JUDA INTERNATIONAL HOLDINGS LIMITED
鉅大國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock code:1329

2014
ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Jun *(Chairman)*
Mr. Zhong Beichen *(Chief Executive Officer)*

Non-Executive Directors

Mr. Liu Xiaoguang
Mr. Wang Hao

Independent Non-Executive Directors

Dr. Ngai Wai Fung
Prof. Zhao Yuhong
Prof. He Xiaofeng

AUDIT COMMITTEE

Dr. Ngai Wai Fung *(Chairman)*
Prof. Zhao Yuhong
Prof. He Xiaofeng

REMUNERATION COMMITTEE

Prof. Zhao Yuhong *(Chairperson)*
Mr. Liu Xiaoguang
Dr. Ngai Wai Fung

NOMINATION COMMITTEE

Mr. Tang Jun *(Chairman)*
Dr. Ngai Wai Fung
Prof. Zhao Yuhong

STRATEGIC COMMITTEE

Mr. Wang Hao *(Chairman)*
Mr. Zhong Beichen
Prof. He Xiaofeng

COMPANY SECRETARY

Ms. Wong Chi Mei

AUTHORISED REPRESENTATIVES

Mr. Zhong Beichen
Ms. Wong Chi Mei

AUDITORS

Ernst & Young

LEGAL ADVISER

Norton Rose Fulbright Hong Kong

COMPLIANCE ADVISER

CMB International Capital Limited

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 2906-08
AIA Central
1 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22 Hopwell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

1329.HK

CORPORATE WEBSITE

www.judaintl.com
www.irasia.com/listco/hk/judainternational

Chairman's Statement

Dear Shareholders,

I and my fellow members of the board of directors (the "Board") of Juda International Holdings Limited (the "Company"), are once again proud to bring you the annual report for the Company and its subsidiaries (the "Group" or "Juda") for the nine months ended 31 December 2014 ("Review Period").

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period of review, the Group is principally engaged in the production of two chemical products, namely phthalic anhydride ("PA") and fumaric acid, which are intermediate chemicals mainly used in the industrial production of plasticisers and polyester resins. All of the Group's turnover is derived from customers based in PRC.

The Group's production facilities are located in Xiamen, Fujian Province, the PRC. During the nine months ended 31 December 2014, the Group remained to operate under a simple business model with one major raw material, namely ortho-xylene ("OX") sourcing from independent suppliers in the PRC for its production process. OX is used in the production facilities of PA to produce PA and certain by-products including maleic anhydride, which can be used to produce fumaric acid.

During the period, the Group changed its reporting year end date from 31 March to 31 December and the principal activities were disclosed as discontinued operation upon the entering into of the sale and purchase agreement by the Company on 3 December 2014 to, inter alias, dispose the chemical business in order to match the strategies of the Company to expand into the property development sector.

In light of the above, the profit and loss items for the nine months ended 31 December 2014 described below were related to the discontinued operation of chemical business.

Revenue of the Group decreased from approximately RMB264,016,000 for the year ended 31 March 2014 to approximately RMB69,650,000 for the nine months ended 31 December 2014. The decrease was mainly attributable to the decrease in both average selling price and sales quantity of its finished products. The unfavourable market environment as a result of the weak demand of the downstream industry during the nine months ended 31 December 2014 drove down the selling price of the Group's finished products. Despite the suppressed market price of the finished products, there was no downward adjustment to the cost of raw materials which were mostly supplied by a few state-owned enterprises in the PRC. In fact, the average purchase price of raw materials of the Group for the nine months ended 31 December 2014 increased marginally as compared to that for the year ended 31 March 2014. With lower product selling price and higher purchase cost, gross profit of the Group had been severely eroded and gross loss was even experienced in fulfilling certain sales contracts during the nine months ended 31 December 2014. To avoid further deterioration of operating results, the Group reduced the production scale and sold some of its raw materials since June 2014. Such slowdown in production reduced both sales quantity and revenue recorded for the nine months ended 31 December 2014 as compared to the corresponding period of the preceding year ended 31 March 2014. The production was finally suspended in early December 2014 pending for the completion of disposal of chemical business.

Chairman's Statement

Financial Review

The Group recorded a loss after tax of approximately RMB48,798,000 for the nine months ended 31 December 2014 (comprising loss from continuing operation of approximately RMB35,242,000 and loss from discontinued operation of approximately RMB13,556,000) as compared to a profit after tax of approximately RMB2,616,000 for the year ended 31 March 2014 (comprising loss from continuing operation of approximately RMB9,091,000 and profit from discontinued operation of approximately RMB11,707,000).

The loss from discontinued operation of chemical business were due to the drop in gross profit margin during the nine months ended 31 December 2014 as mentioned under the section headed "Business Review" above and the loss recognized on the remeasurement to fair value of the discontinued operation of chemical business.

The loss from continuing operation mainly represented administrative expenses of approximately RMB35,031,000, of which approximately RMB31,931,000 was related to professional fees in respect of the Company's corporate transactions.

Liquidity and Financial Resources

The Group continued to rely upon internally generated cash flows and bank borrowings to finance its operations during the nine months ended 31 December 2014. As at 31 December 2014, the Group's cash and cash equivalents amounted to approximately RMB145,531,000 (31 March 2014: approximately RMB18,990,000), including nil (31 March 2014: approximately RMB17,849,000) and approximately RMB145,531,000 (31 March 2014: approximately RMB1,141,000) denominated in RMB and HK$ respectively. The majority of the Group's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. Cash at banks generally earns interest at floating rates based on daily bank deposit rates.

As at 31 December 2014, the Group's interest-bearing bank borrowings were approximately RMB12,070,000 (31 March 2014: approximately RMB40,000,000) and due within one year, out of which approximately RMB12,070,000 (31 March 2014: Nil) and nil (31 March 2014: approximately RMB40,000,000) were denominated in HK$ and RMB respectively.

The bank borrowings were unsecured and the range of effective interest rate on bank borrowings for the nine months ended 31 December 2014 was 3.38%-3.39% per annum (31 March 2014: 6.30%-6.90% per annum).

As at 31 December 2014, the Group's gearing ratio decreased to 3.6% (31 March 2014: 19.5%), based on the division of the total debts (including only bank borrowings) by total assets, primarily due to the reduce of outstanding balance of bank borrowings. The Directors, having taken into account of the nature and scale of operations and capital structure of the Group, considered that the gearing ratio as at 31 December 2014 was reasonable.

Chairman's Statement

Foreign Exchange Exposure
We have not yet established a formal foreign currency hedging policy, we will continue to monitor our exposure to foreign exchange fluctuations carefully and may introduce appropriate hedging measures should the need ever arise.

Contingent Liabilities
The Group did not have any significant contingent liabilities as at 31 December 2014.

Capital Commitments
As at 31 December 2014, the Group had contracted capital commitment for the acquisition of 100% equity interest in Xin Kai for the consideration of approximately HK$1,963.4 million.

EVENTS AFTER THE REPORTING PERIOD

On 22 January 2015, the Group completed an acquisition of 100% equity interest in the Xin Kai from Asian Expert. The principal activities of the Xin Kai are engaged in property development. The acquisition was made as a part of the Group's strategy to focus on property development business. The consideration for the acquisition is approximately HK$1,963.4 million which was settled in cash. For funding and settlement of the consideration, GTL and the Company entered into a conditional subscription agreement on 15 August 2014, under which GTL has subscribed for and the Company was issued 738,130,482 CPS at an issue price of HK$2.66 per CPS on 22 January 2015. All proceeds arising from the issue of the CPSs were used for the purpose of the consideration for the acquisition.

Shengfa Limited as the vendor (the "Vendor", a wholly-owned subsidiary of the Company, and Leadwin Asia Group Limited as the purchaser (the "Purchaser"), an independent third party, entered into the a sale and purchase agreement (the "Agreement") for the sale of all issued shares of Cheng Wang and the shareholder's loan at a consideration of HK$182,000,000 on 3 December 2014. Cheng Wang is an investment holding company, which has two wholly-owned subsidiaries, Great Top Investment Limited ("Great Top"), and Nice World Chemical Industry (Xiamen) Co., Ltd.. Great Top is an investment holding company, while Nice World Chemical Industry (Xiamen) Co., Ltd engages in the production of phthalic anhydride (PA) and fumaric acid, which are intermediate chemicals mainly used in the industrial production of plasticisers and polyester resins. The transaction completed on 22 January 2015 and all of the conditions precedent under the Agreement had been fulfilled.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2014, the Group employed a total of 88 employees (as at 31 March 2014: 95). Total staff costs for the nine months ended 31 December 2014 were approximately RMB4,691,000 (for the financial year ended 31 March 2014: approximately RMB7,521,000). The remuneration policy and package of the Group's employees are structured in accordance to market terms and statutory requirements where appropriate. In addition, the Group also provides other staff benefits such as medical insurance, mandatory provident fund and share options to motivate and reward employees at all levels in order to achieve the Group's business performance targets.

Chairman's Statement

THE WAY FORWARD

With global market turbulence now heading into its eighth year, ongoing concerns such as the future sustainability of the Euro mean the outlook for major markets remains anything but certain. For Juda, Mainland China's comparative economic strength mean long-term prospects for Asia look far more positive. In long-run, the Group will use best endeavours to indentity and catch new investment opportunities from time to time.

In mid-January 2015, the completion of reverse takeover take placed means the principle business of Juda has been changed from chemical production to property development. Juda is no longer a chemical products producer. The new business activities of the Company would focus on the development of outlets-backed integrated property projects and commercial property projects. With the urbanization in China is being intense and the people's consumption power raised, we believe the outlets industry will grasp the rapid development opportunities. The Company will explore the possibility of develop the new forms of property industry, such as the establishment of e-commerce platform and the diversification of the Group's business development. We remain perfectly placed in the coming months and years to strive to maximize returns for our stakeholders by cautiously evaluating and swiftly taking advantage of lucrative opportunities.

In closing, it is my very great privilege to extend my gratitude to my fellow Board members and Juda's staff for their as always tireless contribution to the Group's success.

Tang Jun
Chairman

Hong Kong, 9 February 2015

Corporate Governance Report

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good governance practices and procedures. During the Review Period of the nine months ended period ended 31 December 2014, the Company has complied with the requirements under the code provisions of the recommended best practices set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules and the continuing obligations requirements of a listed issuer pursuant to the Listing Rules except for deviation from code provision E.1.2 of CG Code.

Under the CG Code provision E.1.2, the chairman of the Board should attend the AGM of the Company. The chairman of the Board did not attend the 2014 AGM due to an urgent business engagement. An executive director had chaired the 2014 AGM and answered questions from shareholders. The chairman of the Audit Committee was also available to answer questions at the 2014 AGM.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following specific enquiry by the Company, all Directors have confirmed that they fully complied with the Model Code during the nine months ended 31 December 2014.

Board of Directors

With effect from 21 December 2013, Mr. Tang Jun was appointed as executive Director and Chairman of the Board, Mr. Zhong Beichen was appointed as executive Director and Chief Executive Officer, each of Mr. Liu Xiaoguang and Mr. Wang Hao was appointed as non-executive Director, and each of Dr. Ngai Wai Fung, Prof. Zhao Yuhong and Prof. He Xiaofeng was appointed as independent non-executive Director.

The Board is scheduled to meet at least four times a year to determine overall strategic direction and objectives, approve interim and annual results, and discuss other significant matters on the businesses and operations of the Group. During the nine months ended 31 December 2014, a total of 4 board meetings were held. Details of the Directors' attendance at the Board meetings are set out under "Directors'/Committee Members' Attendance at Meetings" below.

The Board is responsible to the shareholders for providing effective leadership, and ensuring transparency and accountability of the Group's operations. It sets the Company's values and aims at enhancing shareholders' value. It formulates the Group's overall strategy and policies and sets corporate and management targets, key operational initiatives as well as policies on risk management pursuant to the Group's strategic objectives.

The Board delegates the day-to-day management, administration and operations of the Group's business to the management of the relevant segments and divisions. The management is responsible for the implementation and adoption of the Company's strategies and policies. The delegated functions and tasks are periodically reviewed by the Board. There is no relationship among members of the Board.

Every newly appointed Director is provided with an induction on the first occasion of his/her appointment to ensure that he/she has adequate understanding of the businesses and operations of the Group. The Directors are also kept informed on a timely basis of their responsibilities and obligations under the Listing Rules, as well as other relevant statutory or regulatory requirements. The Company also encourages its Directors to participate in other continuous professional development programmes for directors.

There is in place a directors liabilities insurance cover in respect of legal action against directors.

Directors'/Committee Members' Attendance at Meetings

	Meeting Attended/Held During the Nine Months Ended 31 December 2014				
	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Executive Directors					
Mr. Tang Jun	4/4			1/1	0/3
Mr. Zhong Beichen	4/4				3/3
Non-Executive Directors					
Mr. Liu Xiaoguang	4/4		1/1		0/3
Mr. Wang Hao	4/4				0/3
Independent Non-executive Directors					
Dr. Ngai Wai Fung	4/4	3/3	1/1	1/1	3/3
Prof. Zhao Yuhong	4/4	3/3	1/1	1/1	0/3
Prof. He Xiaofeng	4/4	3/3			0/3

Chairman and Chief Executive Officer

Mr. Tang Jun is the Chairman of the Board and Mr. Zhong Beichen is the Chief Executive Officer of the Company. The Chairman of the Board is responsible for the overall strategic development of the Group's operation. The Chief Executive Officer, on the other hand, is principally responsible for the overall management of the Group.

Non-executive Directors

Each of the existing non-executive and independent non-executive Directors has been appointed for a term of three years subject to the provision of retirement and rotation of directors under the Articles of Association of the Company.

The Company has received confirmations of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and considers them to be independent.

Corporate Governance Report

Board Committees

(a) Audit Committee ("AC")

The AC was established on 14 March 2012 with written terms of reference in compliance with the CG Code. It consists of three members with all independent non-executive Directors. namely, Dr. Ngai Wai Fung (as chairman), Prof. Zhao Yuhong and Prof. He Xiaofeng with effect from 21 December 2013. Dr. Ngai Wai Fung is a fellow of the Association of Chartered Certified Accountants in the United Kingdom and a member of the Hong Kong Institute of Certified Public Accountants and with appropriate professional qualification as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the AC are mainly to make recommendation to the Board on the appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee financial reporting system and internal control procedures of the Company. The terms of reference of AC are available and accessible at the websites of the Company (www.judaintl.com / www.irasia.com/listco/hk/judainternational) and the Stock Exchange (www.hkexnews.hk).

For the nine months ended 31 December 2014, the AC held 3 meetings. Details of the committee members' attendance at the AC meetings are set out under "Directors'/Committee Members' Attendance at Meetings" above.

The summary of the work of the AC for the nine months ended 31 December 2014 is as below:

– reviewed the announcement of annual results and annual report of the Group for the financial year ended 31 March 2014 before submission to the Board for adoption and publication;

– reviewed the announcement of interim results and interim report of the Group for the six months ended 30 September 2014 before submission to the Board for adoption and publication;

– met with the auditors to discuss the accounting and audit issues of the Group and reviewed their findings, recommendations and representations;

– reviewed the Group's internal control system; and

– reviewed the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function and their training programmes.

Board Committees *(Continued)*

(b) Remuneration Committee ("RC")

The RC was established on 14 March 2012 with written terms of reference in compliance with the CG Code. It consists of three members with two independent non-executive Directors, namely, Prof. Zhao Yuhong (as chairperson) and Dr. Ngai Wai Fung, and one non-executive Director, namely, Mr. Liu Xiaoguang with effect from 21 December 2013.

The primary duties of the RC are mainly to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group; review remuneration proposals of the management with reference to the Board's corporate goals and objectives; and ensure none of the Directors or any of their associate determine their own remuneration. The terms of reference of RC are available and accessible at the websites of the Company (www.judaintl.com / www.irasia.com/listco/hk/judainternational) and the Stock Exchange (www.hkexnews.hk).

For the nine months ended 31 December 2014, the RC held 1 meeting. Details of the committee members' attendance at the RC meetings are set out under "Directors'/Committee Members' Attendance at Meetings" above.

The summary of the work of the RC for the nine months ended 31 December 2014 is as below:

- reviewed the existing policy and structure of the remuneration of the executive Directors;
- reviewed the existing remuneration package of the non-executive and independent non-executive Directors;
- reviewed the existing policy and structure of the remuneration of management of the Group;
- made recommendations to the Board on the remuneration packages of the executive Directors and management of the Group; and
- assessed performance of the executive Directors.

Corporate Governance Report

Board Committees *(Continued)*

(c) Nomination Committee ("NC")

The NC was established on 14 March 2012 with written terms of reference in compliance with the CG Code. It consists of three members with one executive Director, namely Mr. Tang Jun (as chairman) and two independent non-executive Directors, namely, Dr. Ngai Wai Fung and Prof. Zhao Yuhong with effect from 31 December 2013.

The primary duties of the NC are to review the structure, size and composition of the Board and make recommendations to the Board regarding candidates to fill vacancies on the Board. The terms of reference of NC are available and accessible at the websites of the Company (www.judaintl.com / www.irasia.com/listco/hk/judainternational) and the Stock Exchange (www.hkexnews.hk).

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board in June 2013. Accordingly, selection of candidates to the Board is based on a range of measurable objectives, including but not limited to gender, age, cultural and educational background, professional experience and qualifications, skills, knowledge and length of service, having due regard to the Company's own business model and specific needs from time to time. With the existing Board members coming from a variety of business and professional background and one out of the seven Board members being woman, the Company considers that the Board possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the Company's business.

For the nine months ended 31 December 2014, the NC held 1 meeting. Details of the committee members' attendance are set out under "Directors'/Committee Members' Attendance at Meetings" above.

The summary of the work of the NC for the nine months ended 31 December 2014 is as below:

– made recommendations to the Board on the re-election of Directors at the forthcoming annual general meeting of the Company;

– assessed the independence of independent non-executive Directors; and

– reviewed the structure, size and composition of the Board.

(d) Strategic Committee ("SC")

The SC was established on 21 December 2013 and its main function is for the purpose of advising on the long-term development strategies and major investment decisions of the Company. It currently consists of three members with one non-executive Director, namely Mr. Wang Hao (as chairman), one independent non-executive Directors, namely, Prof. He Xiaofeng, and one executive Director, namely Mr. Zhong Beichen.

For the nine months ended 31 December 2014, no meeting was held by the SC.

Corporate Governance Report

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties and has adopted the CG Code as its corporate governance code of practices during the nine months ended 31 December 2014.

The Board has, among other things, reviewed the training and continuous professional development of Directors, the Company's compliance with the respective code provisions of the CG Code for the nine months ended 31 December 2014 and disclosure in this Corporate Governance Report.

During the nine months ended 31 December 2014, the Directors have participated in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant and ensure they keep updated on the changes in the applicable laws and regulations and the overall development of the operations of the Group.

Accountability and Audit

(a) Accountability

The Board is accountable to the shareholders while the management is accountable to the Board. The Board endeavors to ensure that the announcements of annual and interim results and the annual and interim reports of the Group present a balanced and understandable assessment of the Group's position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other information are disseminated to shareholders through announcements via the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.judaintl.com / www.irasia.com/listco/hk/judainternational).

(b) Internal Controls

Currently, the Group has not established an internal audit function. The Board has reviewed the need for setting up an internal audit function within the Group, and is of the opinion that in view of the current scale and nature of the operations of the Group, it is more cost effective to appoint external independent professionals to carry out internal audit services for the Group.

The Board will continue, with the assistance of the AC and external independent professionals if necessary, to review and improve the Group's internal controls system, taking into account the prevailing regulatory requirements, the Group's business development and the interests of shareholders.

Accountability and Audit *(Continued)*

(c) Auditors' Remuneration

The financial statements for the nine months ended 31 December 2014 were audited by Ernst & Young of which the term of office will expire upon the forthcoming annual general meeting. The AC has recommended to the Board that Ernst & Young be nominated for appointment as the auditors of the Company at the forthcoming annual general meeting.

HLB Hodgson Impey Cheng Limited resigned as auditors of the Company with effect from 27 November 2014 and Ernst & Young was appointed as independent auditors of the Company at 27 November 2014 and approved by the shareholders of the Company at the extraordinary general meeting held at 12 December 2014 to fill the casual vacancy so arising. There have been no other changes of auditors of the Company in the past three years.

It is the auditors' responsibility to form an independent opinion, based on their audit, on those financial statements and to report their opinion solely to the Company and for no other purpose. They do not assume responsibility towards or accept liability to any other person for the contents of the independent auditors' report.

During the period under review, the professional fee paid/payable to the Company's independent auditors, Ernst & Young is set out as follows:

	RMB$'000
Audit services	1,230
Non-audit services	5,096
	6,326

Directors' responsibility for financial reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the nine months ended 31 December 2014 and confirm that the financial statements contained herein give a true and fair view of the results and state of affairs of the Group for the period under review. The Directors consider that the financial statements have been prepared in conformity with the statutory requirements and the applicable accounting standards.

Directors' training

According to code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

Company Secretary

According to Rule 3.29 of the Listing Rules, the Company Secretary of the Company has taken not less than 15 hours of relevant professional training for the review period ended 31 December 2014.

Shareholders' Rights

The Company recognizes the importance, and takes high priority, on communication with its shareholders. Certain key information on shareholders' rights is provided below:

1. **Communication with Shareholders**

   The general meetings provides a channel for communication between the Board and the shareholders. The Group makes great efforts to enhance the communication with shareholders. The shareholders can visit the website of the Company (www.judaintl.com / www.irasia.com/listco/hk/judainternational) for updated information of the Group and press releases are posted on our website in a timely manner.

2. **Procedures to convene an extraordinary general meeting**

   Shareholders may request the Company to convene a general meeting according to the provision as set out in the Company's Articles of Association and the Companies Law of the Cayman Islands. A copy of the Company's Articles of Association can be found on the Company's website. The procedures for shareholders to nominate a person for election as a director of the Company is available on the Company's website with title "Procedures for Shareholder(s) to Propose a Person for Election as a Director".

3. **Procedures for Shareholders to Propose a Person for Election as a Director of the Company**

   The Company also adopted a set of procedures for putting forward proposals by the shareholders at general meetings.

   Subject to the provisions of the Company's Articles of Association, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director.

   If a Shareholder wishes to propose a person other than a Director of the Company for election as a Director at a general meeting, he/she can deposit a written notice at the principal place of business of the Company in Hong Kong for the attention of the Board of Directors and Company Secretary within the 7-day period commencing from the day after dispatch of the notice of the meeting.

   In order for the Company to inform Shareholders of that proposal, the written notice must state the full name of the person proposed for election as a Director, including the person's biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the Shareholder concerned and that person indicating his/her willingness to be elected.

   In order to allow the Shareholders sufficient time to receive and consider the proposal of election of the proposed person as a director of the Company, Shareholders are encouraged to submit and lodge the written notice as early as practicable.

4. **Procedures to send enquiries to the Board**

   Shareholders may send their enquiries and concerns to the Board of the Company by addressing them to the principal place of business of the Company in Hong Kong at Suites 2906-08, AIA Central, 1 Connaught Road Central, Hong Kong by post for the attention of the Company Secretary.

Investors Relations

The Company's website (www.judaintl.com / www.irasia.com/listco/hk/judainternational) provides comprehensive and accessible news and information of the Company to the Shareholders, other stakeholders and investors. The Company will also update the website information from time to time to inform Shareholders and investors of the latest development of the Company.

Biographical Details of Directors

EXECUTIVE DIRECTORS

Mr. Tang Jun

Mr. Tang, aged 55, was appointed as an executive Director and Chairman of the Board and the chairman of the Nomination Committee with effect from 21 December 2013. He is also the director of certain subsidiaries of the Company. Mr. Tang has worked for the Beijing Municipal Planning and Development Commission* (北京市發展計劃委員會) from June 1986 to July 1989 and the Beijing Composite Investments Company* (北京市綜合投資公司), from July 1989 to October 1995. Mr. Tang was the legal representative and general manager of Beijing Sunshine Real Estate Comprehensive Development Company. Mr. Tang also serves as the chairman of Yang Guang Co., Ltd.* (陽光新業地產股份有限公司) (SZSE Stock Code: 000608) and a director of Hua Yuan Co., Ltd.* (華遠地產股份有限公司) (SHSE Stock Code: 600743) and an executive director and the president of BCL (Stock Code: 2868.HK). Mr. Tang obtained his Bachelor of Construction Engineering degree from Hefei University of Technology in 1982.

Mr. Zhong Beichen

Mr. Zhong, aged 40, was appointed as an executive Director, Chief Executive Officer and a member of the Strategic Committee with effect from 21 December 2013. Since September 2011 to present, Mr. Zhong has served as general manager of the Commercial Property Development Department and an assistant president of BCL and has also served from December 2011 to December 2013, as vice-president of BCL. He joined BCL Group in June 2000 and served as an architect of Beijing Sunshine Real Estate Comprehensive Development Company* (北京陽光房地產綜合開發公司) from June 2000 to December 2002 and the deputy general manager of Beijing Anhua Shiji Real Estate Development Co., Ltd.* (北京安華世紀房地產開發有限公司) and Beijing Sunshine City Real Estate Development Co., Ltd.* (北京陽光城房地產有限公司) from January 2003 to December 2007. These companies are principally engaged in property development. Mr. Zhong served as the general manager of the Product R&D Centre of BCL from January 2008 to August 2011. He has also served as an architect of the Planning and Design Institute of the Department of Light Industry of the PRC* (中國輕工業部規劃設計院), a government affiliated body and principally engaged in construction planning and design, from July 1996 to May 2000. Mr. Zhong graduated from Xiamen University and obtained his Bachelor's degree in Architecture in 1996.

NON-EXECUTIVE DIRECTORS

Mr. Liu Xiaoguang

Mr. Liu, aged 60, was appointed as a non-executive Director and a member of the Remuneration Committee with effect from 21 December 2013. Mr. Liu has been appointed as the chairman of Capital Group since January 2013. Mr. Liu also served as deputy general manager of Capital Group from November 1995 to August 2000 and its general manager from August 2000 to January 2013 and also its deputy chairman from November 1995 to January 2013. Prior to his appointment with Capital Group, Mr. Liu had approximately 13 years of working experience in various departments of the Beijing Municipal Government including serving as deputy director of the Development and Planning Commission of the Beijing Municipality* (北京市發展計劃委員會). Since August 1999 to present, Mr. Liu has served as the chairman of Beijing Capital Co., Ltd.* (北京首創股份限公司) (SHSE Stock Code: 600008). Mr. Liu is also an executive director of Capital Environment Holdings Ltd (formerly known as New Environmental Energy Holdings Limited) (Stock Code: 3989.HK) and China Development Bank International Investment Limited (Stock Code: 1062.HK). Mr. Liu has been appointed as an executive director and the chairman of BCL (Stock Code: 2868.HK). Mr. Liu obtained his Bachelor of Economics degree from the Beijing Institute of Commerce in 1983.

Biographical Details of Directors

NON-EXECUTIVE DIRECTORS *(Continued)*

Mr. Wang Hao

Mr. Wang, aged 47, was appointed as a non-executive Director and the chairman of the Strategic Committee with effect from 21 December 2013. Mr. Wang is a senior economist, a professor and a mentor for doctoral students. In January 2013, Mr. Wang joined Capital Group as the deputy chairman and general manager. Prior to his appointment with Capital Group, from July 1990 to February 2000, Mr. Wang had worked for Beijing Coal General Company* (北京市煤炭總公司), now known as Beijing Golden Tide Group Co., Ltd.* (北京金泰集團有限公司) and became its deputy general manager in December 1994. Since February 2000 to March 2001, he served as the deputy head of Beijing Offshore Financing and Investment Management Center* (北京市境外融投資管理中心). During March 2001 to July 2001, he served as the director and deputy general manager of Beijing State-owned Assets Management Co., Ltd.* (北京市國有資產經營有限責任公司). From July 2001 to November 2003, he served as the director and deputy general manager of Beijing Metro Group Company Ltd.* (北京地鐵集團有限責任公司). From November 2003 to December 2009, he served as the deputy general manager, director and managing director of Beijing Infrastructure Investment Corporation Limited* (北京市基礎設施投資有限公司). From September 2009 to January 2013, he served as the deputy head of State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality* (北京市國有資產監督管理委員會). Mr. Wang is also a director of Beijing Capital Co., Ltd (SHSE Stock Code: 600008) and as a non-executive director of BCL (Stock Code: 2868.HK) and Beijing Urban Construction Design & Development Group Co., Limited (Stock Code: 1599.HK). Mr. Wang obtained his master degree in engineering at Fuxin Mining Institute, Liaoning in 1994, and a doctoral degree in economics at School of Economics of Peking University in 2006.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ngai Wai Fung

Dr. Ngai, aged 53, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee with effect from 21 December 2013 to present. Since January 2011 to present, Dr. Ngai is the chief executive officer of SW Corporate Services Group Limited, a specialty corporate and compliance services provider to companies in pre-IPO and post-IPO stages. Prior to that, he was the director and head of listing services of an independent integrated corporate services provider from June 2005 to September 2010. Dr. Ngai has over 20 years of senior management experience, most of which are in the areas of finance, accounting, internal control and regulatory compliance for listed issuers including major red chip companies. He is also a council member and the president of the Hong Kong Institute of Chartered Secretaries, a member of the Qualification and Examination Board of the Hong Kong Institute of Certified Public Accountants from February 2013 to present and the Adjunct Professor of Law of Hong Kong Shue Yan University from September 2012 to present and a member of the General Committee of The Chamber of Hong Kong Listed Companies from June 2014 to present. Dr. Ngai was appointed by the Chief Executive of The Hong Kong Special Administrative Region as a member of the Working Group on Professional Services under the Economic Development Commission since January 2013 to present. He is a fellow of the Association of Chartered Certified Accountants in the United Kingdom since March 2012 to present, a member of the Hong Kong Institute of Certified Public Accountants since July 2007 to present, a fellow of the Institute of Chartered Secretaries and Administrators since November 2000 to present, a fellow of the Hong Kong Institute of Chartered Secretaries since November 2000 to present, a fellow of Hong Kong Institute of Directors since February 2010 and a member of Hong Kong Securities and Investment Institute since November 2012 to present. Dr. Ngai obtained a Doctoral degree in Finance at Shanghai University of Finance and Economics* (上海財經大學) in Shanghai, PRC in June 2011, a Master's degree in Corporate Finance at Hong Kong Polytechnic University in Hong Kong in November 2002, a Master's degree in Business Administration at Andrews University in Berrien Springs, Michigan, USA in August 1992 and a Bachelor's degree in Law at University of Wolverhampton in Wolverhampton, the United Kingdom in October 1994.

Biographical Details of Directors

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Dr. Ngai Wai Fung *(Continued)*

Dr. Ngai is currently the independent non-executive director of BaWang International (Group) Holding Limited (Stock Code: 1338.HK), Powerlong Real Estate Holdings Limited (Stock Code: 1238.HK), Biostime International Holdings Limited (Stock Code: 1112.HK), Bosideng International Holdings Limited (Stock Code: 3998.HK), China Coal Energy Company Limited (Stock Code: 1898.HK), China Railway Group Limited (Stock Code: 390.HK), SITC International Holdings Company Limited (Stock Code: 1308.HK), Sany Heavy Equipment International Holdings Company Limited (Stock Code: 631.HK), Yangtze Optical Fibre and Cable Joint Stock Limited Company (Stock Code: 6869.HK) and LDK Solar Co., Ltd. (LDK). Apart from LDK Solar Co., Ltd., which is listed on the New York Stock Exchange, all the above companies are listed on the Main Board of the Stock Exchange. He was the independent non-executive director of China Life Insurance Company Limited (Stock Code: 2628) from December 2006 to May 2009, Franshion Properties (China) Limited (Stock Code: 817) from May 2007 to June 2011 and China Railway Construction Corporation Limited (Stock Code: 1186) from November 2007 to October 2014.

Prof. Zhao Yuhong

Prof. Zhao, aged 46, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee with effect from 21 December 2013. Prof. Zhao has worked as an Associate Professor of Faculty of Law, The Chinese University of Hong Kong (''CUHK'') since August 2008 to present. Prof. Zhao was the Assistant Dean (UG Student Affairs) and Associate Dean (Undergraduate Studies) of Faculty of Law at CUHK from September 2008 to August 2010 and from September 2010 to July 2013, respectively. Prof. Zhao was a Lecturer and then Assistant Professor of School of Law at City University of Hong Kong from January 1996 to June 2002 and from July 2002 to August 2006, respectively. From September 2006 to July 2008, Prof. Zhao served as an Assistant Professor of School of Law at CUHK. Prof. Zhao obtained her Bachelor of Arts degree in English Language and Literature and Bachelor of Laws degree from Peking University* (北京大學) in Beijing, PRC in July 1991. Prof. Zhao obtained her Master of Studies in Law degree with Magna Cum Laude from Vermont Law School in South Royalton, Vermont, USA in February 1993 and PhD degree in Law from City University of Hong Kong in Hong Kong in November 2000.

Prof. He Xiaofeng

Prof. He, aged 59, was appointed as an independent non-executive Director and a member of each of the Audit Committee and Strategic Committee with effect from 21 December 2013. Prof. He studied in the School of Economics of Peking University* (北京大學經濟學院) and graduated with a Bachelor's degree in 1982 and a Master's degree in Economics in 1984. He is currently the professor of the Department of Finance, School of Economics of Peking University* (北京大學經濟學院金融學系) and has been so since August 2000, a doctoral supervisor and has been so since August 2001 and a director of the Research Center of Financial and Industrial Development of Peking University* (北京大學金融與產業發展研究中心) and has been so since August 2005. He has taught in the School of Economics of Peking University* (北京大學經濟學院) since 1984. He has also held various positions including council member of China Enterprises Investment Association (中國企業投資協會) and deputy director of Financial Enterprises Investment Committee* (金融企業投資委員會) since 2006, vice chairman of Beijing Private Equity Association* (北京股權投資基金協會) since 2008, an independent director of Qinghai Sunshiny Mining Co., Ltd.* (青海賢成礦業股份有限公司) (SHSE Stock Code: 600381) from April 2013 to January 2014, and an independent director of E Fund Management Co., Ltd.* (易方達基金管理有限公司) since 2010 and a director of Beijing Qingchang Power Technology Co., Ltd.* (北京清暢電力技術股份有限公司) (SZSE Stock Code: 430057) since 2012.

The English names of the Chinese companies, entities, departments, facilities, certificates, titles and the like marked with '''' are translations of their Chinese names and are included in this report for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

Report of the Directors

The board of directors (the "Board" or the "Directors") of Juda International Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") herein present their report and the audited consolidated financial statements of the Group for the nine months ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding. The activities of its principal subsidiaries are set out in note 1 to the financial statements.

RESULTS AND DIVIDENDS

The Group's results for the nine months ended 31 December 2014 are set out in the Consolidated Statement of Profit or Loss on page 25 and 26 of this Annual Report.

The Directors do not recommend the payments of dividend for the nine months ended 31 December 2014.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for each of the last five financial years is set out in the Five Year Financial Summary on page 82 of this Annual Report. This summary does not form part of the audited financial statements. The published results and statement of assets and liabilities may not be comparable.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Review Period are set out in note 15 to the Consolidated Financial Statements on pages 62 to 64 of this Annual Report.

SHARE CAPITAL

Details of the movements in the Company's share capital during the Review Period are set out in note 26 to the Consolidated Financial Statements on page 70 of this Annual Report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the Companies Law which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the nine months ended 31 December 2014.

RESERVES

Details of movements in the reserves of the Company and the Group during the Review Period are set out in note 27(b) to the Consolidated Financial Statements on page 71 of this Annual Report and in the Consolidated Statement of Changes in Equity on page 29 of this Annual Report.

Report of the Directors

MAJOR CUSTOMERS AND SUPPLIERS

For the nine months ended 31 December 2014, sales to the Group's largest customer and five largest customers accounted for approximately 30.89% and 66.45%, respectively, of the total sales of the Group for the Review Period. Purchases from the Group's largest supplier and five largest suppliers accounted for approximately 99.60% and 100%, respectively, of the Group's total purchases for the Review Period. None of the Directors, their associates or any shareholders who owned more than 5% of the Company's share capital had any interests in the five largest customers or suppliers at any time during the Review Period.

BANK BORROWINGS

Details of the bank borrowings of the Group as at 31 December 2014 are set out in note 25 to the Consolidated Financial Statements on pages 69 to 70 of this Annual Report.

CHANGE OF FINANCIAL YEAR END DATE

The Board of the Company has resolved that the financial year end date of the Company will be changed from 31 March to 31 December (the ''Change''). Since 12 November 2013, the Company has been an indirect non wholly-owned subsidiary of Beijing Capital Land Ltd. (首創置業股份有限公司) ("BCL"). As the financial year end date of BCL is 31 December, the Change will enable the Company to align its financial year end date with that of BCL, thereby reducing extra work arising from differences in the financial year end dates and enhancing the efficiency of the Company's financial reporting work. The Board does not foresee any material adverse impact on the Group's financial position and operations as a result of the Change, and there is no other significant matter that needs to be brought to the attention of the shareholders of the Company in relation thereto.

CHANGE OF PRESENTATION CURRENCY

During the nine months ended 31 December 2014, the directors resolved that the financial statements of the Group should be stated in RMB, instead of Hong Kong dollars to align the presentation currency of the Group with that of BCL. The comparative amounts have been translated into RMB from Hong Kong dollars using the applicable rate of exchange.

DIRECTORS

The Directors of the Company during the review period and up to the date of this report were:

Executive Directors:

Mr. Tang Jun *(Chairman)*
Mr. Zhong Beichen *(Chief Executive Officer)*

Non-Executive Directors:

Mr. Liu Xiaoguang
Mr. Wang Hao

Independent non-executive Directors:

Dr. Ngai Wai Fung
Prof. Zhao Yuhong
Prof. He Xiaofeng

According to article 84(1) of the Articles of Association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Report of the Directors

DIRECTORS' BIOGRAPHIES

Biographical details of the existing Directors of the Company are set out on pages 15 to 17 of this Annual Report.

DIRECTORS' SERVICE CONTRACTS

Each of the existing executive and non-executive Directors has been appointed for a term of three years on 21 December 2013 subject to the provision of retirement and rotation of directors under the Articles of Association of the Company.

Each of the independent non-executive Directors has been appointed for a term of three years on 21 December 2013 and an annual remuneration of HK$276,000 and other discretionary bonuses as may be determined by the Board according to the recommendation of the RC of the Company subject to the provision of retirement and rotation of Directors under the Articles of Association.

Saved as disclosed above, no other Directors have entered into service agreements with the Company which are not determined by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries was a party during the period.

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

As at 31 December 2014, so far as is known to the Directors, none of the Directors and the chief executive of the Company and their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) ("SFO")) which were to be notified to the Company and the Stock Exchange pursuant to 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 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 of the Listing Rules ("Model Code"), to be notified to the Company and the Stock Exchange.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

The following Directors are also directors and/or officers of BCL as set out in the table below.

Name of Director	Position held in BCL
Mr. Tang Jun	President and executive director
Mr. Liu Xiaoguang	Chairman and executive director
Mr. Wang Hao	Non-executive director

BCL is a large property developer in the PRC, focusing primarily on developing and investing in high quality and high-end commercial properties and medium to high-end residential properties, operation of hotels, property consulting services and investment holding.

During the Review Period, the Directors did not aware of any competing businesses between BCL and the Group.

Save as disclosed above, none of the Directors had an interest in any business which competes or may compete with the business in which the Group is engaged.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2014, so far as is known to the Directors, the following entities, not being a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in shares and underlying shares of the Company

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of the issued share capital (%)
Get Thrive	Beneficial owner	130,200,000	65.10%
BCG	Beneficial owner	19,800,000	9.90%
Rueyyuan Holding	Interest of controlled corporation *(note 1)*	130,200,000	65.10%
Beijing Ruiyuan	Interest of controlled corporation *(note 2)*	130,200,000	65.10%
BCL	Interest of controlled corporation *(note 3)*	130,200,000	65.10%
Capital Group	Interest of controlled corporation *(note 4)*	150,000,000	75.00%

Notes:

1. *Get Thrive is a wholly-owned subsidiary of Rueyyuan Holding Company Limited ("Rueyuuan Holding"). As such, Rueyyuan Holding is deemed to be interested in all the Shares in which Get Thrive is interested by virtue of the SFO.*

2. *Rueyyuan Holding is a wholly-owned subsidiary of Beijing Ruiyuan Fengxiang Real Estate Ltd. (北京瑞元豐祥置業有限公司) ("Beijing Ruiyuan"). As such, Beijing Ruiyuan is deemed to be interested in all the Shares in which Rueyyuan Holding is interested or deemed interested by virtue of the SFO.*

3. *Beijing Ruiyuan is a wholly-owned subsidiary of BCL. As such, BCL is deemed to be interested in all the Shares in which Beijing Ruiyuan is interested or deemed interested by virtue of the SFO.*

4. *Capital Group controls approximately 45.58% of the total issued share capital of BCL and BCG is a wholly-owned subsidiary of Capital Group. As such, Capital Group is deemed to be interested in all the Shares in which BCL and BCG are interested or deemed interested by virtue of the SFO.*

Save as disclosed above, as at 31 December 2014, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Report of the Directors

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was adopted by the Company pursuant to a shareholder's resolution passed on 14 March 2012.

The purpose of the Share Option Scheme is to enable the Company to grant options to full-time or part-time employees, Directors (including executive, non-executive or independent non-executive) and any consultants or advisers (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any of its subsidiaries (the "Eligible Participants") as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants. Details of the Share Option Scheme are set out in the prospectus of the Company dated 21 March 2012.

No options have been granted under the Share Option Scheme since the adoption of the Share Option Scheme and up to the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules during the Review Period and up to the date of this report.

CORPORATE GOVERNANCE

Details of the Company's corporate governance are set out the Corporate Governance Report on pages 7 to 14 of this Annual Report.

INDEPENDENT AUDITOR

Messrs. HLB Hodgson Impey Cheng resigned as auditors of the Company with effect from 27 November 2014 and Messrs. Ernst & Young were appointed as auditors of the Company on the same date to fill the casual vacancy so arising. Save as disclosed above, there has no other changes of auditors of the Company in the past three years.

Ernst & Young was appointed as independent auditors of the Company at the extraordinary general meeting on 12 December 2014. It is the auditors' responsibility to form an independent opinion, based on their audit, on those financial statements and to report their opinion solely to the Company and for no other purpose. They do not assume responsibility towards or accept liability to any other person for the contents of the independent auditors' report.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on pages 23 to 24.

On behalf of the Board

Tang Jun
Chairman

Hong Kong, 9 February 2015

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
JUDA INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of Juda International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 25 to 81, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine-month period from 1 April 2014 to 31 December 2014, 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, 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 auditors' judgement, 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 auditors consider 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.

Independent Auditors' Report

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 31 December 2014, and of the Group's loss and cash flows for the nine-month period from 1 April 2014 to 31 December 2014 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.

Ernst & Young
Certified Public Accountants

22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong
9 February 2015

Consolidated Statement of Profit or Loss

Nine months ended 31 December 2014

	Notes	**Nine months ended 31 December 2014 RMB'000**	Year ended 31 March 2014 RMB'000 (Restated)
DISCONTINUED OPERATION			
REVENUE	5	**69,650**	264,016
Cost of sales		**(67,686)**	(239,565)
Gross profit		**1,964**	24,451
Other income and gains	5	**457**	872
Selling and distribution expenses		**(1,298)**	(740)
Administrative expenses		**(6,918)**	(5,735)
Finance costs	7	**(1,970)**	(3,022)
Loss recognised on the remeasurement to fair value	12	**(5,791)**	–
(LOSS)/PROFIT BEFORE TAX FROM DISCONTINUED OPERATION	6	**(13,556)**	15,826
Income tax expense	10	**–**	(4,119)
(LOSS)/PROFIT FOR THE PERIOD/YEAR FROM DISCONTINUED OPERATION		**(13,556)**	11,707
CONTINUING OPERATION			
Administrative expenses		**(35,031)**	(9,091)
Finance costs	7	**(211)**	–
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	6	**(35,242)**	(9,091)
Income tax expense	10	**–**	–
LOSS FOR THE PERIOD/YEAR FROM CONTINUING OPERATION		**(35,242)**	(9,091)
(LOSS)/PROFIT FOR THE PERIOD/YEAR		**(48,798)**	2,616
Attributable to:			
Owners of the parent	11	**(48,798)**	2,616
Non-controlling interests		**–**	–
		(48,798)	2,616

Consolidated Statement of Profit or Loss
Nine months ended 31 December 2014

	Notes	**Nine months ended 31 December 2014 RMB'000**	Year ended 31 March 2014 RMB'000 (Restated)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*14*		
Basic and diluted			
– For (loss)/profit for the period/year		**(RMB24.40 cents)**	RMB1.30 cents
– For (loss)/profit from the discontinued operation		**(RMB6.78 cents)**	RMB5.85 cents
– For loss from continuing operation		**(RMB17.62 cents)**	(RMB4.55 cents)

Details of the dividend payable and proposed for the period are disclosed in note 13 to the financial statements.

Consolidated Statement of Comprehensive Income

Nine months ended 31 December 2014

	Notes	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
(LOSS)/PROFIT FOR THE PERIOD/YEAR		**(48,798)**	2,616
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(3)**	(211)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(3)**	(211)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX		**(3)**	(211)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		**(48,801)**	2,405
Attributable to:			
Owners of the parent	*11*	**(48,801)**	2,405
Non-controlling interests		**–**	–
		(48,801)	2,405

Consolidated Statement of Financial Position

31 December 2014

	Notes	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)	1 April 2013 RMB'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	15	**35**	58,673	62,799
Prepaid land premiums	16	**–**	1,451	1,496
Prepayments on acquisition of property, plant and equipment		**–**	18,500	15,080
Total non-current assets		**35**	78,624	79,375
CURRENT ASSETS				
Inventories	18	**–**	53,052	61,490
Trade and bills receivables	19	**–**	7,366	13,559
Prepayments, deposits and other receivables	20	**176**	22,665	20,977
Pledged deposits	21	**–**	24,670	–
Cash and cash equivalents	21	**145,531**	18,990	30,300
		145,707	126,743	126,326
Assets of a disposal group classified as held for sale	12	**189,662**	–	–
Total current assets		**335,369**	126,743	126,326
CURRENT LIABILITIES				
Trade payables	22	**–**	190	1,926
Other payables and accruals	23	**171,209**	6,424	3,010
Taxes payable		**–**	3,915	3,332
Interest-bearing bank borrowings	25	**12,070**	40,000	45,000
		183,279	50,529	53,268
Liabilities directly associated with the assets classified as held for sale	12	**46,088**	–	–
Total current liabilities		**229,367**	50,529	53,268
NET CURRENT ASSETS		**106,002**	76,214	73,058
TOTAL ASSETS LESS CURRENT LIABILITIES		**106,037**	154,838	152,433
Net assets		**106,037**	154,838	152,433
EQUITY				
Equity attributable to owners of the parent				
Issued capital	26	**1,572**	1,572	1,572
Reserves	27(a)	**104,465**	153,266	150,861
Proposed final dividend	13	**–**	–	–
		106,037	154,838	152,433
Non-controlling interests		**–**	–	–
Total equity		**106,037**	154,838	152,433

Mr. Tang Jun
Executive Director

Mr. Zhong Beichen
Executive Director

Consolidated Statement of Changes in Equity

Nine months ended 31 December 2014

	Attributable to owners of the parent								
	Issued capital	Share premium account	Contribution surplus	Statutory reserve	Exchange reserve	Retained profits/ (accumulated losses)	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2013, as restated	1,572	28,358	62,891	7,074	19,679	32,859	152,433	–	152,433
Profit for the year, as restated	–	–	–	–	–	2,616	2,616	–	2,616
Other comprehensive income for the year, as restated:									
Exchange differences in translation of foreign operations, as restated	–	–	–	–	(211)	–	(211)	–	(211)
Total comprehensive income for the year, as restated	–	–	–	–	(211)	2,616	2,405	–	2,405
Transfer from retained profits, as restated	–	–	–	1,279	–	(1,279)	–	–	–
At 31 March 2014 and 1 April 2014, as restated	1,572	28,358	62,891	8,353	19,468	34,196	154,838	–	154,838
Loss for the period	–	–	–	–	–	(48,798)	(48,798)	–	(48,798)
Other comprehensive income for the period:									
Exchange differences in translation of foreign operations	–	–	–	–	(3)	–	(3)	–	(3)
Total comprehensive income for the period	–	–	–	–	(3)	(48,798)	(48,801)	–	(48,801)
At 31 December 2014	**1,572**	**28,358***	**62,891***	**8,353***	**19,465***	**(14,602)***	**106,037**	**–**	**106,037**

* *These reserve accounts comprise the consolidated reserves of RMB104,465,000 (31 March 2014: RMB153,266,000) in the consolidated statement of financial position.*

Consolidated Statement of Cash Flows

Nine months ended 31 December 2014

	Notes	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax:			
From discontinued operation		**(13,556)**	15,826
From continuing operation		**(35,242)**	(9,091)
Adjustments for:			
Finance costs	*7*	**2,181**	3,022
Interest income	*5*	**(235)**	(333)
Depreciation	*6*	**2,848**	4,395
Amortisation of prepaid land premiums	*6*	**34**	45
Loss recognised on the remeasurement to fair value of assets of a disposal group classified as held for sale		**5,791**	–
		(38,179)	13,864
Decrease in inventories		**8,334**	8,438
Decrease in trade and bills receivables		**2,391**	6,193
Decrease/(increase) in prepayments, deposits and other receivables		**13,599**	(1,690)
Decrease in trade payables		**(15)**	(1,736)
Increase in other payables and accruals		**23,921**	3,431
Cash generated from operations		**10,051**	28,500
PRC corporate income tax paid		**(799)**	(3,536)
Net cash flows from operating activities		**9,252**	24,964
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**235**	333
Purchases of property, plant and equipment		**(108)**	(269)
Increase in prepayment on acquisition of property, plant and equipment		**–**	(3,420)
Increase in pledged deposits		**–**	(24,670)
Advances from disposal of subsidiaries		**143,574**	–
Net cash flows from/(used in) investing activities		**143,701**	(28,026)

Consolidated Statement of Cash Flows

Nine months ended 31 December 2014

	Notes	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		**12,063**	85,000
Repayment of bank loans		**–**	(90,000)
Interest paid		**(2,181)**	(3,022)
Net cash flows from/(used in) financing activities		**9,882**	(8,022)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**162,835**	(11,084)
Cash and cash equivalents at beginning of period/year		**18,990**	30,300
Effect of foreign exchange rate changes, net		**87**	(226)
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR		**181,912**	18,990
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*21*	**145,531**	18,990
Non-pledged time deposits with original maturity of less than three months when acquired	*21*	**–**	–
Cash and cash equivalents as stated in the statement of financial position	*21*	**145,531**	18,990
Cash and short term deposits attributable to a discontinued operation	*12*	**36,381**	–
Cash and cash equivalents as stated in the statement of cash flows		**181,912**	18,990

Statement of Financial Position

31 December 2014

	Notes	**31 December 2014 RMB'000**	31 March 2014 RMB'000 (Restated)	1 April 2013 RMB'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	*15*	**35**	–	–
Investments in subsidiaries	*17*	**–**	–	–
Total non-current assets		**35**	–	–
CURRENT ASSETS				
Prepayments, deposits and other receivables	*20*	**176**	84	7
Due from subsidiaries	*17*	**16,785**	15,842	15,696
Cash and cash equivalents	*21*	**145,515**	207	8,730
Total current assets		**162,476**	16,133	24,433
CURRENT LIABILITIES				
Other payables and accruals	*23*	**171,209**	1,586	323
Due to subsidiaries	*17*	**721**	725	738
Interest-bearing bank borrowings	*25*	**12,070**	–	–
Total current liabilities		**184,000**	2,311	1,061
NET CURRENT (LIABILITIES)/ASSETS		**(21,524)**	13,822	23,372
TOTAL ASSETS LESS CURRENT LIABILITIES		**(21,489)**	13,822	23,372
Net (liabilities)/assets		**(21,489)**	13,822	23,372
EQUITY				
Issued capital	*26*	**1,572**	1,572	1,572
Reserves	*27(b)*	**(23,061)**	12,250	21,800
Proposed final dividend	*13*	**–**	–	–
Total equity		**(21,489)**	13,822	23,372

Mr. Tang Jun
Executive Director

Mr. Zhong Beichen
Executive Director

Notes to Financial Statements
31 December 2014

1. CORPORATE INFORMATION

Juda International Holdings Limited (the "Company") is a limited liability company incorporated in Cayman Island. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal activity of the Company is investment holding. During the nine-month period ended 31 December 2014, Nice World Chemical Industry (Xiamen) Co., Ltd., the Company's principal subsidiary was involved in the manufacture and sale of phthalic anhydride and fumaric acid.

As announced on 12 November 2013, following completion of a share purchase agreement, the parent of the Company was changed from Lian Wang Limited ("Lian Wang") to Get Thrive Limited ("GTL"), an indirectly wholly-owned subsidiary of Beijing Capital Land Ltd. ("BCL", a joint stock company incorporated in the People's Republic of China (the "PRC") with limited liability whose H shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited). As stated in the announcement dated 3 December 2014 and the circular dated 19 December 2014 issued by the Company, the directors determined to dispose of the existing chemical business and then focus on developing property development business. As stated in the circular dated 26 November 2014, Far Reaching Company Limited ("Far Reaching"), an indirectly wholly-owned subsidiary of the Company has entered into an equity transfer agreement with Asian Expert Limited ("Asian Expert", an indirectly wholly-owned subsidiary of BCL) for the purchase of 100% equity interest in Xi'an Capital Xin Kai Real Estate Ltd. ("Xin Kai"), a real estate company. Both the disposal of existing chemical business and acquisition of new real estate business are due to be completed in January 2015. Upon completion, the Company and its subsidiaries (collectively referred to as the "Group") will cease to be engaged in the chemical business and the main business will be changed to property development. Existing chemical business are presented as a discontinued operation in these financial statements as further disclosed in note 12.

In the opinion of the directors of the Company, the immediate holding company of the Company is GTL, a company incorporated in British Virgin Islands. The intermediate holding company of the Company is BCL. The ultimate holding company of the Company is Beijing Capital Group Ltd. ("Capital Group"), a state-owned enterprise registered in the PRC.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for the nine-month period ended 31 December 2014 and the year ended 31 March 2014 continue to those of the predecessor Companies Ordinance (Cap.32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap.622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention. Disposal groups held for sale are stated at the lower of their carrying amounts and fair value less costs to sell as further explained in note 2.4.

2.1 BASIS OF PREPARATION *(Continued)*

Change of financial year end date

Pursuant to the resolution of the board of directors of the Company dated 27 November 2014, the Company's financial year end date has been changed from 31 March to 31 December. The change is to align the financial year end date of the Company with that of BCL.

Accordingly, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows and the related notes for the nine-month period from 1 April 2014 to 31 December 2014, while the corresponding comparative amounts shown for these financial statements and the related notes cover a twelve-month period from 1 April 2013 to 31 March 2014 and may not be comparable with amounts shown for the current period.

Change of presentation currency

In prior years, the presentation currency of the Group was Hong Kong dollar ("HK$") for the purpose of preparing its consolidated financial statements. Starting from 31 December 2014, the Group changed the presentation currency of its consolidated financial statements from HK$ to Renminbi ("RMB") because, in the opinion of the directors of the Company, the change is to align the presentation currency of the Group with that of BCL and could provide users with more comparable information with other companies in similar industries. Accordingly, these consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated. Comparative amounts have been re-presented in RMB.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the nine months ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policies for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets and liabilities.

Notes to Financial Statements
31 December 2014

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and a new interpretation for the first time for the current period's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendments to HKFRS 2 Included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendments to HKFRS 3 Included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendments to HKFRS 13 Included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendments to HKFRS 1 Included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

[1] Effective from 1 July 2014

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS financial statements, the nature and the impact of each amendment and interpretation is described below:

(a) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.

(b) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

Notes to Financial Statements

31 December 2014

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

(d) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies incurred by the Group are consistent with the requirements of HK(IFRIC)-Int 21.

(e) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

(f) The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.

(g) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

Notes to Financial Statements
31 December 2014

2.3 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an investor and its Associate or Joint Venture*[2]
Amendments to HKFRS 11	*Accounting for Acquisition of Interest in Joint Operations*[2]
HKFRS 14	*Regulatory Deferral Accounts*[5]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[2]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[2]
Annual Improvements 2010-2012 Cycle	*Amendments to a number of HKFRSs*[1]
Annual Improvements 2011-2013 Cycle	*Amendments to a number of HKFRSs*[1]
Annual Improvements 2012-2014 Cycle	*Amendments to a number of HKFRSs*[2]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2018
5 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

In addition, the Hong Kong Companies Ordinance (Cap.622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

2.3 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED *(Continued)*

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1 January 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are no expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

The Annual Improvements to HKFRSs 2010-2012 Cycle issued in January 2014 sets out amendments to a number of HKFRSs. Except for those described in note 2.2, the Group expects to adopt the amendments from 1 January 2015. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendment most applicable to the Group are as follows:

HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

Notes to Financial Statements

31 December 2014

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair value of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at the fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual items, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Notes to Financial Statements

31 December 2014

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations and goodwill *(Continued)*

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to Financial Statements
31 December 2014

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Fair value measurement *(Continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lower level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expenses categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or close member of that person's family and that person,

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the assets as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Notes to Financial Statements

31 December 2014

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment and depreciation *(Continued)*

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.24%
Plant and machinery	4.75%-19%
Furniture, fixtures and equipment	19%
Motor vehicles	9.5%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land premiums under operating leases are initially stated at the cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in other expenses.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the assets. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred assets to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to Financial Statements

31 December 2014

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financing difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the assets in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the assets is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Notes to Financial Statements

31 December 2014

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Notes to Financial Statements

31 December 2014

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to Financial Statements

31 December 2014

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Notes to Financial Statements
31 December 2014

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB. The Company's functional currency is HK$ for the current reporting period. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary item measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at the fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

As at the end of the reporting period, the assets and liabilities of the Group are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

Notes to Financial Statements

31 December 2014

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

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

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Income tax

The Group is subject to income taxes in various regions. As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureaus, objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision of corporate income taxes. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact the corporate income tax and tax provisions in the period in which the differences realise.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group has one reportable operating segment: the manufacture and sales of chemicals segment, which was presented as the discontinued operation. Further details are included in note 1 and note 12 to the financial statements.

Geographical information

The Group's revenue from external customers is derived solely from its operations in Mainland China, and almost all non-current assets of the Group are located in Mainland China.

Notes to Financial Statements

31 December 2014

4. OPERATING SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue from transactions with the following two external customers amounted to 10% or more of the Group's total revenue:

	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Customer A	**21,582**	69,414
Customer B	**7,659**	N/A

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the period.

An analysis of other income and gains from the discontinued operation is as follows:

	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Revenue		
Sale of goods	**69,650**	264,016
Other income and gains		
Bank interest income	**235**	333
Government grants	**–**	452
Others	**222**	87
	457	872

Notes to Financial Statements

31 December 2014

6. PROFIT/(LOSS) BEFORE TAX

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

	Notes	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Cost of inventories sold		**67,686**	239,565
Depreciation	*15*	**2,843**	4,395
Amortisation of prepaid land premiums	*16*	**34**	45
Minimum lease payments under operating leases in respect of land and buildings		**457**	553
Employee benefit expense (excluding directors' remuneration *(note 8)*):			
Wages, salaries and staff welfare		**3,101**	2,825
Pension scheme contributions		**213**	281
		3,314	3,106
Loss recognised on the remeasurement to fair value of assets of a disposal group classified as held for sale		**5,791**	–
Bank interest income		**(235)**	(333)

The Group's loss before tax from the continuing operation is arrived at after charging/(crediting):

	Notes	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Depreciation	*15*	**5**	–
Auditors' remuneration		**1,230**	1,577
Expenses relating to acquisition of Xin Kai *(note 37)*		**30,720**	–
Employee benefit expense (excluding directors' remuneration *(note 8)*):			
Wages, salaries and staff welfare		**579**	435
Pension scheme contributions		**29**	11
		608	446
Foreign exchange differences, net		**2**	–

Notes to Financial Statements

31 December 2014

7. FINANCE COSTS

An analysis of finance costs from the discontinued operation is as follows:

	Group Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Interest on:		
Bank borrowings wholly repayable within five years	**1,970**	3,004
Early redemption of bills receivable	**–**	18
Less: Interest capitalised	**–**	–
	1,970	3,022

An analysis of finance costs from the continuing operation is as follows:

	Group Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Interest on bank borrowings wholly repayable within five years	**211**	–
Less: Interest capitalised	**–**	–
	211	–

8. DIRECTORS' REMUNERATION

Directors' remuneration for the period, disclosed pursuant to the Listing Rules and section 78 of Schedule 11 to Hong Kong Companies Ordinance (Cap.622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap.32), is as follows:

	Group	
	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Fees	**489**	501
Other emoluments:		
Salaries, allowances and benefits in kind	**–**	1,065
Pension scheme contributions	**–**	18
	–	1,083
	489	1,584

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the period/year were as follows:

	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Mr. Yan Wai Kiu[1]	**–**	106
Mr. Wong Kin Tak[1]	**–**	106
Mr. Choi Kin Cheong[1]	**–**	106
Dr. Ngai Wai Fung[2]	**163**	61
Prof. Zhao Yuhong[2]	**163**	61
Prof. He Xiaofeng[2]	**163**	61
	489	501

There were no other emoluments payable to the independent non-executive directors during the period (year ended 31 March 2014: Nil).

1 All appointed on 7 February 2012 and resigned on 21 December 2013.

2 All appointed on 21 December 2013.

Notes to Financial Statements
31 December 2014

8. DIRECTORS' REMUNERATION *(Continued)*

(b) Executive directors and non-executive directors

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Nine months ended 31 December 2014				
Executive directors:				
Mr. Tang Jun[1]	–	–	–	–
Mr. Zhong Beichen[2]	–	–	–	–
	–	–	–	–
Non-executive directors:				
Mr. Liu Xiaoguang[3]	–	–	–	–
Mr. Wang Hao[3]	–	–	–	–
	–	–	–	–
	–	–	–	–
Year ended 31 March 2014 (Restated)				
Executive directors:				
Mr. Choi Lim Chi[4]	–	355	18	373
Mr. Chen Fan[2/4]	–	355	–	355
Mr. Lee Lit Mo Johnny[4]	–	355	–	355
Mr. Tang Jun[1]	–	–	–	–
Mr. Zhong Beichen[2]	–	–	–	–
Mr. Huang Dongsheng[5]	–	–	–	–
	–	1,065	18	1,083
Non-executive directors:				
Mr. Liu Xiaoguang[3]	–	–	–	–
Mr. Wang Hao[3]	–	–	–	–
	–	–	–	–
	–	1,065	18	1,083

There was no arrangement under which a director waived or agreed to waive any remuneration during the period.

8. DIRECTORS' REMUNERATION *(Continued)*

(b) Executive directors and non-executive directors *(Continued)*

[1] *Mr. Tang Jun was appointed as an executive director of the Company with effect from 21 December 2013.*

[2] *Mr. Zhong Beichen was appointed as an executive director and the chief executive of the Company with effect from 21 December 2013; Mr. Chen Fan resigned from executive director and the chief executive of the Company on 21 December 2013.*

[3] *Mr. Liu Xiaoguang and Mr. Wang Hao was appointed as non-executive directors of the Company with effect from 21 December 2013.*

[4] *All appointed on 7 February 2012 and resigned on 21 December 2013.*

[5] *Mr. Huang Dongsheng was appointed as an executive director of the Company with effect from 19 June 2013 and retired on 2 September 2013.*

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the period included no director (year ended 31 March 2014: three directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the period of the five (year ended 31 March 2014: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Group	
	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Salaries, allowances and benefits in kind	**1,344**	347
Pension scheme contributions	**42**	28
	1,386	375

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	Nine months ended 31 December 2014	Year ended 31 March 2014
Nil to HK$1,000,000	**5**	2

Notes to Financial Statements
31 December 2014

10. INCOME TAX

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong during the period (year ended 31 March 2014: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Income tax from the discontinued operation:		
Current – Mainland China	–	4,119
Income tax from the continuing operation:		
Current – Hong Kong	–	–

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

Discontinued Operation

Nine months ended 31 December 2014

	Hong Kong		**Mainland China**		**Total**	
	RMB'000	**%**	**RMB'000**	**%**	**RMB'000**	**%**
Loss before tax from the discontinued operation	(1,201)		(12,355)		(13,556)	
Tax at the statutory tax rates	(198)	16.5	(3,089)	25.0	(3,287)	24.2
Expenses not deductible for tax	–	–	14	(0.1)	14	(0.1)
Tax losses not recognised	198	(16.5)	3,075	(24.9)	3,273	(24.1)
Tax charge at the Group's effective rates	–	–	–	–	–	–

Notes to Financial Statements
31 December 2014

10. INCOME TAX *(Continued)*

Discontinued Operation *(Continued)*

Year ended 31 March 2014 (Restated)

	Hong Kong		Mainland China		Total	
	RMB'000	%	RMB'000	%	RMB'000	%
(Loss)/profit before tax from the discontinued operation	(847)		16,673		15,826	
Tax at the statutory tax rates	(140)	16.5	4,168	25.0	4,028	25.5
Income not subject to tax	–	–	(244)	(1.5)	(244)	(1.5)
Expenses not deductible for tax	–	–	195	1.2	195	1.2
Tax losses not recognised	140	(16.5)	–	–	140	0.8
Tax charge at the Group's effective rates	–	–	4,119	24.7	4,119	26.0

Continuing Operation

Hong Kong

	Nine months ended 31 December 2014 RMB'000	**%**	Year ended 31 March 2014 RMB'000 (Restated)	%
Loss before tax from the continuing operation	**(35,242)**		(9,091)	
Tax at the statutory tax rate	**(5,815)**	**16.5**	(1,500)	16.5
Expense not deductible for tax	**5,269**	**(15.0)**	195	(2.1)
Tax losses not recognised	**546**	**(1.5)**	1,305	(14.4)
Tax charge at the Group's effective rate	**–**	**–**	–	–

11. LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated loss attributable to owners of the parent for the nine months ended 31 December 2014 includes a loss of RMB35,236,000 (year ended 31 March 2014 (restated): loss of RMB9,085,000), which has been dealt with in the financial statements of the Company *(note 27(b))*.

Notes to Financial Statements
31 December 2014

12. DISCONTINUED OPERATION

On 3 December 2014, the Group entered into a sale and purchase agreement with Leadwin Asia Group Limited ("Leadwin Asia"), an independent third party, pursuant to which, the Group agrees to sell its entire interests in and shareholders' loans to Cheng Wang Limited ("Cheng Wang", an indirectly wholly-owned subsidiary of the Company) to Leadwin Asia at a cash consideration of HK$182,000,000. Cheng Wang and its subsidiaries engage in the manufacture and sale of phthalic anhydride and fumaric acid. The Group has decided to dispose of its chemical business and expand into property development business. The disposal of Cheng Wang was completed on 22 January 2015. As at 31 December 2014, Cheng Wang and its subsidiaries were classified as a disposal group held for sale and presented as a discontinued operation.

The major classes of assets and liabilities of Cheng Wang and its subsidiaries classified as held for sale as at 31 December 2014 are as follows:

	31 December 2014 RMB'000
Assets	
Prepaid lease payments	**1,462**
Prepayments on acquisition of property, plant and equipment	**18,500**
Property, plant and equipment	**55,898**
Inventories	**44,717**
Trade and bills receivables	**4,975**
Prepayment, deposits and other receivables	**8,850**
Pledged deposits	**24,670**
Cash and cash equivalents	**36,381**
Loss recognised on the remeasurement to fair value	**(5,791)**
Assets classified as held for sale	**189,662**
Liabilities	
Trade payables	**(176)**
Other payables and accruals	**(2,796)**
Taxes payable	**(3,116)**
Interest-bearing bank borrowings	**(40,000)**
Liabilities directly associated with the assets classified as held for sale	**(46,088)**
Net assets directly associated with the disposal group	**143,574**

Notes to Financial Statements

31 December 2014

12. DISCONTINUED OPERATION *(Continued)*

The net cash flows incurred by Cheng Wang and its subsidiaries are as follows:

	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Operating activities	**19,339**	32,997
Investing activities	**152**	(28,026)
Financing activities	**(1,970)**	(8,022)
Net cash inflow/(outflow)	**17,521**	(3,051)

Non-recurring fair value measurements:

	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Assets held for sale	**5,791**	–

In accordance with HKFRS 5, assets held for sale were written down to their fair value less costs to sell, resulting in a loss of RMB5,791,000, which was included in profit or loss for the period.

13. DIVIDENDS

No dividend has been paid or declared by the Company during the period (year ended 31 March 2014: Nil).

Notes to Financial Statements

31 December 2014

14. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the nine months ended 31 December 2014 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 200,000,000 (year ended 31 March 2014: 200,000,000) in issue during the period.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the nine months ended 31 December 2014 and the year ended 31 March 2014 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the period/year.

The calculations of basic and diluted (loss)/earnings per share are based on:

	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent used in the basic and diluted (loss)/earnings per share calculation:		
From the continuing operation	**(35,242)**	(9,091)
From the discontinued operation	**(13,556)**	11,707
	(48,798)	2,616

	Numbers of shares	
	Nine months ended 31 December 2014	Year ended 31 March 2014
Shares		
Weighted average number of ordinary shares in issue during the period/year used in the basic and diluted (loss)/earnings per share calculation	**200,000,000**	200,000,000

Notes to Financial Statements

31 December 2014

15. PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings RMB'000	Plant and machinery RMB'000	Furniture, fixtures & equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
31 December 2014					
At 31 March 2014 and at 1 April 2014, as restated					
Cost, as restated	**28,437**	**73,891**	**704**	**812**	**103,844**
Accumulated depreciation, as restated	**(7,433)**	**(36,646)**	**(540)**	**(552)**	**(45,171)**
Net carrying amount, as restated	**21,004**	**37,245**	**164**	**260**	**58,673**
At 1 April 2014, net of accumulated depreciation, as restated	**21,004**	**37,245**	**164**	**260**	**58,673**
Additions	**–**	**68**	**40**	**–**	**108**
Assets included in the discontinued operation (*note 12*)	**(20,546)**	**(35,344)**	**(4)**	**(4)**	**(55,898)**
Depreciation provided during the period	**(458)**	**(1,969)**	**(165)**	**(256)**	**(2,848)**
At 31 December 2014, net of accumulated depreciation	**–**	**–**	**35**	**–**	**35**
At 31 December 2014:					
Cost	**–**	**–**	**40**	**–**	**40**
Accumulated depreciation	**–**	**–**	**(5)**	**–**	**(5)**
Net carrying amount	**–**	**–**	**35**	**–**	**35**

Notes to Financial Statements
31 December 2014

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*
Group *(Continued)*

	Buildings RMB'000	Plant and machinery RMB'000	Furniture, fixtures & equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
31 March 2014					
At 1 April 2013, as restated					
Cost, as restated	28,437	73,631	695	812	103,575
Accumulated depreciation, as restated	(6,370)	(33,379)	(515)	(512)	(40,776)
Net carrying amount, as restated	22,067	40,252	180	300	62,799
At 1 April 2013, net of accumulated depreciation, as restated	22,067	40,252	180	300	62,799
Additions, as restated	–	260	9	–	269
Depreciation provided during the year, as restated	(1,063)	(3,267)	(25)	(40)	(4,395)
At 31 March 2014, net of accumulated depreciation, as restated	21,004	37,245	164	260	58,673
At 31 March 2014:					
Cost, as restated	28,437	73,891	704	812	103,844
Accumulated depreciation, as restated	(7,433)	(36,646)	(540)	(552)	(45,171)
Net carrying amount, as restated	21,004	37,245	164	260	58,673

At 31 March 2014, certain of the Group's property, plant and equipment with a net carrying amount of RMB52,438,000 were pledged for the Group's bank borrowings *(note 25)*.

Notes to Financial Statements

31 December 2014

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Company

	Office equipment RMB'000
31 December 2014	
At 31 March 2014 and at 1 April 2014, as restated	
Cost, as restated	–
Accumulated depreciation, as restated	–
Net carrying amount, as restated	–
At 1 April 2014, net of accumulated depreciation, as restated	–
Additions	40
Depreciation provided during the period	(5)
At 31 December 2014, net of accumulated depreciation	35
At 31 December 2014:	
Cost	40
Accumulated depreciation	(5)
Net carrying amount	35

16. PREPAID LAND PREMIUMS

	Group	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Carrying amount at the beginning of the period/year	**1,496**	1,541
Amortisation during the period/year	**(34)**	(45)
Assets included in the discontinued operation *(note 12)*	**(1,462)**	–
Carrying amount at the end of the period/year	**–**	1,496
Current portion included in prepayments, deposits and other receivables *(note 20)*	**–**	(45)
Non-current portion	**–**	1,451

The Group's leasehold land is situated in Mainland China and is held under medium term leases.

As at 31 March 2014, prepaid land premiums with a net carrying amount of RMB1,496,000 were pledged for the Group's bank borrowings *(note 25)*.

Notes to Financial Statements
31 December 2014

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Unlisted shares, at cost	**–**	–
Impairment	**–**	–
	–	–

The amount due from and due to subsidiaries included in the Company's current assets and current liabilities of RMB16,785,000 (31 March 2014 (restated): RMB15,842,000) and RMB721,000 (31 March 2014 (restated): RMB725,000), respectively, are unsecured, interest-free and repayable on demand.

Particulars of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shengfa Limited	British Virgin Islands	US$2	100%	–	Investment holding
Far Reaching	Hong Kong	HK$1	–	100%	Investment holding
Cheng Wang	British Virgin Islands	US$2	–	100%	Investment holding
Great Top Investment Limited	Hong Kong	HK$10,000	–	100%	Investment holding
Nice World Chemical Industry (Xiamen) Co., Ltd. ("世佳化工(廈門)有限公司")	Mainland China	US$12,121,500	–	100%	Manufacture and sale of chemicals

During the period, the Group acquired Far Reaching from a fellow subsidiary of the Company. Further details of this acquisition are included in note 28 to the financial statements.

Notes to Financial Statements

31 December 2014

18. INVENTORIES

	Group	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Raw materials	–	41,215
Work in progress	–	2,268
Finished goods	–	9,569
	–	53,052

19. TRADE AND BILLS RECEIVABLES

	Group	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Trade receivables	–	3,159
Bills receivables	–	4,207
	–	7,366

The Group generally receives payment on or before the delivery and may allow settlement of the balance within one month to those long standing customers with good payment history. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

	Group	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Within one month	–	3,159

Notes to Financial Statements
31 December 2014

19. TRADE AND BILLS RECEIVABLES *(Continued)*

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	Group	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Neither past due nor impaired	**–**	3,159

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		**Company**	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)	**31 December 2014 RMB'000**	31 March 2014 RMB'000 (Restated)
Prepayments	**176**	21,493	**176**	84
Prepayments and deposits for cost of catalysts	**–**	736	**–**	–
Prepaid land premiums – current portion *(note 16)*	**–**	45	**–**	–
Deposits and other receivables	**–**	391	**–**	–
	176	22,665	**176**	84

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

Notes to Financial Statements

31 December 2014

21. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Group		Company	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)	**31 December 2014 RMB'000**	31 March 2014 RMB'000 (Restated)
Cash and bank balances	**145,531**	18,990	**145,515**	207
Time deposits	**–**	24,670	**–**	–
	145,531	43,660	**145,515**	207
Less: Pledged time deposits for a bank loan	**–**	(24,670)	**–**	–
Cash and cash equivalents	**145,531**	18,990	**145,515**	207

At the end of the reporting period, the cash and bank balance of the Group are all denominated in HK$ (31 March 2014: HK$1,439,000, amounting to RMB1,141,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits as at 31 March 2014 were made for one year depending on the bank borrowings period, and earned interest at rate of 3%. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Within 30 days	**–**	14
31 to 60 days	**–**	2
Over 60 days	**–**	174
	–	190

The trade payables are non-interest-bearing and are normally settled within a period of 30 to 180 days.

Notes to Financial Statements

31 December 2014

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)	**31 December 2014 RMB'000**	31 March 2014 RMB'000 (Restated)
Advances from customers	**–**	462	**–**	–
Advances from disposal of subsidiaries	**143,574**	–	**143,574**	–
Other payables	**26,405**	4,372	**26,405**	–
Accruals	**1,230**	1,590	**1,230**	1,586
	171,209	6,424	**171,209**	1,586

Other payables are non-interest-bearing and have an average term of three months (31 March 2014: one year).

24. DEFERRED TAX

As at 31 December 2014, deferred tax assets have not been recognised in respect of unused tax losses of RMB11,218,000 (31 March 2014 (restated): RMB7,909,000) as they have arisen in the Company that has loss-making for some time and it is not probable that taxable profits will be available against which such tax losses can be utilised.

25. INTEREST-BEARING BANK BORROWINGS

	31 December 2014			31 March 2014		
	Effective interest rate (%)	**Maturity**	**RMB'000**	Effective interest rate (%)	Maturity	RMB'000 (Restated)
Group						
Current						
Bank loans, unsecured	**HIBOR+3**	**2015**	**12,070**	–	–	–
Bank loans, secured	**–**	**–**	**–**	6.30-6.90	2015	40,000
			12,070			40,000
Company						
Current						
Bank loans, unsecured	**HIBOR+3**	**2015**	**12,070**	–	–	–
			12,070			–

Notes to Financial Statements

31 December 2014

25. INTEREST-BEARING BANK BORROWINGS *(Continued)*

	Group		Company	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)	**31 December 2014 RMB'000**	31 March 2014 RMB'000 (Restated)
Analysed into:				
Bank loans repayable:				
Within one year	**12,070**	40,000	**12,070**	–

Notes:

(a) The Group's bank loans as at 31 March 2014 were secured by:

(i) mortgages over the Group's property, plant and equipment with a net carrying amount of RMB52,438,000 (note 15).

(ii) mortgages over the Group's prepaid land premiums with a net carrying amount of RMB1,496,000 (note 16).

(iii) the pledge of the Group's time deposits amounting to RMB24,670,000 (note 21).

(b) Bank loans of RMB12,070,000 (31 March 2014: Nil) were denominated in HK$ as at 31 December 2014.

26. SHARE CAPITAL

Shares

	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Authorised:		
2,000,000,000 (31 March 2014: 1,000,000,000) ordinary shares of HK$0.01 each	**15,720**	7,860
Issued and fully paid:		
200,000,000 (31 March 2014: 200,000,000) ordinary shares of HK$0.01 each	**1,572**	1,572

Notes to Financial Statements

31 December 2014

27. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current period and prior years are presented in the consolidated statement of changes in equity on page 29 of the financial statements.

(b) Company

	Share premium account RMB'000	Contributed surplus RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 April 2013, as restated	28,358	–	587	(7,145)	21,800
Total comprehensive income for the year, as restated	–	–	(465)	(9,085)	(9,550)
At 31 March 2014 and 1 April 2014, as restated	28,358	–	122	(16,230)	12,250
Total comprehensive income for the period	–	–	(75)	(35,236)	(35,311)
At 31 December 2014	28,358	–	47	(51,466)	(23,061)

28. BUSINESS COMBINATION

On 4 June 2014, the Group acquired a 100% interest in Far Reaching from a fellow subsidiary of the Company. Far Reaching is an investing holding company.

Upon completion of the acquisition, Far Reaching became indirectly wholly-owned by the Company. Although the Group and Far Reaching are controlled by BCL both before and after the acquisition, the Group was acquired and controlled by BCL in December 2013, as such, the control is transitory before the acquisition; as a result, the acquisition was treated as a business combination using purchase accounting according to the requirements under Hong Kong Financial Reporting Standard 3 (Revised) *Business Combinations*. The consideration for the acquisitions is HK$1, which was satisfied by cash.

The identifiable assets of Far Reaching comprised amounts due from related parties only and there were no identifiable liabilities as at the date of acquisition. The fair value of the identifiable assets as at the date of acquisition was HK$1.

29. CONTINGENT LIABILITIES

At the end of the reporting period, the Group and the Company had no significant contingent liabilities.

Notes to Financial Statements

31 December 2014

30. PLEDGE OF ASSETS

Details of the Group's bank loans which are secured by the assets of the Group, are included in note 15, note 16 and note 21 to the financial statements.

31. OPERATING LEASE ARRANGEMENTS

As lessee

The Group leases certain of its land properties under operating lease arrangements. Leases for properties are negotiated for terms of 20 years.

At 31 December 2014, the Group had no future lease payments under non-cancellable operating leases:

	Group	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Within one year	**–**	457
In the second to fifth years, inclusive	**–**	1,828
After five years	**–**	5,029
	–	7,314

32. COMMITMENTS

In addition to the operating lease commitments detailed in note 31 above, the Group had the following capital commitments at the end of the reporting period:

	Group		Company	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)	**31 December 2014 RMB'000**	31 March 2014 RMB'000 (Restated)
Contracted, but not provided for:				
Plant and machinery	**–**	13,843	**–**	–
Acquisition of Xin Kai *(note 33(b))*	**1,562,692**	–	**–**	–
	1,562,692	13,843	**–**	–

Notes to Financial Statements

31 December 2014

33. RELATED PARTY TRANSACTIONS

(a) Other transactions with related parties:

During the period, the Group acquired a subsidiary, Far Reaching, from a fellow subsidiary of the Company. Further details of the transaction are included in note 28 to the financial statements.

(b) Commitments with related parties:

On 15 August 2014, the Group entered into a conditional equity transfer agreement for the transfer of 100% equity interest in Xin Kai from Asian Expert. The consideration for the acquisition is approximately HK$1,963,427,000 (RMB1,562,692,000) to be settled in cash.

(c) Compensation of key management personnel of the Group:

	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)
Short term employee benefits	**1,615**	1,959

Further details of directors' emoluments are included in note 8 to the financial statements.

The related party transactions also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Group Loans and receivables		Company Loans and receivables	
	At 31 December 2014 RMB'000	At 31 March 2014 RMB'000 (Restated)	**At 31 December 2014 RMB'000**	At 31 March 2014 RMB'000 (Restated)
Trade and bills receivables	**–**	7,366	**–**	–
Financial assets included in prepayments, deposits and other receivables	**–**	391	**–**	–
Pledged deposits	**–**	24,670	**–**	–
Cash and cash equivalents	**145,531**	18,990	**145,515**	207
Due from subsidiaries	**–**	–	**16,785**	15,842
	145,531	51,417	**162,300**	16,049

Financial liabilities

	Group Liabilities at amortised cost		Company Liabilities at amortised cost	
	At 31 December 2014 RMB'000	At 31 March 2014 RMB'000 (Restated)	**At 31 December 2014 RMB'000**	At 31 March 2014 RMB'000 (Restated)
Trade and bills payables	**–**	190	**–**	–
Financial liabilities included in other payables and accruals	**26,405**	2,248	**26,405**	–
Interest-bearing bank borrowings	**12,070**	40,000	**12,070**	–
Due to subsidiaries	**–**	–	**721**	725
	38,475	42,438	**39,196**	725

Notes to Financial Statements
31 December 2014

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, trade payables, short-term interest-bearing bank borrowing, financial assets included in prepayments, deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The policies and procedures for the fair value measurements of financial instruments are determined by the Group's finance department and are regularly reviewed by senior management.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Liabilities for which fair values are disclosed:

Group

	(Level 2) Significant observable inputs	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Interest-bearing bank borrowings	**12,070**	40,000

Company

	(Level 2) Significant observable inputs	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Interest-bearing bank borrowings	**12,070**	–

Notes to Financial Statements

31 December 2014

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, and cash and bank balances and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on minimising potential adverse effects of these risks, with material impact, on the Group's financial performance. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings with floating interest rates. The effective interest rates and terms of repayment of the interest-bearing bank borrowings of the Group are disclosed in note 25 to the financial statements.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	**(Increase)/ decrease in loss before tax** RMB'000
31 December 2014		
Renminbi	**100**	**–**
Hong Kong dollar	**100**	**(58)**
Renminbi	**(100)**	**–**
Hong Kong dollar	**(100)**	**58**

	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit before tax** RMB'000
31 March 2014, as restated		
Renminbi	100	(437)
Hong Kong dollar	100	–
Renminbi	(100)	437
Hong Kong dollar	(100)	–

Notes to Financial Statements

31 December 2014

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Foreign currency risk

The Group mainly operates in Mainland China and Hong Kong with most of the Group's monetary assets, liabilities and transactions principally denominated in HK$ and RMB. The Group has not used any derivative to hedge its exposure to foreign currency risk.

The Group has no transactional currency exposures arising from the continuing operation at the end of the reporting period.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, deposits and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Liquidity risk

The Group's policies are to maintain sufficient cash and cash equivalents and to have available funding through bank borrowings to meet its working capital requirements.

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

Group

	31 December 2014				
	Less than 3 months or on demand RMB'000	**3 to less than 12 months RMB'000**	**1 to 5 years RMB'000**	**Over 5 years RMB'000**	**Total RMB'000**
Interest-bearing bank borrowings	**12,101**	**–**	**–**	**–**	**12,101**
Other payables	**26,405**	**–**	**–**	**–**	**26,405**
	38,506	**–**	**–**	**–**	**38,506**

	31 March 2014				
	Less than 3 months or on demand RMB'000 (Restated)	3 to less than 12 months RMB'000 (Restated)	1 to 5 years RMB'000 (Restated)	Over 5 years RMB'000 (Restated)	Total RMB'000 (Restated)
Interest-bearing bank borrowings	–	42,527	–	–	42,527
Trade and bills payables	190	–	–	–	190
Other payables	–	2,248	–	–	2,248
	190	44,775	–	–	44,965

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Liquidity risk *(Continued)*

Company

	31 December 2014				
	Less than 3 months or on demand RMB'000	**3 to less than 12 months RMB'000**	**1 to 5 years RMB'000**	**Over 5 years RMB'000**	**Total RMB'000**
Interest-bearing bank borrowings	**12,101**	**–**	**–**	**–**	**12,101**
Due to subsidiaries	**721**	**–**	**–**	**–**	**721**
Other payables	**26,405**	**–**	**–**	**–**	**26,405**
	39,227	**–**	**–**	**–**	**39,227**

	31 March 2014				
	Less than 3 months or on demand RMB'000 (Restated)	3 to less than 12 months RMB'000 (Restated)	1 to 5 years RMB'000 (Restated)	Over 5 years RMB'000 (Restated)	Total RMB'000 (Restated)
Due to subsidiaries	725	–	–	–	725

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the nine months ended 31 December 2014 and the year ended 31 March 2014.

Notes to Financial Statements
31 December 2014

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management *(Continued)*

At the end of the reporting period, the Group's strategy was to maintain the interest-bearing bank borrowings to total assets ratio at a healthy level in order to support its businesses. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The interest-bearing bank borrowings to total assets ratio at the end of the reporting periods were as follows:

	Group	
	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)
Interest-bearing bank borrowings	**12,070**	40,000
Total assets	**335,404**	205,367
Interest-bearing bank borrowings to total assets ratio	**3.6%**	19.5%

37. EVENTS AFTER THE REPORTING PERIOD

(a) On 22 January 2015, the Group completed an acquisition of 100% equity interest in Xin Kai from Asian Expert. The principal activity of Xin Kai is property development. The acquisition was made as a part of the Group's strategy to focus on property development business. The consideration for the acquisition is approximately HK$1,963,427,000 (RMB1,562,692,000) which was settled in cash. For funding and settlement of the consideration, GTL and the Company entered into a conditional subscription agreement on 15 August 2014, under which GTL subscribed for and the Company issued 738,130,482 convertible preference shares ("CPS") at an issue price of HK$2.66 per CPS on 22 January 2015. All proceeds arising from the issue of the CPSs were used to settle of the consideration of the acquisition.

Although the Group and Xin Kai are controlled by BCL both before and after the acquisition, Xin Kai was acquired by BCL from Reco Ziyang Pte Ltd. ("Reco Ziyang"), the non-controlling shareholders of certain BCL's subsidiaries on 28 September 2014. Therefore, the control is transitory before the acquisition and the acquisition of Xin Kai by the Group was treated as a business combination using purchase accounting according to the requirements under Hong Kong Financial Reporting Standard 3 (Revised) *Business Combinations*.

37. EVENTS AFTER THE REPORTING PERIOD *(Continued)*

(a) *(continued)*

The identification of the identifiable assets and liabilities of Xin Kai and the determination of their fair values as at the date of acquisition were not finalised and hence the following amounts were on provisional basis:

	Fair value recognised on acquisition RMB'000
Property, plant and equipment	218
Cash and bank balances	1,654,024
Inventories	1,984,885
Prepayments, deposits and other receivables	75,236
Prepaid land appreciation tax	58,384
Trade payables	(205,966)
Advances from customers	(840,702)
Other payables and accruals	(41,873)
Dividend payable	(572,078)
Interest-bearing bank borrowings	(166,000)
Taxes payable	(62,270)
Deferred tax liabilities	(165,430)
Total identifiable net assets at fair value	1,718,428
Gain on bargain purchase recognised in other income and gains in the consolidated statement of profit or loss	(155,736)
Satisfied by cash	1,562,692

The fair value of the other receivables as at the date of acquisition amounted to RMB26,973,000, which is the same as the gross contractual amounts.

The group incurred transaction costs of RMB30,720,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss for the nine-month period ended 31 December 2014.

The consideration of the acquisition of HK$1,963,427,000 (RMB1,562,692,000) was determined by reference to that of the acquisition of Xin Kai from Reco Ziyang on 28 September 2014, which included a discount to Xin Kai's assessed net assets value due to the long-term relationship between BCL and Reco Ziyang. Therefore, a gain on bargain purchase arose from the acquisition.

Had the combinations taken place on 1 April 2014, the revenue from continuing operations of the Group and the profit of the Group for the period would have been RMB1,464,116,000 and RMB368,295,000, respectively.

(b) The disposal of Cheng Wang was completed on 22 January 2015, details of which are included in note 12 to the financial statements.

Notes to Financial Statements

31 December 2014

38. COMPARATIVE AMOUNTS

As a result of the discontinuance of the chemical business as detailed in note 12, the comparative statement of profit or loss has been re-presented as if the operation discontinued during the current period had been discontinued at the beginning of the comparative period.

As disclosed in note 2.1, owing to change in presentation currency of the Group from HK$ to RMB during the period, the comparative amounts have been restated to conform the current period's presentation, and a third statement of financial position as at 1 April 2013 has been presented.

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 9 February 2015.

Five Year Financial Summary

A summary of the results and of the assets, liabilities and non–controlling interests of the Group for the last five financial period/years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

RESULTS

	Nine months ended 31 December 2014 RMB'000	Year ended 31 March 2014 RMB'000 (Restated)	Year ended 31 March 2013 RMB'000 (Restated)	Year ended 31 March 2012 RMB'000 (Restated)	Year ended 31 March 2011 RMB'000 (Restated)
CONTINUING OPERATION					
REVENUE	**–**	–	–	–	–
Cost of sales	**–**	–	–	–	–
Gross profit	**–**	–	–	–	–
Administrative expenses	**(35,031)**	(9,091)	(10,094)	(455)	–
Finance costs	**(211)**	–	–	–	–
LOSS BEFORE TAX	**(35,242)**	(9,091)	(10,094)	(455)	–
Income tax expense	**–**	–	–	–	–
LOSS FOR THE PERIOD/ YEAR FROM CONTINUING OPERATION	**(35,242)**	(9,091)	(10,094)	(455)	–
DISCONTINUED OPERATION					
(Loss)/profit for the period/year from discontinued operation	**(13,556)**	11,707	18,256	17,185	18,976
(LOSS)/PROFIT FOR THE PERIOD/YEAR	**(48,798)**	2,616	8,162	16,730	18,976
Attributable to:					
Owners of the parent	**(48,798)**	2,616	8,162	16,730	18,976
Non-controlling interests	**–**	–	–	–	–
	(48,798)	2,616	8,162	16,730	18,976

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	31 December 2014 RMB'000	31 March 2014 RMB'000 (Restated)	31 March 2013 RMB'000 (Restated)	31 March 2012 RMB'000 (Restated)	31 March 2011 RMB'000 (Restated)
Total Assets	**335,404**	205,367	205,701	173,669	168,184
Total Liabilities	**(229,367)**	(50,529)	(53,268)	(60,938)	(130,744)
Non-controlling interests	**–**	–	–	–	–
	106,037	154,838	152,433	112,731	37,440