to be realised after more than twelve months from the balance sheet date.

21 Subsidiaries

	Company	
	2013	2012
	HK\$'000	HK\$'000
Unlisted investments, at cost	888,708	888,708

Particulars of the principal subsidiaries which, in the opinion of the Directors, materially affect the results or net assets of the Group are set out in note 48 to the financial statements.

22 Associated companies

	Group	
	2013	2012
	HK\$'000	HK\$'000
Share of net assets	10,219	10,669
Unlisted investments, at cost, net	2,479	2,479

22 Associated companies (Continued)

The movements in the share of net assets of associated companies are analysed as follows:

	2013 HK\$'000	2012 HK\$'000
At the beginning of the year	10,669	218,309
Share of loss before taxation	(468)	(2,885)
Share of taxation credit/(charge)	68	(282)
Share of results	(400)	(3,167)
Share of exchange reserve	–	(19)
Deemed disposal of an associated company	–	(202,454)
Dividend income received	(50)	(2,000)
At the end of the year	10,219	10,669

Particulars of the associated companies are set out in note 49 to the financial statements.

The Group's share of the revenues and results of its associated companies for the year (for Midas International Holdings Limited ("Midas"), up to the day just before it ceased to be an associated company of the Group for 2012), and their aggregate assets (including goodwill) and liabilities are as follows:

	2013 HK\$'000	2012 HK\$'000
Revenues	5,655	44,064
Loss for the year	(400)	(3,167)
Assets	11,970	23,967
Liabilities	(1,751)	(13,298)
Net assets	10,219	10,669

In May 2011, the Group entered into an agreement with Midas, a listed associated company of the Group at that time, in relation to the rights issue of Midas on the basis of one rights share for every one existing share at the subscription price of HK\$0.1 per share (the "Rights Issue"). The Group had undertaken to subscribe in full for its entitlement under the Rights Issue, and had underwritten the balance of the Rights Issue. The Rights Issue was completed on 20th July, 2011 and as a result of the underwriting arrangement, the Group took up additional shares of Midas and the Group's interest in Midas was increased from 44.6% as at 31st March, 2011 to 60.8%, making Midas a subsidiary of the Group (see also note 43).

The Group recognised a net loss on remeasurement of previously held equity interest in Midas as an associated company of HK\$126.1 million for the year ended 31st March, 2012, in which a loss of HK\$135.6 million was included in other income and net gain in the Group's income statement (note 7), and a gain of HK\$9.5 million arising from the realisation of the convertible note equity reserve was transferred directly to the retained profits of the Group (note 36). The fair value of the equity interest in Midas, a listed company, was calculated based on the market price of its listed share as at the acquisition date.

22 Associated companies (Continued)

In June 2007, the Group subscribed for a 1.5% convertible note due 2011 of Midas in the principal amount of HK\$49.5 million. There was no conversion of the convertible note into new shares of Midas during the year ended 31st March, 2012. The remaining principal amount of the outstanding convertible note of approximately HK\$16.7 million had been fully redeemed at par by the Group on its maturity date during the year ended 31st March, 2012.

In August 2009, the Group subscribed for another 1% convertible note due 2014 of Midas in the principal amount of HK\$60 million. There was no conversion of the convertible note into new shares of Midas during the years ended 31st March, 2013 and 2012. The remaining principal amount of the outstanding convertible note was approximately HK\$51.3 million as at 31st March, 2013 and 2012.

As at 31st March, 2011 and up to the day just before Midas ceased to be an associated company of the Group, both convertible notes were recorded as loans and receivables (note 25) and derivative financial instruments (note 34), and the Group had to equity account for the reserve movements of Midas which included a share of the equity element of both convertible notes as shown in the equity of the financial statements of Midas. As a consequence, the Group had net off such share of the equity element of both convertible notes against the carrying values of the respective derivative financial instruments of the convertible notes in the consolidated financial statements.

Since Midas became a subsidiary of the Group, the respective loans and receivables and derivative financial instruments of the 1% convertible note due 2014 recorded by the Group were eliminated with the respective portions of such convertible note of Midas upon the consolidation of Midas' financial statements.

23 Joint ventures

(a) Investment in jointly controlled assets

Certain subsidiaries of Chuang's China Investments Limited ("Chuang's China") (together with its subsidiaries as the "Chuang's China Group"), a listed subsidiary of the Group, entered into a jointly controlled assets arrangement with Chengdu Western Automobile City Company Limited, a third party, under which each of the Chuang's China Group companies and Chengdu Western Automobile City Company Limited contributed land and other assets for the development of properties located in Chengdu, the PRC.

For the year ended 31st March, 2013, the Chuang's China Group's interest in the jointly controlled assets was 51% (2012: 51%). The Chuang's China Group's share of the net loss of the jointly controlled assets for the year amounted to HK\$4,000 (2012: HK\$72,000) and the net assets of the jointly controlled assets as at 31st March, 2013 amounted to HK\$151,329,000 (2012: HK\$149,475,000).

As at 31st March, 2013, the Chuang's China Group had made an advance to the joint venture partner amounting to HK\$12,552,000 (2012: HK\$12,397,000) (note 25(b)). The proportionate interest of the Chuang's China Group in the jointly controlled assets' commitment was HK\$2,909,000 (2012: HK\$2,904,000).

23 Joint ventures (Continued)

(b) Investment in a jointly controlled entity

In 2010, the Group set up a jointly controlled entity in Hong Kong with a third party. Particulars of the jointly controlled entity are set out below:

Name	Place of incorporation/ operation	Registered capital/issued capital	Effective interest held by the Group		Principal activities
			2013	2012	
Ample Excellent Limited	Hong Kong	2 shares of HK\$1 each	50.0%	50.0%	Property development and investment

The following amounts represent the Group's 50% share of the revenue and result, and assets and liabilities of the jointly controlled entity:

	Group	
	2013 HK\$'000	2012 HK\$'000
Revenue	–	–
Loss for the year	(29)	(35)
Assets	178,346	176,172
Liabilities	(178,641)	(176,438)
Net liabilities	(295)	(266)

As at 31st March, 2013, the Group had made an advance to the jointly controlled entity amounting to HK\$61,433,000 (2012: HK\$58,951,000) (note 23(c)). During the year, a loss of HK\$29,000 (2012: HK\$35,000) was shared from the jointly controlled entity and the accumulated losses shared were setoff against the advance made by the Group to it. The proportionate interest of the Group in the jointly controlled entity's commitment was HK\$5,417,000 (2012: HK\$4,840,000).

As at 31st March, 2013, the Company had provided a guarantee of HK\$117,000,000 (2012: HK\$117,000,000) for the banking facility granted to the jointly controlled entity (note 42).

(c) Amount due from a jointly controlled entity

Amount due from a jointly controlled entity is the advance to the jointly controlled entity for the acquisition of leasehold land and land use rights in Hong Kong, and the financing of the property development (note 23(b)). It is unsecured, interest free and not receivable within the next twelve months from the balance sheet date. The advance will be repaid from the Group's share of the net proceeds upon the sale of properties.

24 Available-for-sale financial assets

	Group	
	2013	2012
	HK\$'000	HK\$'000
Listed securities in Hong Kong, at market value	94,152	74,537
Unlisted investments, at fair value	16,898	18,447
	111,050	92,984

(a) The movements of the available-for-sale financial assets of the Group are analysed as follows:

	2013	2012
	HK\$'000	HK\$'000
At the beginning of the year	92,984	86,627
Additions	35,875	3,674
Disposals	(6,019)	(221)
Change in fair value recognised in other comprehensive income	(11,790)	2,904
At the end of the year	111,050	92,984

(b) The listed securities in Hong Kong are denominated in Hong Kong dollar, whereas the unlisted investments are denominated in United States dollar. The unlisted investments represent the Group's interest in an investment fund established and managed by an investment bank for investments in various long-term projects.

25 Loans and receivables

	Group	
	2013	2012
	HK\$'000	HK\$'000
Loans (note a)	2,011	2,011
Advance to the joint venture partner (note b)	12,552	12,397
	14,563	14,408
Current portion included in debtors and prepayments (note 28)		
Loans (note a)	(1,727)	–
	12,836	14,408

(a) The loans include a mortgage loan provided to a purchaser of the Group's property in Hong Kong and a loan to an independent third party in Hong Kong at the prevailing market rates.

(b) Advance to the joint venture partner by the Chuang's China Group is provided for financing the property development in Chengdu, the PRC (note 23(a)) and carries interest at prevailing lending rate quoted by the People's Bank of China. According to the agreement, the advance and interests accrued thereon will be repaid from the joint venture partner's share of net proceeds upon the sale of properties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

26 Properties for sale

	Group	
	2013	2012
	HK\$'000	HK\$'000
Completed properties	489,664	459,653
Leasehold land and land use right for sale	–	4,974
Properties under development	1,700,515	1,384,457
	2,190,179	1,849,084

(a) The movements of properties under development of the Group are analysed as follows:

	2013	2012
	HK\$'000	HK\$'000
At the beginning of the year	1,384,457	1,501,961
Changes in exchange rates	9,024	25,014
Property development expenditure	449,112	423,694
Interest expenses capitalised	7,308	1,787
Disposals	(12)	(190,463)
Transfer from properties for/under development	21,164	269,017
Transfer from other deposits included in debtors and prepayments	68,114	–
Transfer to investment properties	(13,475)	–
Transfer to properties for/under development	–	(149,903)
Transfer to completed properties	(225,177)	(496,650)
At the end of the year	1,700,515	1,384,457

(b) Properties for sale of the Group are held under the following lease terms:

	2013	2012
	HK\$'000	HK\$'000
In Hong Kong		
Long-term leases	344,571	223,958
Medium-term leases	23,669	47,501
	368,240	271,459
Outside Hong Kong		
Freehold	61,549	45,059
Long-term leases	1,718,757	1,491,450
Medium-term leases	41,633	41,116
	1,821,939	1,577,625
	2,190,179	1,849,084

(c) Properties for sale of HK\$842,319,000 (2012: HK\$200,581,000) have been pledged as securities for the borrowing facilities granted to the Group (note 37).

26 Properties for sale (Continued)

- (d) Completed properties of HK\$9,999,000 (2012: Nil) have been transferred to investment properties during the year (note 17).
- (e) In view of the respective market conditions, the management performed impairment assessment on properties for sale and an impairment of HK\$2,000,000 (2012: Nil) was recorded for completed properties for the year ended 31st March, 2013. The recoverable amount was determined based on the valuation performed by Vigers Appraisal And Consulting Limited, an independent professional property valuer.

27 Inventories

	Group	
	2013	2012
	HK\$'000	HK\$'000
Raw materials	33,729	30,382
Work in progress	15,285	13,050
Finished goods and merchandise	99,064	96,038
	148,078	139,470
Impairment	(15,374)	(14,757)
	132,704	124,713

As at 31st March, 2013, finished goods and merchandise of inventories of HK\$5,711,000 (2012: HK\$3,555,000) were carried at net realisable value.

28 Debtors and prepayments

	Group		Company	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trade debtors	122,343	102,575	–	–
Other debtors and prepayments	59,971	47,892	259	1,140
Utility and other deposits	440,740	425,203	–	–
	623,054	575,670	259	1,140

Rental income and management fees are received in advance, whereas receivables from cemetery operation are settled in accordance with the terms of respective contracts. Credit terms of sales of goods mainly ranged from 30 days to 90 days. The aging analysis of the trade debtors of the Group is as follows:

	Group	
	2013	2012
	HK\$'000	HK\$'000
Below 30 days	63,215	44,948
31 to 60 days	20,322	19,790
61 to 90 days	12,184	13,186
Over 90 days	26,622	24,651
	122,343	102,575

28 Debtors and prepayments (Continued)

As at 31st March, 2013, trade debtors of HK\$100,095,000 (2012: HK\$72,312,000) of the Group were neither past due nor impaired.

As at 31st March, 2013, trade debtors of HK\$22,248,000 (2012: HK\$30,263,000) of the Group were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debtors is as follows:

	Group	
	2013	2012
	HK\$'000	HK\$'000
Below 30 days	2,530	3,794
31 to 60 days	305	5,941
61 to 90 days	1,583	2,592
Over 90 days	17,830	17,936
	22,248	30,263

Other deposits of the Group include net deposits of HK\$394,583,000 (2012: HK\$392,459,000) for property development projects and acquisition of properties and leasehold land and land use rights in Hong Kong, the PRC and Vietnam after the accumulated impairment losses of HK\$38,955,000 (2012: HK\$34,955,000) as at 31st March, 2013. Deposits of HK\$68,114,000 (2012: Nil) have been transferred to properties for sale during the year (note 26(a)).

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Debtors and prepayments are mainly denominated in Hong Kong dollar, Renminbi and United States dollar. The carrying values of debtors and prepayments approximate their fair values.

29 Loan receivable and amounts due from subsidiaries

	Company	
	2013	2012
	HK\$'000	HK\$'000
Loan receivable	56,225	56,225
Amounts receivable	2,192,224	1,959,408
Impairment	(1,410,236)	(1,410,236)
	781,988	549,172

The loan receivable is unsecured, interest-bearing at prevailing market rate and is not receivable within the next twelve months from the balance sheet date.

The amounts receivable are unsecured, interest free and receivable on demand.

30 Financial assets at fair value through profit or loss

	Group	2012
	2013	2012
	HK\$'000	HK\$'000
Listed securities in Hong Kong, at market value	247,745	330,494

As at 31st March, 2012, financial assets at fair value through profit or loss amounting to HK\$57,707,000 were pledged as securities for the derivative financial instruments relating to commitments to purchase certain listed securities in Hong Kong (note 34).

31 Pledged bank balances and cash and bank balances

	Group		Company	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Pledged bank balances	30,516	–	–	–
Cash and bank balances				
Cash at bank and in hand	437,337	340,373	5,204	3,493
Short-term deposits	1,365,750	1,549,872	671,503	882,826
	1,803,087	1,890,245	676,707	886,319
	1,833,603	1,890,245	676,707	886,319

The effective interest rates on short-term deposits range from 0.001% to 3.08% (2012: 0.001% to 3.10%) per annum and these deposits have maturities ranged from 1 to 365 days (2012: 1 to 366 days).

Pledged bank balances of HK\$30,000,000 (2012: Nil) and HK\$516,000 (2012: HK\$721,000, included in cash at bank and in hand) have been pledged as securities for the borrowing facilities (note 37) and the financial guarantee facilities (note 42) granted to the Group, respectively.

Cash and bank balances of HK\$6,477,000 (2012: HK\$10,635,000) are restricted and can only be used for the payments of construction costs of certain properties for sale, and the repayment of bank borrowings on these properties.

The conversion of Renminbi denominated balances into foreign currencies and the remittance of such foreign currencies denominated cash and bank balances out of the PRC are subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

31 Pledged bank balances and cash and bank balances (Continued)

Cash and bank balances (including pledged bank balances) are denominated in the following currencies:

	Group		Company	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Hong Kong dollar	1,150,555	1,352,286	674,556	885,437
Renminbi	443,143	407,727	–	–
United States dollar	228,694	120,025	2,074	802
Others	11,211	10,207	77	80
	1,833,603	1,890,245	676,707	886,319

32 Creditors and accruals

	Group		Company	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Trade creditors	51,752	54,019	–	–
Other creditors and accrued expenses	220,562	242,720	1,942	2,465
Amounts payable to non-controlling interests	1,782	1,782	–	–
Tenant and other deposits	35,050	42,856	–	–
	309,146	341,377	1,942	2,465

The aging analysis of the trade creditors of the Group is as follows:

	Group	
	2013 HK\$'000	2012 HK\$'000
Below 30 days	33,872	26,876
31 to 60 days	7,549	11,163
Over 60 days	10,331	15,980
	51,752	54,019

Other creditors and accrued expenses of the Group include the construction cost payables and accruals of HK\$92,537,000 (2012: HK\$127,409,000) for the property development projects of the Group.

Other creditors of the Group include an amount payable to an associated company amounting to HK\$2,610,000 (2012: HK\$4,057,000). Both the amounts payable to the associated company and non-controlling interests are unsecured, interest free and repayable on demand.

Creditors and accruals are mainly denominated in Hong Kong dollar and Renminbi. The carrying values of creditors and accruals approximate their fair values.

33 Sales deposits received

Sales deposits received represents deposits received from the sales of properties of the Group in Hong Kong and the PRC which have not yet been recognised as revenues for the year.

34 Derivative financial instruments

	Group	
	2013	2012
	HK\$'000	HK\$'000
Derivative financial instruments to purchase certain listed securities in Hong Kong, at fair value	–	3,500

As at 31st March, 2012, the Group held derivative financial instruments relating to commitments to purchase certain listed securities in Hong Kong amounting to approximately HK\$51.4 million. Certain financial assets at fair value through profit or loss of HK\$57,707,000 were pledged as securities for such derivative financial instruments (note 30).

35 Share capital

	2013	2012
	HK\$'000	HK\$'000
Authorised: 2,500,000,000 shares of HK\$0.25 each	625,000	625,000
	Number of	Amount
	shares	HK\$'000
Issued and fully paid at HK\$0.25 each:		
At 1st April, 2011	1,576,872,150	394,218
2011 final scrip dividend and 2012 interim scrip dividend (note 14)	15,972,767	3,993
At 31st March, 2012	1,592,844,917	398,211
2012 final scrip dividend and 2013 interim scrip dividend (note 14)	87,705,614	21,927
At 31st March, 2013	1,680,550,531	420,138

All new shares rank pari passu to the existing shares.

The old share option scheme of the Company, which was for a period of ten years, had expired on 29th August, 2012 and no options had been granted under the scheme since its adoption.

During the year, the Company has adopted a new share option scheme (the "Scheme") pursuant to the annual general meeting of the Company held on 31st August, 2012, which is valid and effective for a term of ten years from the date of its adoption. Under the Scheme, the Directors may grant options to the eligible persons as defined in the Scheme, inter alia, any Directors, employees or business consultants of the Company and its subsidiaries, to subscribe for shares in the Company under the terms and conditions stipulated therein. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company as at the adoption date which is 31st August, 2012. No options have been granted under the Scheme since its adoption.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

36 Reserves

Group

	Capital		Capital reserve	Statutory reserve	Investment revaluation reserve	Convertible note equity reserve	Exchange reserve	Retained profits	Proposed final dividend	Total
	Share redemption premium	reserve								
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2011	714,945	4,462	421,269	349	29,774	9,515	(370)	3,770,444	50,460	5,000,848
Profit for the year	-	-	-	-	-	-	-	901,313	-	901,313
Net exchange differences	-	-	-	-	-	-	19,055	-	-	19,055
Share of exchange reserve of an associated company	-	-	-	-	-	-	(11)	-	-	(11)
Realisation of reserves upon disposal of an associated company	-	-	-	-	-	(9,515)	(3,723)	9,515	-	(3,723)
Change in fair value of available- for-sale financial assets	-	-	-	-	797	-	-	-	-	797
2011 final scrip dividend paid	1,175	-	-	-	-	-	-	-	(50,460)	(49,285)
2012 interim scrip dividend paid	6,048	-	-	-	-	-	-	(31,597)	-	(25,549)
2012 proposed final scrip dividend	-	-	-	-	-	-	-	(55,750)	55,750	-
At 31st March, 2012	722,168	4,462	421,269	349	30,571	-	14,951	4,593,925	55,750	5,843,445
Profit for the year	-	-	-	-	-	-	-	1,147,641	-	1,147,641
Net exchange differences	-	-	-	-	-	-	11,819	-	-	11,819
Change in fair value of available- for-sale financial assets	-	-	-	-	(6,365)	-	-	-	-	(6,365)
2012 final scrip dividend paid	32,320	-	-	-	-	-	-	-	(55,750)	(23,430)
2013 interim scrip dividend paid	20,832	-	-	-	-	-	-	(33,050)	-	(12,218)
2013 proposed final scrip dividend	-	-	-	-	-	-	-	(50,417)	50,417	-
Increase of interests in a subsidiary by non-controlling interests	-	-	(2,940)	-	-	-	-	-	-	(2,940)
At 31st March, 2013	775,320	4,462	418,329	349	24,206	-	26,770	5,658,099	50,417	6,957,952

Statutory reserve represents enterprise expansion fund and general reserve fund set aside by subsidiaries in accordance with the relevant laws and regulations in the PRC.

36 Reserves (Continued)

Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Proposed final dividend HK\$'000	Total HK\$'000
At 1st April, 2011	714,945	4,462	117,845	1,159,755	50,460	2,047,467
Profit for the year	-	-	-	8,297	-	8,297
2011 final scrip dividend paid	1,175	-	-	-	(50,460)	(49,285)
2012 interim scrip dividend paid	6,048	-	(31,597)	-	-	(25,549)
2012 proposed final scrip dividend	-	-	(55,750)	-	55,750	-
At 31st March, 2012	722,168	4,462	30,498	1,168,052	55,750	1,980,930
Profit for the year	-	-	-	36,535	-	36,535
2012 final scrip dividend paid	32,320	-	-	-	(55,750)	(23,430)
2013 interim scrip dividend paid	20,832	-	(30,498)	(2,552)	-	(12,218)
2013 proposed final scrip dividend	-	-	-	(50,417)	50,417	-
At 31st March, 2013	775,320	4,462	-	1,151,618	50,417	1,981,817

Under the Companies Act 1981 of Bermuda and the Bye-laws of the Company, the contributed surplus which arose as a result of a group reorganisation in 1991 is also distributable to the shareholders of the Company. Total distributable reserves of the Company amounted to HK\$1,202,035,000 (2012: HK\$1,254,300,000) as at 31st March, 2013.

37 Borrowings

	Group	
	2013 HK\$'000	2012 HK\$'000
Unsecured bank borrowings		
Short-term bank borrowings	26,577	14,511
Long-term bank borrowings	18,840	26,760
	45,417	41,271
Secured long-term bank borrowings	2,512,413	2,294,463
Total bank borrowings	2,557,830	2,335,734

37 Borrowings (Continued)

The long-term bank borrowings are analysed as follows:

	2013 HK\$'000	2012 HK\$'000
Long-term bank borrowings		
Wholly repayable within five years*	1,369,556	961,419
Wholly repayable after five years*	1,161,697	1,359,804
	2,531,253	2,321,223
Current portion included in current liabilities		
Portion due within one year	(388,691)	(424,374)
Portion due after one year which contains a repayment on demand clause	(132,881)	(13,440)
	(521,572)	(437,814)
	2,009,681	1,883,409

* Ignoring the effect of any repayment on demand clause

The bank borrowings of the Group are secured by certain property, plant and equipment, investment properties, leasehold land and land use rights, properties for sale and bank deposits with an aggregate carrying value of HK\$6,757,512,000 (2012: HK\$4,929,384,000), shares of certain subsidiaries and guaranteed by the Company, Chuang's China and Midas, and bank borrowings of HK\$1,620,561,000 (2012: HK\$1,702,804,000) are also secured by the assignment of rental income.

The bank borrowings are repayable in the following periods based on the agreed scheduled repayment dates set out in the loan agreements:

	2013 HK\$'000	2012 HK\$'000
Within the first year	415,268	438,885
Within the second year	105,396	388,925
Within the third to fifth years	1,280,883	511,159
After the fifth year	756,283	996,765
	2,557,830	2,335,734

The effective interest rates of the bank borrowings at the balance sheet date range from 0.86% to 7.56% (2012: 0.95% to 7.11%) per annum. The fair values of the bank borrowings, based on cash flows discounted at the borrowing rates of 0.86% to 7.56% (2012: 0.95% to 7.11%) per annum, approximate their carrying values.

Bank borrowings of the Midas group amounted to HK\$27,319,000 as at 31st March, 2013 included covenants that require the maintenance of certain financial covenants by the Midas group. As at 31st March, 2013, certain of these financial covenants were not met by the Midas group. Consequently, these bank borrowings become repayable on demand as at 31st March, 2013 and are classified as current liabilities.

37 Borrowings (Continued)

Subsequent to 31st March, 2013, the Midas group has obtained written consent from the relevant bank that the bank agreed not to demand immediate payment as a result of the breach of financial covenants. The Board is of the opinion that the breach of covenants will not affect the financial positions of the Midas group and the Group.

The bank borrowings are denominated in the following currencies:

	2013 HK\$'000	2012 HK\$'000
Hong Kong dollar	2,096,114	2,077,898
Renminbi	273,556	59,159
Malaysian Ringgit	188,160	198,677
	2,557,830	2,335,734

The exposure of the bank borrowings to interest rate changes and the contractual repricing dates are as follows:

	2013 HK\$'000	2012 HK\$'000
6 months or less	2,284,274	2,293,795
6 to 12 months	273,556	41,939
	2,557,830	2,335,734

38 Convertible note

	Group 2013 HK\$'000	2012 HK\$'000
At carrying value	52,549	46,343
At principal amount	61,750	61,750

The convertible note was issued by Midas, a listed subsidiary of the Group, to its shareholder at the principal amount of HK\$130 million on 19th September, 2007. It is denominated in Hong Kong dollar and its maturity date is on 3rd August, 2014. Its coupon rate is 1% per annum and the conversion price is HK\$0.223 per share. The effective interest rate during the year is 14.86% (2012: 14.86%) per annum.

The convertible note entitles the holder an option to convert, in whole or in part, the principal amount into ordinary shares of Midas on any business day prior to five business days before its maturity date. Unless previously converted, the convertible note will be redeemed at par on its maturity date.

Midas also issued two convertible notes to the Group, in which one was redeemed in full at par on its maturity date during the year ended 31st March, 2012 and the remaining one was eliminated in the consolidated financial statements of the Group when Midas became a subsidiary of the Group. Please also refer to note 22 for details.

39 Deferred taxation liabilities

The net movements of the deferred taxation liabilities of the Group are as follows:

Group	HK\$'000
At 1st April, 2011	189,759
Purchase of a subsidiary	179,577
Changes in exchange rates	5,153
Credited to income statement (note 12)	(21,665)
At 31st March, 2012	352,824
Changes in exchange rates	2,409
Charged to income statement (note 12)	1,739
At 31st March, 2013	356,972

The movements in deferred taxation assets and liabilities of the Group (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

	Deferred taxation liabilities			Total HK\$'000	Deferred taxation assets
	Fair value gains HK\$'000	Revaluation of investment properties HK\$'000	Accelerated tax depreciation HK\$'000		Tax losses HK\$'000
At 1st April, 2011	186,340	2,434	23,532	212,306	(22,547)
Purchase of a subsidiary	177,232	–	2,345	179,577	–
Changes in exchange rates	5,051	102	–	5,153	–
(Credited)/charged to income statement	(20,085)	579	7,372	(12,134)	(9,531)
At 31st March, 2012	348,538	3,115	33,249	384,902	(32,078)
Changes in exchange rates	2,237	164	8	2,409	–
(Credited)/charged to income statement	(8,635)	9,343	2,482	3,190	(1,451)
At 31st March, 2013	342,140	12,622	35,739	390,501	(33,529)

Deferred taxation liabilities for the fair value gains represent the deferred taxation on the differences between the carrying values of the properties and assets as included in the consolidated financial statements and the carrying values of these properties and assets as included in the financial statements of the relevant subsidiaries. The values were based on the date of acquisition of those subsidiaries by the Group.

Deferred taxation liabilities, which are expected to be settled after twelve months from the balance sheet date, have been provided in full on temporary differences under the liability method using the applicable tax rates prevailing in the countries in which the Group operates.

Deferred taxation assets of HK\$335.4 million (2012: HK\$265.8 million) arising from unused tax losses of HK\$1,975 million (2012: HK\$1,611 million) and HK\$0.2 million (2012: HK\$0.3 million) on temporary differences in respect of accelerated tax depreciation of HK\$1.2 million (2012: HK\$2.0 million) have not been recognised in the financial statements respectively. The tax losses either have no expiry dates or will expire within five years for those from the PRC.

39 Deferred taxation liabilities (Continued)

Deferred taxation liabilities of HK\$22 million (2012: HK\$12 million) arising from withholding tax on the unremitted earnings of certain PRC subsidiaries have not been recognised in the financial statements as these earnings are expected to be reinvested.

40 Loans from non-controlling interests

Loans from non-controlling interests of the Group are unsecured, interest free and not repayable within the next twelve months from the balance sheet date.

41 Commitments

(a) Capital commitments

	Group	
	2013	2012
	HK\$'000	HK\$'000
Contracted but not provided for in respect of property development projects and property, plant and equipment	421,266	560,027

(b) Operating lease rental payable

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings is payable in the following periods:

	Group	
	2013	2012
	HK\$'000	HK\$'000
Within the first year	17,272	16,879
Within the second to fifth years	2,355	16,715
	19,627	33,594

(c) Operating lease rental receivable

The future aggregate minimum lease rental income under non-cancellable operating leases in respect of properties is receivable in the following periods:

	Group	
	2013	2012
	HK\$'000	HK\$'000
Within the first year	76,552	85,250
Within the second to fifth years	88,661	36,934
After the fifth year	2,696	3,299
	167,909	125,483

The Group leases properties under various agreements which will be terminated between 2013 to 2025 (2012: 2012 to 2025).

42 Financial guarantees

	Group		Company	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Guarantees for outstanding bank borrowings of subsidiaries as at the balance sheet date (note 37)	–	–	2,168,757	2,243,344
Guarantee for outstanding bank borrowing of a jointly controlled entity as at the balance sheet date (note 23(b))	–	–	117,000	117,000
Guarantees for mortgage loans to purchasers of properties of the Group in the PRC	443,160	351,573	–	–
	443,160	351,573	2,285,757	2,360,344

The financial guarantees provided by the Group represented the guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees will be terminated upon the earlier of (i) issuance of the property ownership certificates which is generally available within six months to one year after the purchasers take possession of the relevant properties; or (ii) the satisfaction of mortgage loans by the purchasers of properties. Since the Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Group to the banks, the estimated net amounts required to be settled by the Group and the fair value of the financial guarantees as calculated are not material and hence not recognised in the financial statements. Bank deposits of HK\$516,000 (2012: HK\$721,000) have been pledged for such financial guarantees provided by the Group (note 31).

43 Business combination

In May 2011, the Group entered into an agreement with Midas, formerly the 44.6% owned listed associated company, in relation to the Rights Issue of Midas. The Group subscribed in full for its entitlement under the Rights Issue, and took up the balance of the Rights Issue. The Rights Issue was completed on 20th July, 2011 and the Group's interest in Midas was increased from 44.6% to 60.8%, making Midas a subsidiary of the Group. Please also refer to note 22 for details.

The negative goodwill of HK\$290.6 million recorded in other income and net gain for the year ended 31st March, 2012 mainly arose from the difference between the subscription price of HK\$0.1 per share of the Rights Issue and the net asset value per share per Midas' book. None of the negative goodwill recognised was expected to be taxable for income tax purpose.

43 Business combination (Continued)

The following table summarises the consideration, the amounts of the assets acquired and liabilities assumed recognised at the acquisition date, the acquisition-related costs and the analysis of cash flows from business combination:

	HK\$'000
Consideration	
Cash paid for the Rights Issue	84,877
Fair value of equity interest in Midas as an associated company	51,197
	136,074
Recognised amounts of identifiable assets acquired and liabilities assumed at fair value:	
Property, plant and equipment	180,418
Leasehold land and land use rights	74,446
Cemetery assets	527,450
Inventories	53,811
Cemetery assets for sale	116,813
Debtors and prepayments	110,051
Tax recoverable	350
Cash and bank balances	179,575
Creditors and accruals	(100,901)
Taxation payable	(7,215)
Bank borrowings	(96,161)
Convertible notes	(77,383)
Deferred taxation liabilities	(179,577)
Total identifiable net assets	781,677
Non-controlling interests	(355,033)
Negative goodwill	(290,570)
	136,074
Acquisition-related costs (included in administrative and other operating expenses in the income statement for the year ended 31st March, 2012 of the Group)	1,000
Analysis of cash flows from business combination:	
Cash paid for the Rights Issue as consideration	(84,877)
Cash and bank balances acquired	179,575
Net cash inflow from business combination	94,698

No contingent consideration arrangements or contingent liabilities were identified at acquisition. The Group recognised the non-controlling interests at their proportionate share of net assets of Midas.

Midas contributed revenues of HK\$231.2 million and net loss of HK\$52.4 million to the Group for the period from the acquisition date to 31st March, 2012. If the acquisition had occurred on 1st April, 2011, the contributed revenues from Midas to the Group for the year ended 31st March, 2012 would have been approximately HK\$300.4 million and the result attributable to the equity holders of the Company would not be materially different.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

44 Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to cash (used in)/from operations

	2013 HK\$'000	2012 HK\$'000
Operating profit	1,266,531	1,334,188
Interest income	(20,529)	(27,048)
Dividend income from available-for-sale financial assets	(977)	(1,954)
Depreciation	47,555	35,832
Amortisation of leasehold land and land use rights	2,662	3,022
Amortisation of cemetery assets	–	8,212
Change in fair value of investment properties	(1,199,085)	(515,726)
Gain on transfer of properties from properties for sale to investment properties	(18,413)	–
Loss/(gain) on disposal of investment property	41	(38,160)
Net (gain)/loss on disposal of property, plant and equipment	(4,916)	161
Gain on disposal of available-for-sale financial assets	(4,179)	(237)
Negative goodwill arising from the purchase of a subsidiary	–	(290,570)
Loss on remeasurement of previously held equity interest in an associated company	–	135,560
Write off of trade debtors	2,387	2,636
Impairment of property, plant and equipment	–	2,623
Impairment of properties for/under development	759	–
Impairment of properties for sale	2,000	–
Impairment of inventories	617	1,119
Impairment of other deposits	4,000	34,955
Fair value (gain)/loss on derivative financial instruments	(3,500)	3,500
Operating profit before working capital changes	74,953	688,113
Decrease in loans and receivables	1,728	394,211
(Increase)/decrease in leasehold land and land use rights, properties for/under development and properties for sale	(407,637)	273,204
(Increase)/decrease in inventories and cemetery assets for sale	(7,219)	6,795
(Increase)/decrease in debtors and prepayments	(119,761)	18,596
(Decrease)/increase in financial assets at fair value through profit or loss	82,749	(203,414)
Decrease in restricted bank balance	–	125,004
Decrease in creditors and accruals	(5,389)	(8,686)
Increase/(decrease) in sales deposits received	229,984	(520,744)
Cash (used in)/from operations	(150,592)	773,079

44 Notes to the consolidated cash flow statement (Continued)

(b) Analysis of cash and cash equivalents

	2013	2012
	HK\$'000	HK\$'000
Cash and bank balances	1,803,087	1,890,245
Pledged bank balances	–	(721)
Bank deposits maturing more than three months from date of placement	(15,990)	(765)
Cash and cash equivalents	1,787,097	1,888,759

45 Subsequent event

On 27th May, 2013, a wholly-owned subsidiary (the “Vendor”) of Chuang’s China, a listed subsidiary of the Group, entered into an agreement with an independent third party (the “Purchaser”) to dispose of its investment in a wholly-owned subsidiary at the consideration of HK\$1. The Vendor will also execute a tax indemnity deed in favour of the Purchaser (the “Indemnity”) subject to a cap of approximately RMB48.8 million (equivalent to approximately HK\$61.8 million) for a period of two years from the date of completion of the disposal which will be on or before 31st August, 2013. The estimated net gain expected to accrue to the Group as a result of the completion of the disposal would be approximately RMB18.0 million (equivalent to approximately HK\$22.8 million). In the event that the Indemnity is not called upon, the maximum additional gain expected to accrue to the Group would be approximately RMB27.8 million (equivalent to approximately HK\$35.2 million). Details of the transaction were set out in the announcement of the Company on 27th May, 2013.

46 Comparative figures

Certain comparative figures have been reclassified to conform with the current year’s presentation.

47 Approval of financial statements

The financial statements were approved by the Board on 27th June, 2013.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

48 Principal subsidiaries

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2013	2012	
Accurate Development Limited	Hong Kong	2 shares of HK\$1 each	100.0%	–	Property development and investment
# Anshan Chuang's Property Development Company Limited	PRC	RMB90,000,000 (2012: RMB50,000,000)	56.9%	57.0%	Property development and investment
# Anshan Chuang's Real Estate Development Company Limited	PRC	RMB170,000,000	56.9%	57.0%	Property development and investment
# Chengdu Chuang's Investment Services Limited	PRC	HK\$80,000,000	56.9%	57.0%	Property development and investment
China Policy Limited	British Virgin Islands/ Vietnam	1 share of US\$1	100.0%	100.0%	Investment holding
Chinaculture.com Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	56.9%	57.0%	Investment holding
Chuang's China Enterprises Limited	Hong Kong	458,310,965 shares of HK\$0.20 each	56.9%	57.0%	Investment holding
* Chuang's China Investments Limited	Bermuda/Hong Kong	1,561,840,530 (2012: 1,523,328,700) shares of HK\$0.05 each	56.9%	57.0%	Investment holding
Chuang's China Realty Limited	Bermuda/Hong Kong	2,000,000 shares of HK\$0.05 each	56.9%	57.0%	Investment holding
Chuang's China Treasury Limited	Cayman Islands/ Hong Kong	1 share of US\$1	56.9%	57.0%	Investment holding
@ Chuang's Consortium Limited	Hong Kong	4,000 shares of HK\$0.25 each	100.0%	100.0%	Investment holding
Chuang's Credit Limited	Hong Kong	10,300,000 shares of HK\$1 each	100.0%	100.0%	Money lending
Chuang's Development (Chengdu) Limited	Hong Kong	2 shares of HK\$10 each 100,000 non-voting deferred shares of HK\$10 each	56.9%	57.0%	Property investment

48 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2013	2012	
Chuang's Development (China) Limited (note 45)	Hong Kong	2 shares of HK\$10 each	56.9%	57.0%	Property development and investment
Chuang's Development (Dong Guan) Limited	Hong Kong	2 shares of HK\$1 each	56.9%	57.0%	Investment holding
# Chuang's-Edelweiss LLC	Mongolia	100,000 shares of US\$1 each	53.0%	53.0%	Property development and investment
Chuang's Engineering Limited	Hong Kong	2 shares of HK\$10 each	100.0%	100.0%	Project management
Chuang's Finance & Investments Limited	Hong Kong	110,000 shares of HK\$10 each	100.0%	100.0%	Property investment
Chuang's Industrial (Holdings) Limited	Hong Kong	189,231,936 shares of HK\$1 each	100.0%	100.0%	Investment holding, hire of assets and trading of merchandise
# Chuang's Properties (Central Plaza) Sdn. Bhd.	Malaysia	5,000,000 shares of MYR1 each	100.0%	100.0%	Property investment
@ Chuang's Properties International Limited	British Virgin Islands/ Hong Kong	10 shares of US\$1 each	100.0%	100.0%	Investment holding, property development and investment
Chuang's Properties Limited	Hong Kong	300,000,000 shares of HK\$1 each	100.0%	100.0%	Investment holding
Chuang's Properties Mongolia Limited	British Virgin Islands/ Mongolia	1 share of US\$1	100.0%	100.0%	Investment holding
Chuang's Properties Vietnam Limited	British Virgin Islands/ Vietnam	10 shares of US\$1 each	100.0%	100.0%	Investment holding
Chuang's Real Estate Agency Limited	Hong Kong	2 shares of HK\$1 each	100.0%	100.0%	Property agency services

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

48 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2013	2012	
# Dongguan Chuang's Real Estate Development Company Limited	PRC	RMB135,420,000	56.9%	57.0%	Property development and investment
Double Wealthy Company Limited	Hong Kong	160 shares of HK\$1 each	56.9%	57.0%	Investment holding
^ Dragon Rich Investments Limited	Hong Kong	100 shares of HK\$1 each	48.4%	48.5%	Investment holding
Equity King Limited	Hong Kong	2 shares of HK\$1 each	100.0%	100.0%	Securities trading
Ever Favour Limited	Hong Kong	1 share of HK\$1	100.0%	100.0%	Property development and investment
Fanus Limited	British Virgin Islands/ Hong Kong	100 shares of US\$1 each	100.0%	100.0%	Investment holding
# Farmtec (Malaysia) Sdn. Bhd.	Malaysia	1,000,000 shares of MYR1 each	100.0%	100.0%	Property development and investment
Fortune Wealth Memorial Park Limited	Hong Kong	1,000 shares of HK\$10 each	53.2%	53.2%	Investment holding
# Fortune Wealth Memorial Park (Si Hui) Limited	PRC	HK\$36,380,000	50.7%	50.7%	Development and construction of cemetery and provision of related management services in the PRC
General Nominees Limited	Hong Kong	500 shares of HK\$10 each	100.0%	100.0%	Nominee and secretarial services
@ Gold Throne Finance Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	100.0%	100.0%	Investment holding
# Guangdong Boluo Yuanzhou Midas Printing Limited	PRC	US\$12,503,119	60.8%	60.8%	Book printing and binding
# Guangzhou Chuang's Investment Services Limited	PRC	RMB22,500,000	56.9%	–	Property Investment

48 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2013	2012	
# Guangzhou Panyu Chuang's Real Estate Development Company Limited	PRC	RMB60,000,000	56.9%	57.0%	Property development and investment
^ # Hunan Han Ye Real Estate Development Company Limited	PRC	RMB25,000,000	30.7%	30.8%	Property development and investment
# Ilham Kencana Sdn. Bhd.	Malaysia	10,000 shares of MYR1 each	100.0%	100.0%	Property development and investment
Income Holdings Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	100.0%	100.0%	Investment holding
Jannerson Limited	Hong Kong	5,000 shares of HK\$1 each	100.0%	100.0%	Property investment
Koledo Company Limited	Hong Kong	2 shares of HK\$100 each 2 non-voting deferred shares of HK\$100 each	100.0%	100.0%	Property investment
Ladona Limited	British Virgin Islands/ Vietnam	10 shares of US\$1 each	100.0%	100.0%	Investment holding
Lambda Industrial Limited	Hong Kong	3,000,000 shares of HK\$1 each	100.0%	100.0%	Property development and investment
Mega Well Limited	Hong Kong	2 shares of HK\$1 each	100.0%	100.0%	Property and hotel development and investment
* Midas International Holdings Limited	Cayman Islands/ Hong Kong	2,207,208,278 ordinary shares of HK\$0.10 each	60.8%	60.8%	Investment holding
Midas Printing International Limited	Hong Kong	7,000 shares of HK\$1 each	60.8%	60.8%	Trading of printed products
# Mongolia Property Development LLC	Mongolia	1,000 shares of US\$100 each	100.0%	100.0%	Property development and investment

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH, 2013

48 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2013	2012	
On Profit Investment Limited	Hong Kong	2 shares of HK\$1 each	56.9%	57.0%	Property development and investment
Option Success Limited	British Virgin Islands/ Mongolia	1 share of US\$1	100.0%	100.0%	Investment holding
@ Profit Stability Investments Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	100.0%	100.0%	Investment holding
Silver Chase Investment Limited	Hong Kong	2 shares of HK\$1 each	56.9%	57.0%	Property development and investment
Silver Dragon Investment Limited	Hong Kong	2 shares of HK\$1 each	56.9%	57.0%	Property development and investment
# Sintex Nylon and Cotton Products (Pte) Limited	Singapore	8,500 shares of S\$100 each	88.2%	88.2%	Manufacture and sale of bonded polyester fabrics and home finishing products
Success Gain Investment Limited	Hong Kong	2 shares of HK\$1 each	60.8%	60.8%	Investment holding
Supreme Property Services Limited	Hong Kong	1,000 shares of HK\$1 each	100.0%	100.0%	Property management
Tian Shi Company Limited	Hong Kong	2 shares of HK\$1 each	100.0%	100.0%	Property development and investment
Uniworld Property Management Limited	Hong Kong	2 shares of HK\$1 each	100.0%	100.0%	Property management and carparking services
#^ Xiamen Mingjia Binhai Resort Company Limited	PRC	RMB75,000,000	33.9%	33.9%	Property and hotel development and investment

48 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2013	2012	
Yuen Sang Watch Industries Limited (formerly known as Yuen Sang Hardware Company (1988) Limited)	Hong Kong	1,000,000 shares of HK\$1 each	56.9%	57.0%	Manufacture and sale of watch components

* Listed in Hong Kong

@ Directly held by the Company

Not audited by PricewaterhouseCoopers

^ As at 31st March, 2013, these companies are subsidiaries of Chuang's China of which the Group holds 56.9% (2012: 57.0%) equity interest. Accordingly, these companies are classified as subsidiaries of the Group.

49 Associated companies

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2013	2012	
# Dragon Pacific Development Limited	Hong Kong	10 shares of HK\$1 each	30.0%	30.0%	Property development
#^ Treasure Auctioneer International Limited	British Virgin Islands/ Hong Kong	1,000,000 shares of US\$1 each	14.2%	14.3%	Auction services
Yuen Sang Property Management Company Limited	Hong Kong	2 shares of HK\$1 each	50.0%	50.0%	Property management

Not audited by PricewaterhouseCoopers

^ As at 31st March, 2013, it is an associated company of Chuang's China of which the Group holds 56.9% (2012: 57.0%) equity interest. Accordingly, it is classified as an associated company of the Group.

PARTICULARS OF PRINCIPAL PROPERTIES

The following list contains only properties held by the Group as at 31st March, 2013 which are material to the Group as the Directors are of the opinion that a complete list will be of excessive length.

1. Investment properties

Location	Term	Usage	Group's interest
Hong Kong			
Chuang's London Plaza, No. 219 Nathan Road, Tsim Sha Tsui, K.I.L. No. 6345	Medium lease	Commercial	100.0%
Chuang's Hung Hom Plaza, No. 83 Wuhu Street, Hung Hom, H.H.I.L. Nos. 428, 440 S.A., 440 R.P., 304, 305, 394, 462, 443, 456, 455, 470, 466 and 452	Medium lease	Hotel/Commercial/Offices/ Carparking spaces	100.0%
Chuang's Tower, Nos. 30–32 Connaught Road Central, Central, M.L. Nos. 410, 375 and 376	Long lease	Commercial/Offices	100.0%
House A, No. 37 Island Road, Deep Water Bay, R.B.L. No. 599	Medium lease	Residential	100.0%
No. 15 Gough Hill Road, The Peak, R.B.L. No. 723	Medium lease	Residential	100.0%
Malaysia			
Central Plaza, No. 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Lot No. 1221, Section 57, Kuala Lumpur, Federal Territory	Freehold	Commercial/Offices/ Carparking spaces	100.0%

1. Investment properties (Continued)

Location	Term	Usage	Group's interest
The People's Republic of China			
6th Floor, Chengdu Digital Plaza, No. 1 Renmin South Road, Section 4, Wuhou District, Chengdu, Sichuan Province	Long lease	Commercial	56.9%
Club house of Gold Coast, Phase II Chuang's New City, Dongguan, Guangdong	Long lease	Commercial	56.9%

2. Property projects

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Hong Kong					
Parkes Residence, No. 101 Parkes Street, K.I.L. No. 1511, R.P.S.A., S.D., S.E., S.S.2.S.C., R.P.S.C. and S.B. of K.I.L. No. 1510	Site formation and foundation works in progress	Third quarter of 2015	Residential/ Commercial	Site area – about 5,537 sq. ft. Gross floor area – about 44,000 sq. ft.	100.0%
Villa 28 and Villa 30, Po Shan Road, I.L. No. 6070	Demolition works completed	N/A	Residential	Site area – about 10,000 sq. ft. Gross floor area – about 40,365 sq. ft.	50.0%
Vietnam					
Greenview Garden, Thu Duc District, Ho Chi Minh City	Planning stage	N/A	Residential/ Commercial	Site area – about 20,300 sq. m. Gross floor area – about 94,000 sq. m.	100.0%
Taiwan					
sáv Residence, Xinyi District, Taipei City	Superstructure works completed	Second half of 2013	Residential	Site area – about 12,500 sq. ft. Gross floor area – about 19,300 sq. ft.	100.0%

PARTICULARS OF PRINCIPAL PROPERTIES (CONTINUED)

2. Property projects (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Mongolia					
International Finance Centre, Chinggis Avenue, Sukhbaatar District, Ulaanbaatar	Site formation and foundation works in progress	2016	Commercial/ Offices	Site area – about 3,272 sq. m. Gross floor area – about 39,120 sq. m.	100.0%
The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar	Planning stage	N/A	Residential/ Commercial	Site area – about 5,600 sq. m. Gross floor area – about 41,000 sq. m.	53.0%
The People's Republic of China					
Chuang's Le Papillon, Guangzhou, Guangdong					
– Phase I: Block A, B, C, D, E	Completed	Completed	Residential	Site area – about 53,519 sq. m. Gross floor area – about 26,116 sq. m. (and 221 carparking spaces)	56.9%
– Phase II: Block F, G, H	Completed	Completed	Residential	Site area – about 15,995 sq. m. Gross floor area – about 9,465 sq. m.	56.9%
Block I, J, K, L, M, N, P	Under construction	2013–2014	Residential	Site area – about 53,516 sq. m. Gross floor area – about 113,543 sq. m. (and 1,242 carparking spaces)	56.9%
– Phase III: Block Q, R, S, T, U, V, X	Master planning completed and foundation works commenced	Beyond 2014	Comprehensive development area	Site area – about 91,987 sq. m. Gross floor area – about 163,051 sq. m.	56.9%

2. Property projects (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
The People's Republic of China (Continued)					
Imperial Garden, Chuang's New City, Dongguan, Guangdong					
– Phase I: Block 1 to 8	Completed	Completed	Residential	Site area – about 23,775 sq. m. Gross floor area – about 15,039 sq. m. (and 162 carparking spaces)	56.9%
– Phase II: Block 9 to 14	Under construction	2013–2014	Residential	Site area – about 9,500 sq. m. Gross floor area – about 61,272 sq. m.	56.9%
– Phase III: Block 15 to 55	Planning stage	N/A	Comprehensive development area	Site area – about 158,576 sq. m. Gross floor area – about 355,842 sq. m.	56.9%
sáv Resort & Spa, Xiamen, Fujian	Superstructure works completed	2013–2014	Resort and villa	Site area – about 27,574 sq. m. Gross floor area – about 18,000 sq. m.	33.9%
Chuang's Mid-town, Anshan, Liaoning	Foundation works in progress	2015–2016	Comprehensive development area	Site area – about 11,000 sq. m. Gross floor area – about 100,000 sq. m.	56.9%
Chuang's Plaza, Anshan, Liaoning	Master planning in progress	N/A	Comprehensive development area	Site area – about 39,500 sq. m. Gross floor area – about 390,000 sq. m.	56.9%
Phase I, Beverly Hills, Changsha, Hunan	Completed	Completed	Residential	Site area – about 95,948 sq. m. Gross floor area – about 19,779 sq. m.	30.7%
	Completed	Completed	Residential/ commercial	Gross floor area – about 10,200 sq. m.	30.7%

SUMMARY OF FINANCIAL INFORMATION

Results

	2009 HK\$'000 (Restated)	2010 HK\$'000 (Restated)	2011 HK\$'000	2012 HK\$'000	2013 HK\$'000
Revenues	283,456	560,887	382,785	2,207,128	1,100,345
(Loss)/profit attributable to equity holders	(273,828)	915,684	789,686	901,313	1,147,641
(Loss)/earnings per share (HK cents)	(18.30)	60.45	51.20	57.07	70.88
Dividend per share (HK cents)					
Interim	1.00	1.00	1.80	2.00	2.00
Final	0.50	2.00	3.20	3.50	3.00
Total	1.50	3.00	5.00	5.50	5.00

Assets and liabilities

	2009 HK\$'000 (Restated)	2010 HK\$'000 (Restated)	2011 HK\$'000	2012 HK\$'000	2013 HK\$'000
Non-current assets	4,102,076	4,936,671	5,202,504	6,372,086	7,719,567
Current assets	3,173,402	3,632,098	4,895,714	4,883,002	5,138,575
Total assets	7,275,478	8,568,769	10,098,218	11,255,088	12,858,142
Total liabilities	(2,860,859)	(3,135,472)	(3,750,536)	(3,536,371)	(4,014,780)
Non-controlling interests	(816,637)	(859,379)	(952,616)	(1,477,061)	(1,465,272)
Shareholders' funds	3,597,982	4,573,918	5,395,066	6,241,656	7,378,090
Net asset value per share (HK\$)	2.38	2.99	3.42	3.92	4.39

Net debt to equity ratio

	2009 HK\$'M (Restated)	2010 HK\$'M (Restated)	2011 HK\$'M	2012 HK\$'M	2013 HK\$'M
Cash and bank balances and quoted investments	1,187.6	1,001.5	1,788.9 [®]	2,220.7	2,081.3[#]
Bank borrowings	2,361.6	2,529.7	2,562.6	2,335.7	2,557.8
Net debt to equity ratio (%)	32.6	33.4	14.3	1.8	6.5

[®] Included restricted bank balance which was released as bank balances of the Group in April 2011.

[#] Included pledged bank balances.

Note: The accounting policies were changed in 2011 due to the adoption of HKAS 12 (Amendment) and the prior years' figures have been restated to reflect these changes.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Chuang's Consortium International Limited (the "Company") will be held at Chater Room, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Thursday, 19th September, 2013 at 12:00 noon for the following purposes:

1. To receive and consider the audited financial statements and the reports of the Directors and the auditor for the year ended 31st March, 2013.
2. To declare a final dividend.
3.
 - (a) To re-elect Mr. Alan Chuang Shaw Swee as an executive Director;
 - (b) To re-elect Mr. Albert Chuang Ka Pun as an executive Director;
 - (c) To re-elect Mr. Chong Ka Fung as an executive Director;
 - (d) To re-elect Mr. Lui Lop Kay as an executive Director;
 - (e) To re-elect Mr. Yau Chi Ming as an independent non-executive Director;
 - (f) To re-elect Mr. David Chu Yu Lin as an independent non-executive Director;
 - (g) To authorise the board of Directors to fix the remuneration of the Directors.
4. To re-appoint PricewaterhouseCoopers as the auditor and to authorise the board of Directors to fix its remuneration.
5. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

Ordinary Resolutions

(A) **"THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of HK\$0.25 each (the "Shares") in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

- (c) for the purpose of this Resolution, “**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution.”

- (B) “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares in the capital of the Company and to make or grant offers, agreements, options and other rights, or issue warrants and other securities, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and other rights, and issue warrants and other securities, which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or to be allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:
 - (i) a Rights Issue (as defined below); or
 - (ii) the exercise of any option under any option scheme of the Company; or
 - (iii) an issue of Shares upon exercise of the subscription or conversion rights attaching to or under the terms of any warrants of the Company; or
 - (iv) any scrip dividend or similar arrangement in accordance with the Bye-laws of the Company; or
 - (v) a specific authority granted by the shareholders of the Company in general meeting,shall not in aggregate exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution; and

“**Rights Issue**” means an offer of Shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors of the Company, to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to be offered to them) on a fixed record date in proportion to their then holdings of Shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong.”

- (C) “**THAT** subject to the passing of Resolutions numbered 5(A) and 5(B), the general mandate granted to the Directors of the Company to allot, issue and deal with unissued Shares in the capital of the Company pursuant to Resolution numbered 5(B) be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the general mandate to repurchase Shares (as referred to in Resolution numbered 5(A) set out in the notice convening this meeting), provided that such amount of securities so repurchased shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the ordinary resolution approving the said general mandate to repurchase Shares.”

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

6. To transact any other business.

By order of the Board of
Chuang's Consortium International Limited
Lee Wai Ching
Company Secretary

Hong Kong, 30th July, 2013

Notes:

1. Any member entitled to attend and vote at the annual general meeting (the "AGM") is entitled to appoint one or more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's principal office in Hong Kong at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
3. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 16th September, 2013 to Thursday, 19th September, 2013, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 13th September, 2013.
4. The board of Directors has recommended a final scrip dividend (with a cash option) of 3.0 HK cents per share.
5. The proposed final dividend is subject to the approval of the shareholders at the AGM. The record date for entitlement to the proposed final dividend is Thursday, 3rd October, 2013. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 26th September, 2013 to Thursday, 3rd October, 2013, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 25th September, 2013.
6. Concerning Resolutions numbered 3 and 5 above, the information necessary to enable the shareholders to make decisions on whether to vote for or against the Resolutions, as required by the Listing Rules, will be set out in a separate document from the Company to be enclosed with the 2013 Annual Report.

CHUANG'S CONSORTIUM
INTERNATIONAL LIMITED

25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong

www.chuang-consortium.com