Annual Report 2014

(for the nine months ended 31 December 2014)

偉祿集團控股有限公司

REALORD GROUP HOLDINGS LIMITED

(formerly known as Cheong Ming Investments Limited)

(Incorporated in Bermuda with limited liability)

Stock Code: 1196

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Lin Xiaohui *(Chairman)*
Su Jiaohua *(Chief Executive Officer)*
Lin Xiaodong

Independent Non-executive Directors

Yu Leung Fai
Fang Jixin
Li Jue

AUDIT COMMITTEE

Yu Leung Fai *(Chairman)*
Fang Jixin
Li Jue

REMUNERATION COMMITTEE

Li Jue *(Chairman)*
Lin Xiaohui
Yu Leung Fai

NOMINATION COMMITTEE

Lin Xiaohui *(Chairman)*
Yu Leung Fai
Fang Jixin

COMPANY SECRETARY

Tsang Chin Pang

LEGAL ADVISERS

Locke Lord
Michael Li & Co.

INDEPENDENT AUDITOR

BDO Limited
Certified Public Accountants
25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
China Merchants Bank

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suites 2403-2410
24/F, Jardine House
1 Connaught Place
Central, Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

STOCK CODE

1196

COMPANY WEBSITE

http://www.realord.com.hk

RESULTS

Realord Group Holdings Limited (the "**Company**") has changed its financial year-end date from 31 March to 31 December with effective from 2014. Upon the completion of the reorganisation of the assets of the Company and its subsidiaries (the "**Group**") on 20 June 2014, the principal activities of the Group are commercial printing and manufacturing and sale of hangtags, labels, shirt paper boards and plastic bags. During the period, the Group also set up a new business segment engaging in the sale and distribution of motor vehicle parts. As the period of annual planning of the Group would coincide with the peak seasons of the Group if the financial year end of 31 March was to be maintained, the Board considers that the change of financial year end date from 31 March to 31 December would enable the Group to better utilise its resources and facilitate better operational process of the Group.

This change has resulted in the reporting period of nine months (April to December 2014). During the period, the Group recorded a total revenue from continuing operations of approximately HK$89.2 million and loss attributable to equity holders from continuing operations of approximately HK$3.5 million. Basic loss per share from continuing operations was HK0.50 cents, based on the weighted average of 710,525,246 shares in issue during the period.

The loss attributable to equity holders from discontinued operations of approximately HK$3.7 million for the period and the basic loss per share from discontinued operations was HK0.52 cents, based on the weighted average of 710,525,246 shares in issue during the period.

The loss attributable to equity holders from both continuing and discontinued operations of approximately HK$7.3 million for the period and the basic loss per share from both continuing and discontinued operations was HK1.02 cents, based on the weighted average of 710,525,246 shares in issue during the period.

DIVIDENDS

The Directors did not recommended the payment of final dividend (31 March 2014: Nil) for the nine months period ended 31 December 2014. No interim dividend (30 September 2014: Nil) have been recommended for the period. Special dividend of HK$0.5 per share (31 March 2014: Nil) have been approved in the special general meeting held on 11 June 2014 and paid during the period. Total dividend for the period is HK$0.5 per share (31 March 2014: Nil).

BUSINESS REVIEW AND DISCUSSION

General Review

The Group has changed its financial year-end date from 31 March to 31 December with effective from 2014. This change has resulted in a shorter reporting period to nine months (April to December). For meaningful comparison purpose, financial data for the last corresponding period (April 2013 to December 2013) was provided on page 11. It should be noted that the financial data for the last corresponding nine-month period has not been reviewed nor audited by our auditor.

During the current period, the Group recorded a total revenue of approximately HK$89.2 million, which represented an increase of about 39.4% to that of the last corresponding period of approximately HK$64.0 million. Gross profit margin of the Group has been decreased to 48.3% for the current period, as compared to 62.9% for the last corresponding period. The Group recorded a loss attributable to equity holders from continuing operations of approximately HK$3.5 million for the current period as compared with a profit attributable to equity holders of HK$1.4 million for the last corresponding period.

The increase in revenue was primarily due to the new business segment of sales and distribution of motor vehicle parts established during the period, however, due to trading nature of motor vehicle parts business segment, this new business segment led to overall decrease in gross profit margin. The loss attributable to equity holders from continuing operations was mainly due to the increase in corporate expenses, including increase in legal and professional expenses incurred for the disposal of Brilliant Stage Holdings Limited and increase in rental expenses for the new head office in Hong Kong.

Business Operation

Subsequent to the disposal of business segments of manufacture and sale of paper cartons, packaging boxes and children's novelty books ("Packaging Segment") and food and beverage ("Food and Beverage Segment") of the Group on 20 June 2014, the principal activities of the Group are commercial printing ("Commercial Printing Segment") and manufacture and sale of hangtags, labels shirt paper boards and plastic bags ("Hangtag Segment"). During the current period, the Group has also set up a company engaged in operations of sales and distribution of motor vehicle parts ("Motor Vehicle Parts Segment").

The Group's commercial printing business remained stable with slight growth in revenue during the current period. The revenue increased by 1.4% to 52.1 million compared to that of the last corresponding period of HK$51.4 million. The profit from this segment, however, decreased from HK$4.8 million for the last corresponding period to approximately HK$1.1 million for the current period which was mainly due to the increase in staff cost and removal cost incurred in office relocation during the current period.

The Group's revenue from the Hangtag Segment increased by 5.6% to approximately HK$13.3 million for the current period under review as compared to that of the last corresponding period of HK$12.6 million. The increase in revenue was mainly due to increase in orders from both existing and new customers. As a result, the Group recorded a decrease in loss to HK$0.1 million for the current period compared to a loss of HK$0.7 million for last corresponding period.

The Motor Vehicle Parts Segment commenced operations in October 2014 and generated revenue of approximately HK$23.9 million for the current period. Due to the trading nature of sales and distribution of motor vehicle parts, the Motor Vehicle Parts Segment contributed a relatively low gross profit margin to the Group as compared to other business segments of the Group. The profit from this segment for the current period amount to approximately HK$1.4 million.

For the current period, the Group had disposed of Brilliant Stage Holdings Limited which includes Packaging Segment and Food and Beverage Segment. Therefore, the Group recorded a loss from discontinued operations of approximately HK$3.7 million, which was arising from the operating loss of approximately HK$2.5 million and the loss on disposal of Brilliant Stage Holdings Limited of approximately HK$1.2 million, as compared with the operating profit of approximately HK$21.9 million from discontinued operations for the last corresponding period.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group generally finances its operations with internally generated cash flow and banking facilities. The Group is financially sound with healthy cash position. Its cash and bank balances and short term bank deposits as at 31 December 2014 amounted to approximately HK$281.5 (31 March 2014: HK$135.3 million). Its gearing ratio as at 31 December 2014 was 30.2% (31 March 2014: 2.8%), based on the interest-bearing bank borrowings of approximately HK$100.0 million (31 March 2014: HK$13.6 million) and total equity of the Group of HK$331.5 million (2013: HK$485.8 million). The directors consider that the Group's cash holding, liquid assets, future revenue and available facilities will be sufficient to fulfill the present working capital requirements of the Group.

Exchange Rate Exposure

Subsequent to the disposal of Brilliant Stage Holdings Limited, most of the operating transactions of the Group were denominated in Hong Kong dollars and US dollars. For the nine months ended 31 December 2014, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars and US dollars was relatively stable under the current peg system.

Financial Guarantees and Charges on Assets

As at 31 December 2014, general banking facilities were granted to one of the wholly owned subsidiary of the Group, which were secured by legal charges on certain deposits hold by the Group with a total net book value of approximately HK$105.5 million.

As at 31 March 2014, corporate guarantees amounting to approximately HK$328.3 million were given to banks by the Company for the provision of general banking facilities granted to its subsidiaries, which were secured by legal charges on certain properties owned by the Group with a total net book value of approximately HK$64.8 million.

PROSPECTS

Upon the completion of the Asset Reorganisation, the Group will be principally engaged in two major segments (i) commercial printing; and (ii) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags. During the current period, the Group has also set up a company engaged in operations of sales and distribution of motor vehicle parts.

Looking forward, the Group will keep on developing the business of Commercial Printing Segment, Hangtags Segment and the newly established Motor Vehicle Parts Segment. Though the operating environment of the Commercial Printing Segment and Hangtag Segment are competitive, the Group will continuously strengthen its business team to widen its customer base.

In order to diversify from its existing businesses and to participate in the securities trading industry, the Company has announced on 12 November 2014 that the Group has entered into a sale and purchase agreement with Madam Su Jiaohua (executive director of the Company) to acquire the entire equity interest in Manureen Securities Limited. The principal activity of Manureen Securities Limited is the provision of securities broking services.

On 28 January 2015, the Company and Manureen Holdings Limited entered into the subscription agreement pursuant to which Manureen Holdings Limited has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 360 million shares at HK$1.4 per share.

The subscription has been approved by the independent shareholders on the special general meeting held on 30 March 2015. With the new capital of approximately HK$503 million to the Company, the Group has built up its war chest for future investment. In order to broaden the Group's business portfolio as well as its income stream and increase the shareholders' value, the Group has been actively exploring other investment opportunities. With the extensive experience of Mr. Lin Xiaohui and Madam Su Jiaohua, both executive directors, in real estate investment, the Directors considers that the possible acquisition of the real estate projects would provide prime opportunities for the Group to achieve such goals.

For the purpose of sustaining long term growth, the directors will keep on exploring all potential opportunities to develop its businesses.

EMPLOYMENT AND REMUNERATION POLICIES

As at 31 December 2014, the Group had a total workforce of approximately 122, of whom approximately 25 were based in the People's Republic of China and the remaining were in Hong Kong.

Remuneration packages are generally structured by reference to market terms and individual qualifications, experience and merits. Salaries are normally reviewed on an annual basis and bonuses, if any, will be based on performance appraisals and other relevant factors. Staff benefits plans maintained by the Group include mandatory provident fund scheme, share option scheme and medical insurance.

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

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

APPRECIATION

On behalf of the Board of Directors, I would like to thank all our staff for their dedication and contributions and our customers, suppliers, business associates and shareholders for their continuous support at the present difficult business environment.

By Order of the Board
Lin Xiaohui
Chairman

Hong Kong, 30 March 2015

EXECUTIVE DIRECTORS

Mr. Lin Xiaohui ("Mr. Lin"), aged 41, obtained a post-graduate diploma in business administration from the Society of Business Practitioners in December 2013 and obtained a master degree of business administration from the City University College of Science and Technology in September 2014. Since 2005, Mr. Lin has held management positions in a number of private companies which he has shareholding interests, and these companies are mainly engaged in real estates, electronics, logistics and financial investment in Shenzhen. Mr. Lin is a member of the Committee of Shenzhen City of the Chinese People's Political Consultative Conference and a member of the Committee of Futian District, Shenzhen City of the Chinese People's Political Consultative Conference. Mr. Lin is the spouse of Madam Su and the brother of Mr. Lin Xiaodong.

Madam Su Jiaohua ("Madam Su"), aged 42, obtained the advanced diploma in business studies from Ashford College of Management & Technology Singapore in September 2012. Since 2005, Madam Su has held management positions in a number of private companies which she has shareholding interests, and these companies are mainly engaged in real estates, electronics, logistics and financial investment in Shenzhen. Madam Su also served as a member of the People's Congress of Futian District, Shenzhen City since April 2012. Madam Su is the spouse of Mr. Lin.

Mr. Lin Xiaodong, aged 32, obtained a Bachelor of Commerce and Administration in Commercial Law and International Business from the Victoria University of Wellington, New Zealand in 2007. He has worked in the Branch Office of Shenzhen Municipal Office of the State Administration of Taxation* (深圳市國家稅務局直屬分局) from 2007 to 2009. He has undertaken various managerial roles in a company owned by Mr. Lin and Madam Su since 2009 and is currently a deputy general manager. Mr. Lin Xiaodong is the brother of Mr. Lin.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yu Leung Fai ("Mr. Yu"), aged 38, has extensive experience in the corporate services field. Mr. Yu has joined the corporate and PRC services of Fung, Yu & Co. CPA Limited since 2001 and is currently the principal of the division. He holds a Degree of Bachelor of Commerce (Hon.) from the University of Toronto and a Degree of Bachelor of Laws from the University of London, and is a member of the American Institute of Certified Public Accountants, Certified Public Accountants of Australia and the Hong Kong Institute of Certified Public Accountants.

Mr. Yu has also been the company secretary of Haichang Holdings Ltd. (stock code: 2255) since March 2014; the joint company secretary and authorized representative of China National Materials Co. Ltd. (stock code: 1893) since May 2009; the company secretary and alternative authorized representative of Beijing Media Corporation Ltd. (stock code: 1000) since March 2010; the company secretary and authorized representative of Yuanda China Holdings Limited (stock code: 2789) since June 2012; the company secretary and authorized representative of Vale S.A. (stock code: 6210 for Common Depositary Receipts and 6230 for Class A Preferred Depositary Receipts) since 2010, all of which are companies listed on The Stock Exchange of Hong Kong Limited.

Mr. Fang Jixin ("Mr. Fang"), aged 33, holds a Master degree in Civil and Commercial Law from Wuhan University. Mr. Fang was a legal assistant and a solicitor in the Shu Jin Law Firm from 2005 to 2008 and in the compliance and management division of China International Capital Corporation Limited from 2008 to 2012. He has joined Shenzhen City Zhidongli Precise Technology Company Limited* (深圳市智動力精密技術股份有限公司) since 2012 and is currently the deputy general manager and secretary to the board (董事會秘書).

Dr. Li Jue ("Dr. Li"), aged 38, graduated in Jilin University School of Law, obtained a Bachelor degree in Laws in 1997, a Master degree in Civil and Commercial Law in 2001 and a Doctorate degree in Civil and Commercial Law in 2013. In 2014, Dr. Li joined the post-doctoral research station jointly established by the Center for Assessment and Development of Real Estate, Shenzhen* (深圳市房地產評估發展中心) and the Harbin Institute of Technology, PRC, and engaged in researches relating to the real estate industry. Dr. Li was employed by the Bank of China (Shenzhen Branch) from 2001 to 2013.

SENIOR MANAGEMENT

Mr. Tsang Ching Pang ("Mr. Tsang"), aged 36, is the chief financial officer and company secretary of the Company. Mr. Tsang has over 9 years of experience in assurance and transaction advisory services in Hong Kong and China. Mr. Tsang graduated from the Hong Kong University of Science and Technology with a Bachelor Degree in Business Administration, majoring in finance. Mr. Tsang is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Tsang joined the Group in February 2011.

The Directors present their report and the audited financial statements for the nine months ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its principal subsidiaries are set out in note 19 to the financial statements.

An analysis of the Group's performance for the nine months ended 31 December 2014 by business operating segments and geographical information is set out in note 5 to the financial statements.

RESULTS AND APPROPRIATIONS

The Group's loss for the nine months ended 31 December 2014 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 26 to 128.

No interim or final dividends have been declared during the nine months ended 31 December 2014 and the year ended 31 March 2014. A special dividend of HK50 cents per share has been declared and paid in July 2014.

SUMMARY FINANCIAL INFORMATION

The following is a summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and restated upon the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") as appropriate. This summary does not form part of the audited financial statements.

SUMMARY FINANCIAL INFORMATION (Continued)

Results

	Period ended 31 December		Year ended 31 March			
	2014	2013	2014	2013	2012	2011
	HK$'000	HK$'000 (Unaudited)	HK$'000 (Represented)	HK$'000 (Represented)	HK$'000 (Represented)	HK$'000 (Represented)
Revenue	**89,184**	63,963	80,076	82,020	87,933	89,212
Profit/(Loss) from operations	**3,286**	2,396	(6,570)	5,652	(15,527)	(3,194)
Finance costs	**(101)**	(123)	(177)	(132)	(63)	(1)
Share of loss of associates	**–**	–	–	–	(56)	–
(Loss)/Profit before income tax	**3,185**	2,273	(6,747)	5,520	(15,646)	(3,195)
Income tax expense	**(6,258)**	(906)	(5,285)	(2,853)	(3,046)	(955)
(Loss)/Profit for the period/year from continuing operations	**(3,073)**	1,367	(12,032)	2,667	(18,692)	(4,150)
(Loss)/Profit for the period/year from discontinued operations	**(3,743)**	21,906	(412)	15,146	6,628	39,031
(Loss)/Profit for the period/year	**(6,816)**	23,273	(12,444)	17,813	(12,064)	34,881

Assets and Liabilities

	As at 31 December	As at 31 March			
	2014	2014	2013	2012	2011
	HK$'000	HK$'000	HK$'000 (Restated)	HK$'000 (Restated)	HK$'000
Property, plant and equipment	**9,820**	140,761	180,674	169,826	165,470
Investment properties	**135,730**	123,040	104,260	86,570	8,140
Prepaid lease payments	**–**	2,644	2,727	2,810	13,703
Other assets	**–**	1,100	1,100	–	–
Available-for-sale financial assets	**7,344**	–	–	–	–
Deferred tax assets	**137**	590	251	233	94
Deposits paid	**–**	–	11,098	–	40,027
Current assets	**331,834**	379,011	378,998	402,713	390,188
Total assets	**484,865**	647,146	679,108	662,152	617,622
Current liabilities	**20,462**	112,754	92,545	98,835	109,301
Interest-bearing borrowings	**100,000**	13,618	24,504	29,117	29,556
Deferred tax liabilities	**32,939**	34,980	39,368	33,797	9,748
Total liabilities	**153,401**	161,352	156,417	161,749	148,605
Net assets	**331,464**	485,794	522,691	500,403	469,017

PROPERTY, PLANT AND EQUIPMENT, PREPAID LEASE PAYMENTS AND INVESTMENT PROPERTY

Details of the movements in the property, plant and equipment, prepaid lease payments and investment properties of the Group are set out in notes 16, 17 and 18, respectively, to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital and share options during the nine months ended 31 December 2014 are set out in notes 29 and 30, respectively, to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to its shareholders.

RESERVES

Details of the movements in the reserves of the Company and of the Group during the nine months ended are set out in note 31 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

Details of the distributable reserves of the Company as at 31 December 2014 are set out in note 31 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of sales and purchases for the year attributable to the Group's major customers and suppliers were as follows:

(1) The aggregate amount of turnover attributable to the Group's five largest customers represented 33.8% of the Group's total turnover. The amount of sales to the Group's largest customer represented 19.2% of the Group's total turnover.

(2) The aggregate amount of purchases attributable to the Group's five largest suppliers represented 36.7% of the Group's total purchases. The amount of purchases from the Group's largest supplier represented 16.4% of the Group's total purchases.

None of the directors of the Company, their associates or any shareholder (who, to the best knowledge of the directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the nine months ended 31 December 2014.

DIRECTORS

The directors of the Company during the year were as follows:

Executive directors:

Mr. Lin Xiaohui	(appointed on 30 June 2014)
Madam Su Jiaohua	(appointed on 30 June 2014)
Mr. Lin Xiaodong	(appointed on 30 June 2014)
Mr. Lui Shing Ming, Brian	(resigned on 18 July 2014)
Mr. Lui Shing Cheong	(resigned on 18 July 2014)
Mr. Lui Shing Chung, Victor	(resigned on 18 July 2014)

Independent non-executive directors:

Mr. Yu Leung Fai	(appointed on 30 June 2014)
Mr. Fang Jixin	(appointed on 30 June 2014)
Dr. Li Jue	(appointed on 30 June 2014)
Dr. Lam Chun Kong	(resigned on 18 July 2014)
Mr. Lo Wing Man	(resigned on 18 July 2014)
Dr. Ng Lai Man, Carmen	(resigned on 18 July 2014)

Mr. Lin Xiaohui and Madam Su Jiaohua will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting in accordance with Bye-law 87 of the Company's Bye-laws.

The independent non-executive directors are not appointed for specific terms but are subject to retirement by rotation in accordance with the Company's Bye-laws.

The Company has received annual confirmation of independence from each of the independent non-executive Directors pursuant to rule 3.13 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and as at the date of this report, still considers them to be independent.

DIRECTORS' SERVICE CONTRACTS

No director of the Company as of the date of this report has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Saved as disclosed in notes 39 and 42 to the financial statements, no director had a material interest directly or indirectly in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during or at the end of the nine months period ended 31 December 2014.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the current period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2014, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong) (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

	Number of shares held				Total
Name of director	Personal interests (held as beneficial owner)	Spouse interests	Other interests	Total interests	interests as % of the issued share capital
Mr. Lin Xiaohui	–	–	423,337,518 *(Notes 1, 3)*	423,337,518	53.30%
Madam Su Jiaohua	–	423,337,518 *(Notes 2, 3)*	–	423,337,518	53.30%

Notes:

1. As at 31 December 2014, Manureen Holdings Limited ("MHL") was the legal and beneficial owner of 423,337,518 Shares. Since Mr. Lin Xiaohui owned 70% of the issued share capital of MHL, he was deemed to be interested in 423,337,518.

2. Madam Su Jiaohua, the spouse of Mr. Lin Xiaohui, was deemed to be interested in 423,337,518 shares which Mr. Lin Xiaohui was deemed to be interested under the SFO as at 31 December 2014.

3. On 28 January 2015, the Company and MHL entered into a Subscription Agreement pursuant to which MHL has conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue 360,000,000 subscription shares at HK$1.4 per share. Including the interest in the Subscription Shares, MHL was interested in an aggregate of 783,337,518 shares, representing approximately 67.87% of the issued share capital as enlarged by the allotment and issuance of the Subscription Shares. As at the date of this report, the allotment and issuance of Subscription Shares has been approved by independent shareholders at special general meeting held on 30 March 2015.

Save as disclosed above, as at 31 December 2014, none of the directors or chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

INTERESTS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2014, so far as is known to the directors, the following persons (other than a director or chief executive of the Company) had interests in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Capacity	Number of shares held	Percentage of issued capital
Manureen Holdings Limited	Beneficial owner	423,337,518 *(Note 1, 2)*	53.30%

Note:

1. As at 31 December 2014, Manureen Holdings Limited ("MHL") was the legal and beneficial owner of 423,337,518 Shares. MHL was owned as to 70% by Mr. Lin Xiaohui and as to 30% by Madam Su Jiaohua.

2. On 28 January 2015, the Company and MHL entered into a Subscription Agreement pursuant to which MHL has conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue 360,000,000 subscription shares at HK$1.4 per share. Including the interest in the Subscription Shares, MHL was interested in an aggregate of 783,337,518 shares, representing approximately 67.87% of the issued share capital as enlarged by the allotment and issuance of the Subscription Shares. As at the date of this report, the allotment and issuance of Subscription Shares has been approved by independent shareholders at special general meeting held on 30 March 2015.

Save as disclosed above, as at 31 December 2014, other than the directors and chief executive of the Company whose interests or short positions are set out in the paragraph headed "Directors' and chief executive's interests and short position in shares, underlying shares or debentures of the Company or its associated corporations" above, the directors and chief executive of the Company were not aware of any person who had any interest or short position in the shares or underlying shares of the Company according to the register of interest required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEMES

The Group's share option scheme was adopted on 10 August 2012 and is effective for a period of ten years. As at 31 December 2014, no share options had been granted under the scheme.

Details of the Company's share option schemes are stated in note 30 to the financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the directors or any of their respective associates has interest in any business that competes or is likely to compete, either directly or indirectly, with the business of the Group, or has any other conflict of interest with the Group.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 17 to 22.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the directors, the Company had maintained a sufficient public float of not less than 25% of the Company's total issued shares as required under the Listing Rules throughout the year under review.

EVENT AFTER REPORTING DATE

The details of the Group's events after the reporting date are set out in note 45 to the financial statements.

AUDITOR

BDO will retire at the forthcoming annual general meeting of the Company, and being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Lin Xiaohui
Chairman

Hong Kong, 30 March 2015

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance practices. In the opinion of the directors, the Company has complied all code provisions (the "Code Provisions") in the Corporate Governance Code (the "Code") set out in Appendix 14 of the Listing Rules for the nine months ended 31 December 2014.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules.

Having made specific enquiry of all directors of the Company, they have confirmed compliance with the required standard set out in the Model Code during the nine months ended 31 December 2014.

BOARD OF DIRECTORS

The Company is governed by a board of directors (the "Board") which has the responsibility for leadership and monitoring of the Company. The directors are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board set strategies and directions for the Group's activities with a view to develop its business and to enhance shareholders' value.

The Board met 12 times during the nine months ended 31 December 2014. Its composition and the attendance of individual directors at these Board meetings were follows:

Name		**Number of Board meetings attended/held**
Executive directors		
Lin Xiaohui *(Chairman)*	(appointed on 30 June 2014)	8/8
Su Jiaohua *(Chief Executive Officer)*	(appointed on 30 June 2014)	8/8
Lin Xiaodong	(appointed on 30 June 2014)	8/8
Lui Shing Ming, Brian	(resigned on 18 July 2014)	5/5
Lui Shing Cheong	(resigned on 18 July 2014)	5/5
Lui Shing Chung, Victor	(resigned on 18 July 2014)	5/5
Independent non-executive directors		
Yu Leung Fai	(appointed on 30 June 2014)	8/8
Fang Jixin	(appointed on 30 June 2014)	8/8
Li Jue	(appointed on 30 June 2014)	8/8
Lam Chun Kong	(resigned on 18 July 2014)	4/5
Lo Wing Man	(resigned on 18 July 2014)	4/5
Ng Lai Man, Carmen	(resigned on 18 July 2014)	4/5

Mr Lin Xiaohui and Madam Su Jiaohua are spouses.

Messrs. Lin Xiaohui and Lin Xiaodong are brothers.

Messrs. Lui Shing Ming, Brian, Lui Shing Cheong and Lui Shing Chung, Victor are brothers.

To the best knowledge of the Company and save as disclosed above, there is no financial, business and family relationship among members of the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer of the Company are separated, with a clear division of responsibilities to assume a balance of authority and power.

The Chairman is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and for setting its agenda and taking into account any matters proposed by other directors for inclusion in the agenda. Through the Board, he is responsible for ensuring that good corporate governance practices and procedures are followed by the Group.

The Chief Executive Officer is responsible for the day-to-day management of the Group's business.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Group benefits from the experience and expertise of the independent non-executive directors of the Company. They advise the Company on strategy development and enable the Board to maintain high standards of compliance of financial and other mandatory requirements. Each independent non-executive director of the Company gives an annual confirmation of the independence to the Company and the Company considers them to be independent under Rule 3.13 of the Listing Rules.

All the independent non-executive directors of the Company are not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Bye-laws of the Company, which stipulate that one-third of the directors shall retire from office by rotation so that each director shall be subject to retirement at least once every three years.

REMUNERATION COMMITTEE

During the nine months ended 31 December 2014, the members of the Remuneration Committee are comprised one executive director and three independent non-executive directors of the Company, namely Mr. Lui Shing Ming, Brian, Dr. Lam Chun Kong, Mr. Lo Wing Man JP (Chairman) and Dr. Ng Lai Man, Carmen. They were resigned from the Remuneration Committee of the Company on 18 July 2014. At the same time, Dr. Li Jue (Chairman), Mr. Yu Leung Fai and Mr. Lin Xiaohui were appointed as the members of Remuneration Committee.

The terms of reference of the Remuneration Committee have been determined with reference to the Code.

The Remuneration Committee met four times during the nine months ended 31 December 2014. All members attended this meeting.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's remuneration policy and structure for all directors and senior management. During the nine months ended 31 December 2014, the Remuneration Committee has reviewed and determined the Group's remuneration policy, including the policy for the remuneration of executive directors in accordance with Code Provision B.1.2(c)(ii), the levels of remuneration paid to executive directors and senior management of the Group.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for the following corporate governance functions:

- to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

- to review and monitor the training and continuous professional development of Directors and senior management;

- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;

- to review the Company's compliance with the Code Provisions and disclosure in the Corporate Governance Report; and

- such other corporate governance and functions set out in the Code Provisions (as amended from time to time for which the Board are responsible.

NOMINATION OF DIRECTORS

During the nine months ended 31 December 2014, Mr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong had been appointed as the executive directors of the Company and Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue had been appointed as the independent non-executive directors of the Company on 30 June 2014.

Nomination Committee was established on 18 July 2014 and was established with specific written terms of reference to review the structure, size and composition of the Board at least annually, to make recommendations on the procedures and criteria for appointment of Directors and to implement those that are adopted by the Board.

The Nomination Committee comprises one executive director, Mr. Lin Xiaohui (Chairman) and two independent non-executive director, Mr. Yu Leung Fai and Mr. Fang Jixin.

DIRECTORS' TRAINING

All directors participate in continuous professional development to enhance and refresh their knowledge and skills. During the nine months ended 31 December 2014, all directors had provided the Company their training records. All directors participated in continuous professional development exercise by way of attending seminars/conferences/forums organised by professional organisations and keep themselves updates on the roles, functions and duties of a listed company directors. The trainings attended by the directors are in the area of corporate governance, regulatory development, financial management or business skills and knowledge. The Company is of the view that all directors of the Company has compiled with Code Provision A.6.5.

COMPANY SECRETARY

The Company Secretary is to ensure there is a good information flow within the Board and between the Board and senior management, provide advice to the Board in relation to directors' obligations under the Listing Rules and applicable laws and regulations and assist the Board in implementing the corporate governance practices. The Company Secretary confirmed that he has taken not less than 15 hours of relevant professional training during the nine months ended 31 December 2014 and has provided training record to the Company indicating his compliance with the training requirement under the Listing Rules. The Company is of the view that the Company Secretary has compiled with Rule 3.29 of the Listing Rules.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The directors acknowledge their responsibility for preparing the financial statements of the Company, which give a true and fair view of the financial position of the Group on a going concern basis. As at 31 December 2014, the directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the directors have prepared the financial statements of the Company on a going-concern basis.

The responsibilities of the external auditor about their financial reporting are set out in the Independent Auditor's Report attached to the Company's Financial Statements for the nine months ended 31 December 2014.

Internal Controls

During the nine months ended 31 December 2014, the Board has conducted regular review and evaluation of the ongoing effectiveness and adequacy of the Group's internal control system covering all controls, including financial, operational, compliance and risk management controls. In particular, the Board has considered the adequacy of resources, qualifications and experience of staff of the Company who are responsible for accounting and financial reporting function, and their training programmes and budget. The result has been reported to the Audit Committee. Appropriate measures and actions have been taken during the nine months ended 31 December 2014 on areas where rooms for improvement were identified.

AUDITOR'S REMUNERATION

For the nine months ended 31 December 2014, fees paid/payable to the Company's external auditor for audit services totalled HK$550,000 (2014: HK$850,000). For non-audit services, the fees amounted to HK$520,000 (2014: HK$100,000). The significant non-audit service assignments covered by these fees include the following:

Services rendered	**Fees paid/payable** HK$'000
– Acting as reporting accountant in respect of disposal of Brilliant Stage Holdings Limited on 26 May 2014	350
– Acting as reporting accountant in respect of rights issue on 18 September 2014	70
– Review on 2014 interim results	95
– Review on announcement of 2014 annual results	5
	520

AUDIT COMMITTEE

During the nine months ended 31 December 2014, the members of the Audit Committee are comprised three independent non-executive directors of the Company, namely Dr. Ng Lai Man, Carmen (Chairman), Dr. Lam Chun Kong and Mr. Lo Wing Man. They were resigned from the Audit Committee of the Company on 18 July 2014. Concurrently, Mr. Yu Leung Fai (Chairman), Mr. Fang Jixin and Dr. Li Jue were appointed as the members of Audit Committee on 18 July 2014, they were all independent non-executive directors of the Company.

The Audit Committee oversees the overall financial reporting process as well as the adequacy and effectiveness of the Company's internal control procedures.

The terms of reference of the Audit Committee follow the guidelines set out in the Code. During the current period, the Audit Committee had reviewed the Group's interim and annual results, internal control system and financial reporting matters.

The Audit Committee met two times during the current period, which were attended by all members.

CONSTITUTIONAL DOCUMENTS

The Bye-laws of the Company has been amended at the 2012 annual general meeting held on 10 August 2012 so as to bring the Bye-laws in line with the current revised requirements of the Listing Rule and certain changes to the laws of Bermuda. The amendments were disclosed in detail on pages 32 to 36 of the Company's circular to shareholders dated 11 July 2012 published on the websites of the Company and the Stock Exchange.

An updated version of the Bye-laws of the Company is available on the website of the Company (www.realord.com.hk) and the Stock Exchange (http://www.hkexnews.hk/index.htm).

SHAREHOLDERS' RIGHTS

Convenes a special general meeting of the Company

Pursuant to Bye-law 58 of the Company, shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may convene a special general meeting.

Enquiries to the Board

Shareholder(s) may at any time send their enquires to the Board in writing through the Company Secretary whose contact details are as follows:

Company Secretary
Realord Group Holdings Limited
Suites 2403-2410
24/F, Jardine House
1 Connaught Place
Central, Hong Kong

Procedures for putting forward proposals at general meetings

The following shareholder(s) are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at a general meeting of the Company:

1. any shareholder(s) representing not less than one-twentieth of the total voting rights of the Company on the date of the requisition; or

2. not less than one hundred shareholders.

The requisition specifying the proposal, duly signed by the shareholders concerned, together with a statement with respect to the matter referred to in the proposal must be deposited at the registered office of the Company in the case of:

(1) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and

(2) any other requisition, not less than one week before the meeting.

The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Sections 79 and 80 of the Companies Act 1981 of Bermuda (as amended) once valid documents received.

COMMUNICATION WITH SHAREHOLDERS

The Company endeavours to develop and maintain continuing relationships and effective communications with its shareholders and investors. To facilitate and enhance the relationships and communication, the Company has established, including but not limited to, the following various channels:

1. annual general meeting provides a forum for shareholders of the Company to raise comments and exchange views with the Board. The Chairman and the directors are available at annual general meetings to address shareholders' queries;

2. separate resolutions are proposed at general meetings on each substantially separate issue to facilitate the enforcement of shareholders' rights. Pursuant to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, all resolutions set out in the notice of the 2015 annual general meeting of the Company will be voted by poll;

3. interim and annual results are announced as early as possible so that the shareholders are kept informed of the Group's performance and operations; and

4. corporate website www.realord.com.hk contains extensive information and updates on the Company's business.

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TO THE SHAREHOLDERS OF
REALORD GROUP HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Realord Group Holdings Limited (formerly known as Cheong Ming Investments Limited) (the "Company") and its subsidiaries (together the "Group") set out on pages 26 to 128, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

BDO Limited

BDO Limited, a Hong Kong Limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the 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 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 Hong Kong Companies Ordinance.

BDO Limited
Certified Public Accountants

Tsui Ka Che, Norman
Practising Certificate Number P05057

Hong Kong, 30 March 2015

	Notes	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing operations			
Revenue	6	**89,184**	80,076
Cost of sales		**(46,079)**	(27,378)
Gross profit		**43,105**	52,698
Other operating income	7	**17,722**	14,906
Selling and distribution costs		**(2,127)**	(2,106)
Administrative expenses		**(54,998)**	(54,889)
Other operating expenses	8	**(416)**	(17,179)
Finance costs	10	**(101)**	(177)
Profit/(Loss) before income tax	9	**3,185**	(6,747)
Income tax expense	11	**(6,258)**	(5,285)
Loss for the period/year from continuing operations		**(3,073)**	(12,032)
Discontinued operations			
Loss for the period/year from discontinued operations	12	**(3,743)**	(412)
Loss for the period/year		**(6,816)**	(12,444)

	Notes	**Nine months ended 31 December 2014 HK$'000**	Year ended 31 March 2014 HK$'000 (Represented)
(Loss)/Profit attributable to:			
Equity holders of the Company			
Loss for the period/year from continuing operations		**(3,529)**	(12,032)
Loss for the period/year from discontinued operations		**(3,743)**	(412)
Loss for the period/year attributable to equity holders of the Company	13	**(7,272)**	(12,444)
Non-controlling interest			
Profit for the period from continuing operations		**456**	–
Profit for the period attributable to non-controlling interest	40	**456**	–
Loss for the period/year		**(6,816)**	(12,444)
Loss per share from continuing and discontinued operations	15		
– Basic and diluted		**(HK1.02 cents)**	(HK1.84 cents)
Loss per share from continuing operations	15		
– Basic and diluted		**(HK0.50 cents)**	(HK1.78 cents)

Details of dividends attributable to the equity holders of the Company for the period/year are set out in note 14.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 31 December 2014

	Note	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000
Loss for the period/year		**(6,816)**	(12,444)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference released upon disposal of subsidiaries		**68**	–
Exchange loss on translation of financial statements of foreign operations		**(60)**	(36)
Items that will not be reclassified subsequently to profit or loss:			
Revaluation surplus on leasehold land and buildings	16	**1,022**	12,548
Deferred tax charge arising from revaluation surplus on leasehold land and buildings		**(224)**	(2,337)
Impairment loss on leasehold land and buildings		**–**	(29,228)
Deferred tax credit arising from impairment loss on leasehold land and buildings		**–**	7,307
Other comprehensive income for the period/year, net of tax		**806**	(11,746)
Total comprehensive income for the period/year		**(6,010)**	(24,190)
Total comprehensive income attributable to:			
Equity holders of the Company		**(6,466)**	(24,190)
Non-controlling interest		**456**	–
		(6,010)	(24,190)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	As at 31 December 2014 HK$'000	31 March 2014 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**9,820**	140,761
Prepaid lease payments	17	**–**	2,644
Investment properties	18	**135,730**	123,040
Other asset	20	**–**	1,100
Available-for-sale financial assets	21	**7,344**	–
Deferred tax assets	32	**137**	590
		153,031	268,135
Current assets			
Inventories	22	**3,602**	26,504
Trade receivables	23	**31,934**	98,395
Prepayments, deposits and other receivables	24	**14,216**	40,157
Financial assets at fair value through profit or loss	25	**–**	78,251
Cash and cash equivalents	26	**281,488**	135,307
Tax recoverable		**594**	397
		331,834	379,011
Current liabilities			
Trade payables	27	**5,192**	59,275
Accrued liabilities and other payables		**14,153**	43,749
Financial liabilities of fair value through profit or loss	25	**–**	1,622
Interest-bearing borrowings	28	**100,000**	13,618
Tax payable		**1,117**	8,108
		120,462	126,372
Net current assets		**211,372**	252,639
Total assets less current liabilities		**364,403**	520,774
Non-current liabilities			
Deferred tax liabilities	32	**32,939**	34,980
Net assets		**331,464**	485,794

	Notes	As at 31 December 2014 HK$'000	As at 31 March 2014 HK$'000
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	29	**79,419**	63,535
Reserves	31	**239,589**	422,259
		319,008	485,794
Non-controlling interest	40	**12,456**	–
Total equity		**331,464**	485,794

On behalf of the Board

Lin Xiaohui
Director

Su Jiaohua
Director

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	As at 31 December 2014 HK$'000	As at 31 March 2014 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**4,697**	–
Investments in subsidiaries	19	**68,018**	132,325
		72,715	132,325
Current assets			
Amounts due from subsidiaries	19(b)	**202,288**	161,972
Prepayments, deposits and other receivables	24	**5,212**	345
Cash and cash equivalents	26	**27,323**	898
		234,823	163,215
Current liabilities			
Amounts due to subsidiaries	19(b)	**2,063**	2,522
Accrued liabilities and other payables		**4,782**	2,818
		6,845	5,340
Net current assets		**227,978**	157,875
Net assets		**300,693**	290,200
EQUITY			
Share capital	29	**79,419**	63,535
Reserves	31	**221,274**	226,665
Total equity		**300,693**	290,200

On behalf of the Board

Lin Xiaohui
Director

Su Jiaohua
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 31 December 2014

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000
Cash flows from operating activities		
Profit/(Loss) before income tax		
Continuing operations	**3,185**	(6,747)
Discontinued operations	**(730)**	(3,303)
	2,455	(10,050)
Adjustments for:		
Finance costs	**123**	573
Interest income	**(1,718)**	(7,477)
Dividend income from financial assets at fair value through profit or loss	**(229)**	(818)
Gain on disposal of financial assets at fair value through profit or loss	**(537)**	(852)
Loss/(Gain) on disposal of property, plant and equipment	**21**	(32)
Loss on disposal of subsidiaries	**1,227**	–
Write off of loan receivable	**–**	17,179
Fair value loss on financial assets at fair value through profit or loss	**310**	3,590
Provision for slow moving inventories	**–**	1,928
Depreciation of property, plant and equipment	**4,382**	16,003
Amortisation of prepaid lease payments for land	**20**	83
Revaluation surplus on investment properties	**(12,690)**	(7,713)
Impairment loss on property, plant and equipment	**–**	9,772
Write off of property, plant and equipment	**–**	7,456
Write off of other receivables	**–**	22
Allowance for impairment on other receivables	**–**	235
(Reversal of)/Allowance for impairment on trade receivables	**(228)**	572
Operating (loss)/profit before working capital changes	**(6,864)**	30,471
(Increase)/Decrease in inventories	**(4,359)**	3,717
Increase in trade receivables	**(61,795)**	(18,453)
Decrease/(Increase) in prepayments, deposits and other receivables	**12,140**	(6,787)
Decrease in financial assets at fair value through profit or loss	**78,691**	5,118
Increase in financial liabilities at fair value through profit or loss	**–**	1,072
Increase in trade payables	**27,331**	11,255
Increase in accrued liabilities and other payables	**12,832**	7,452
Cash generated from operations	**57,976**	33,845
Interest received	**1,718**	7,477
Interest paid	**(123)**	(573)
Dividend received from financial assets at fair value through profit or loss	**229**	818
Net income tax paid	**(2,657)**	(926)
Net cash generated from operating activities	**57,143**	40,641

	Note	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000
Cash flows from investing activities			
Purchases of property, plant and equipment		**(11,542)**	(10,052)
Purchases of available-for-sale financial assets		**(7,344)**	–
Decrease/(Increase) in time deposits with original maturity of more than three months		**757**	(2)
Increase in pledge deposit		**(105,500)**	–
Proceeds from disposal of property, plant and equipment		**70**	86
Proceeds from disposal of non-current assets held for sale		**–**	25,000
Net proceeds from disposal of subsidiaries	41	**156,652**	–
Net cash generated from investing activities		**33,093**	15,032
Cash flows from financing activities			
Dividends paid		**(317,677)**	(12,707)
Repayment of bank loans		**(10,418)**	(21,326)
Borrowing of bank loans		**110,000**	10,440
Contribution by minority interest		**12,000**	–
Proceed from rights issue		**157,357**	–
Net cash used in financing activities		**(48,738)**	(23,593)
Net increase in cash and cash equivalents		**41,498**	32,080
Cash and cash equivalents at beginning of period/year		**134,550**	102,506
Effect of foreign exchange rate changes		**(60)**	(36)
Cash and cash equivalents at end of period/year	26	**175,988**	134,550

	Equity attributable to equity holders of the Company								
	Share capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Asset revaluation reserve HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Proposed dividend HK$'000	Total equity HK$'000
At 1 April 2013	63,535	107,590	34,080	100,753	9,900	247	193,879	12,707	522,691
Final 2013 dividend paid *(note 14)*	–	–	–	–	–	–	–	(12,707)	(12,707)
Transactions with owners	–	–	–	–	–	–	–	(12,707)	(12,707)
Loss for the year	–	–	–	–	–	–	(12,444)	–	(12,444)
Other comprehensive income									
Exchange loss on translation of financial statements of foreign operations	–	–	–	–	–	(36)	–	–	(36)
Revaluation surplus on leasehold land and buildings	–	–	–	12,548	–	–	–	–	12,548
Deferred tax charge arising from revaluation surplus on leasehold land and buildings	–	–	–	(2,337)	–	–	–	–	(2,337)
Impairment loss on leasehold land and buildings	–	–	–	(29,228)	–	–	–	–	(29,228)
Deferred tax credit arising from impairment loss on leasehold land and buildings	–	–	–	7,307	–	–	–	–	7,307
Total comprehensive income for the year	–	–	–	(11,710)	–	(36)	(12,444)	–	(24,190)
At 31 March 2014	63,535	107,590	34,080	89,043	9,900	211	181,435	–	485,794

	Equity attributable to equity holders of the Company									
	Share capital HK$'000	Share premium account HK$'000	Contributed surplus HK$'000	Asset revaluation reserve HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interest HK$'000	Total equity HK$'000
At 1 April 2014	63,535	107,590	34,080	89,043	9,900	211	181,435	485,794	–	485,794
Special 2014 dividend paid *(note 14)*	–	–	–	–	–	–	(317,677)	(317,677)	–	(317,677)
Rights issue *(note 29)*	15,884	141,473	–	–	–	–	–	157,357	–	157,357
Transactions with owners	15,884	141,473	–	–	–	–	(317,677)	(160,320)	–	(160,320)
(Loss)/Profit for the period	–	–	–	–	–	–	(7,272)	(7,272)	456	(6,816)
Other comprehensive income										
Exchange difference released upon disposal of subsidiaries	–	–	–	–	–	68	–	68	–	68
Exchange loss on translation of financial statements of foreign operations	–	–	–	–	–	(60)	–	(60)	–	(60)
Revaluation surplus on leasehold land and buildings	–	–	–	1,022	–	–	–	1,022	–	1,022
Deferred tax charge arising from revaluation surplus on leasehold land and buildings	–	–	–	(224)	–	–	–	(224)	–	(224)
Total comprehensive income for the period	–	–	–	798	–	8	(7,272)	(6,466)	456	(6,010)
Capital contribution from a non-controlling shareholder *(note 40)*	–	–	–	–	–	–	–	–	12,000	12,000
Reduction of share premium and contributed surplus *(note 31)*	–	(107,590)	(34,080)	–	–	–	141,670	–	–	–
Reserves transferred upon disposal of subsidiaries	–	–	–	(61,567)	(9,900)	–	71,467	–	–	–
At 31 December 2014	79,419	141,473	–	28,274	–	219	69,623	319,008	12,456	331,464

1. GENERAL INFORMATION

The Company is a limited liability company incorporated and domiciled in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and its principal place of business is located at Suites 2403-2410, 24/F, Jardine House, 1 Connaught Place, Central, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

On 20 June 2014, upon the completion of the disposal as described in note 12 and the sale of 338,331,036 shares of the Company to Manureen Holdings Limited ("Manureen"), the directors considered the ultimate holding company of the Company to be Manureen, which is a limited liability company incorporated in the British Virgin Islands.

Pursuant to a special resolution passed at the annual general meeting on 22 August 2014, the Company's name has been changed from Cheong Ming Investments Limited to Realord Group Holdings Limited with effect from 28 August 2014.

As the period of annual planning of the Group would coincide with the peak seasons of the Group, the financial year end date has been changed from 31 March to 31 December. The financial statements for the current period cover a nine-month period while the comparative amounts for the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes cover a twelve-month period, and therefore they are not entirely comparable.

The principal activity of the Company is investment holding. Its subsidiaries (together with the Company referred to as the "Group") are principally engaged in the following activities:

– commercial printing

– manufacture and sale of hangtags, labels and shirt paper boards and plastic bags

– distribution and sales of motor vehicle parts

Details of the principal activities of the principal subsidiaries are set out in note 19(a) to the financial statements.

1. GENERAL INFORMATION (Continued)

On 20 June 2014, the Group has disposed of certain subsidiaries which principally engaged in the manufacturing and sale of paper cartons, packaging boxes and printing of children's novelty books and food and beverage business. These two business segments are presented as discontinued operations and, because of this, certain comparatives in the consolidated income statement, consolidated statement of cash flows and related notes have been represented as to reflect the results of the continuing operations and discontinued operations so as if the operations discontinued during the period had been discontinued at the beginning of the year ended 31 March 2014.

In addition, the Group has commenced a new business, distribution and sales of motor vehicle parts during the period. This business has become a new reporting segment as disclosed in note 5.

Other than the discontinued operations and the new business set up as mentioned above, there were no significant changes in the Group's operations during the period.

The financial statements for the nine months ended 31 December 2014 were approved by the board of directors on 30 March 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages 26 to 128 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the period/year presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain leasehold land and buildings, investment properties, financial assets and liabilities. The measurement bases are fully described in the accounting policies below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

All values are rounded to the nearest thousand except when otherwise indicated.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the period/year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

The carrying amount of non-controlling interest that represents present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interest even if this results in those non-controlling interest having a deficit balance.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2.4 Property, plant and equipment

Land and buildings held under finance leases, land held under operating leases and buildings thereon (where the fair value of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease) are stated at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and any subsequent impairment losses. Fair value is determined in appraisals by external professional valuers with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Any surplus arising on revaluation of these land and buildings is recognised in other comprehensive income and is accumulated in the asset revaluation reserve, unless the carrying amount of that asset has previously suffered a revaluation decrease. To the extent that any decrease has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase dealt with in other comprehensive income. A decrease in net carrying amount of land and buildings arising on revaluations is recognised in other comprehensive income to the extent of the revaluation surplus in the asset revaluation reserve relating to the same asset and the remaining decrease is recognised in profit or loss.

All other plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Depreciation is provided to write off the cost or valuation of property, plant and equipment less their residual values over their estimated useful lives, using the straight line method, at the following rates per annum:

Medium term leasehold land in Hong Kong	Over the lease terms
Medium term leasehold buildings in Hong Kong	Over the lease terms
Medium term leasehold buildings outside Hong Kong	Over the lease terms
Leasehold improvements	20% or over the lease terms
Plant and machinery	10%
Furniture, fixtures and office equipment	20%
Motor vehicles	25%
Cooking equipment	33%-50%

The assets' depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any revaluation surplus remaining in equity is transferred to retained earnings on the disposal of land and buildings.

2.5 Investment properties

Investment properties are properties held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(a) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exception:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2.5);

– land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon, at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease (see note 2.4). For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee; and

– payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Leases (Continued)

(b) *Assets acquired under finance leases*

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets, are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligation under finance leases.

Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance charges.

Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(c) *Operating lease charges as the lessee*

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to the profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in the profit or loss as an integral part of the aggregate net lease payments made.

(d) *Assets leased out under operating leases as the lessor*

Assets leased out under operating leases are measured and presented according to the nature of the assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the rental income.

Rental income receivable from operating leases is recognised in profit or loss on a straight-line basis over the periods covered by the lease term, except where an alternative basis is more representative of the time pattern of benefits to be derived from the use of the leased asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Other asset

Club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the club membership has suffered an impairment loss.

2.8 Financial assets

The Group's accounting policies for financial assets are set out below.

The Group's financial assets mainly include club and school debentures, cash at banks and in hand, trade receivables, deposits, other receivables, and financial assets at fair value through profit or loss. Club and school debentures are categorised as available-for-sale and cash at banks and in hand, trade receivables, deposits and other receivables are categorised as loans and receivables.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term, or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met:

– the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognised gains or losses on them on a different basis; or

– the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy and information about the group of financial assets is provided internally on that basis to the key management personnel; or

– the financial asset contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Fair value is determined by reference to active market transactions or using a valuation technique where no active market exists. Fair value gain or loss does not include any dividend or interest earned on these financial assets. Dividend and interest income is recognised in accordance with the Group's policies in note 2.18 to these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

(c) *Available-for-sale financial assets*

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

Impairment of financial assets

At each reporting date, financial assets other than at fair value through profit or loss are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

Impairment of financial assets (Continued)

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

If any such evidence exists, the impairment loss is measured and recognised as follows:

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss 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 been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

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

Financial assets other than financial assets at fair value through profit or loss and trade receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of trade receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of trade receivables is remote, the amount considered irrecoverable is written off against trade receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Financial assets (Continued)

Available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

Any impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of manufacturing overheads.

2.10 Impairment of non-financial assets

Property, plant and equipment, prepaid lease payments, other asset and the Company's interests in subsidiaries are subject to impairment test. These assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the assets.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial liabilities

The Group's financial liabilities mainly include interest-bearing borrowings, financial liabilities at fair value through profit or loss, trade payables and accrued liabilities and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance costs in the profit or loss.

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

Where 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 the recognition of a new liability, and the difference in the respective carrying amount is recognised in the profit or loss.

(a) *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial liabilities (Continued)

(b) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognised gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

(c) Trade payables, accrued liabilities and other payables

These payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

An exception to the general requirement on determining the appropriate tax rate used in measuring deferred tax amount is when an investment property is carried at fair value under HKAS 40 "Investment Property". Unless the presumption is rebutted, the deferred tax amounts on these investment properties are measured using the tax rates that would apply on sale of these investment properties at their carrying amounts at the reporting date.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset recognised, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised in the profit or loss or in equity if they relate to items that are charged or credited directly to equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Accounting for income taxes (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to recognised the assets and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.14 Retirement benefit costs and short term employee benefits

(a) Retirement benefit costs

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Hong Kong Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the Hong Kong Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the Hong Kong Scheme. The assets of the Hong Kong 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 Hong Kong Scheme, except for the Group's employer voluntary contributions with a vesting period of five years, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the Hong Kong Scheme.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Retirement benefit costs and short term employee benefits (Continued)

(a) *Retirement benefit costs (Continued)*

Pursuant to the relevant regulations of the government of the People's Republic of China except Hong Kong (the "PRC"), the subsidiaries of the Company operating in the PRC participates in a local municipal government retirement benefits scheme (the "PRC Scheme"), whereby the subsidiaries are required to make contributions, as calculated under the rules specified by the relevant PRC local government authorities, to the PRC Scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries. The only obligation of the Group with respect to the PRC Scheme is to pay the ongoing required contributions under the PRC Scheme mentioned above. Contributions under the PRC Scheme are charged to the profit or loss as incurred. There are no provisions under the PRC Scheme whereby forfeited contributions may be used to reduce future contributions.

(b) *Short term employee benefits*

Provisions for bonus due wholly within twelve months after the reporting date are recognised when the Group has a present legal or constructive obligations as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.15 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Foreign currency translation

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

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At reporting date, monetary assets and liabilities denominated in foreign currencies are determined at the foreign exchange rates ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK$. Assets and liabilities have been translated into HK$ at the closing rates at the reporting date. Income and expenses have been converted into HK$ at the exchange rates ruling at the transaction dates or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure are recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

When a foreign operation is sold, such exchange differences are classified from equity to profit or loss as part of the gain or loss on sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Dividends

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

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

2.18 Recognition of revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services and the use by others of the Group's assets yielding interest and dividends, net of rebates and discounts and after eliminated sales within the Group. Provided it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably, revenue is recognised as follows:

Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered.

Rendering of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is an evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income receivable from operating leases is recognised in profit or loss on a straight-line basis over the periods covered by the lease term.

Dividend income is recognised when the right to receive payment is established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Discontinued operations

A discontinued operation is a clearly distinguishable component of the Group's business that has been disposed of or is classified as held for sale, which represents a separate major line of business or geographical area of operations of the Group.

Classification as a discontinued operation occurs upon disposal. It also occurs when the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of profit and loss account, which comprises the post-tax profit or loss for the discontinued operation.

2.20 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major business lines.

The Group has identified the following reportable segments from its continuing operations:

(a) the commercial printing segment provides financial printing, digital printing and other related services ("Commercial Printing Segment");

(b) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags segment produces hangtags, labels, shirt paper boards and plastic bags products for sale principally to manufacturers of consumer products ("Hangtag Segment"); and

(c) distribution and sales of motor vehicle parts ("Motor Vehicle Parts Segment").

Each of these operating segments is managed separately as each of the business lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The executive directors assess segment reporting as those used in its HKFRS financial statements, except that certain items are not included in arriving at the operating results of the operating segments (expenses relating to finance costs, income tax and corporate income and expenses).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Segment reporting (Continued)

Segment assets include all assets with the exception of corporate assets, including investment properties, available-for-sale financial assets, bank balances and cash, tax recoverable and deferred tax assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. Segment liabilities comprise trade payables, accrued liabilities and other payables.

No asymmetrical allocations have been applied to reportable segments.

2.21 Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

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

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions apply:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities 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 the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Provision and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliable, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3. ADOPTION OF NEW OR AMENDED HKFRSs

(a) Adoption of new or amended HKFRSs effective on or after 1 April 2014

In the current period, the Group has applied, for the first time, the following new or amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on or after 1 April 2014.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively.

The adoption of the amendments has no impact on these financial statements as the Group does not have any offsetting arrangements.

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(b) New or amended HKFRSs that have been issued but not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
HKFRS 9 (2014)	Financial Instruments[5]
HKFRS 15	Revenue from Contract with Customers[4]
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[3]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2016
4 Effective for annual periods beginning on or after 1 January 2017
5 Effective for annual periods beginning on or after 1 January 2018

Amendments to HKFRS 11 – Accounting for Acquisitions of Interests in Joint Operations

The amendments require an entity to apply all of the principles of HKFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined in that standard. The principles of HKFRS 3 are also applied upon the formation of a joint operation if an existing business as defined in that standard is contributed by at least one of the parties.

Amendments to HKAS 16 and HKAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(b) New or amended HKFRSs that have been issued but not yet effective (Continued)

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognized in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

3. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

(b) **New or amended HKFRSs that have been issued but not yet effective** (Continued)

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

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

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Annual Improvements 2010-2012 Cycle, 2011-2013 Cycle and 2012-2014 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear. They include amendments to HKAS 16 *Property, Plant and Equipment* to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The Group is in the process of making an assessment of the impact of these new or amended HKFRSs upon initial application but is not yet in a position to state whether these new or amended HKFRSs would have a significant impact on the Group's results or financial position.

(c) **New Hong Kong Companies Ordinance provisions relating to the preparation of financial statements**

The provisions of the new Hong Kong Companies Ordinance, Cap. 622, in relation to the preparation of financial statements will apply to the Company in its first financial year beginning on or after 3 March 2014 (i.e. the financial year ending 31 December 2015).

The directors consider that there will be no impact on the Group's financial position or performance, however the new Hong Kong Companies Ordinance, Cap. 622, would have impacts on the presentation and disclosures in the consolidated financial statements. The statement of financial position of the Company will be presented in the notes rather than a separate statement and the related notes need not be included, while generally the statutory disclosures will be simplified.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value:

- Investment property (note 18);
- Financial instruments (available-for-sale financial assets (note 21) and fair value through profit or loss (note 25))

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(a) Fair value measurement (Continued)

In addition, the Group's investment properties as at 31 December 2014 were stated at fair value in accordance with the accounting policy stated in note 2.5 to the financial statements. The fair value of investment properties were determined by an independent firm of professional valuers, LCH (Asia-Pacific) Surveyors Limited ("LCH"), and the fair value of these properties are set out in note 18 to the financial statements respectively. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

In making the judgement, reasonable consideration has been given to the underlying assumptions. For investment properties in and outside Hong Kong, estimates are mainly based on market conditions existing at the reporting date.

(b) Impairment of property, plant and equipment

The Group reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether impairment has occurred typically requires various estimates and assumptions, including determining which cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount, and the asset's residual value, if any. In turn, measurement of an impairment loss requires a determination of recoverable amount, which is based on the best information available. The Group derives the required cash flow estimates from historical experience and internal business plans. To determine recoverable amount, the Group uses cash flow estimates discounted at an appropriate discount rate, quoted market prices when available and independent appraisals, as appropriate.

(c) Allowance for impairment of receivables

The policy for the allowance for impairment of receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance for impairment may be required.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(d) Estimates of current tax and deferred tax

The Group is subject to taxation in various jurisdictions. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and income tax expense in the periods in which such estimate is changed.

Investment properties are carried at fair value under HKAS 40 "Investment Property". Significant judgement is required in determining the deferred tax amounts on certain investment properties which are located in the PRC which are subject to Enterprise Income Tax and Land Appreciation Tax upon future disposal using the applicable tax rates at the reporting date.

5. SEGMENT INFORMATION

5.1 Business operating segments

The executive directors have identified the Group's three product and service lines as operating segments as further described in note 2.20.

As described in more detail in note 12, the Group discontinued two reportable and operating segments regarding the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment produces paper cartons, packaging boxes and children's novelty books (the "Packaging Segment") and the food and beverage segment (the "Food and Beverage Segment") during the period. Accordingly, the segment information below does not include any amounts for the discontinued operations, details of which are set out in note 12.

5. SEGMENT INFORMATION

5.1 Business operating segments

Information regarding the Group's reportable operating segments from continuing operations as provided to the Group's executive directions is set out below:

	Commercial Printing Segment		Hangtag Segment		Motor Vehicle Parts Segment		Eliminations		Total	
	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)	**Nine months ended 31 December 2014 HK$'000**	Year ended 31 March 2014 HK$'000 (Represented)	**Nine months ended 31 December 2014 HK$'000**	Year ended 31 March 2014 HK$'000 (Represented)	**Nine months ended 31 December 2014 HK$'000**	Year ended 31 March 2014 HK$'000 (Represented)	**Nine months ended 31 December 2014 HK$'000**	Year ended 31 March 2014 HK$'000 (Represented)
Reportable segment revenue:										
Sales to external customers	**52,066**	65,425	**13,263**	14,651	**23,855**	–	**–**	–	**89,184**	80,076
Intersegment sales	**384**	183	**820**	1,015	**–**	–	**(1,204)**	(1,198)	**–**	–
Total	**52,450**	65,608	**14,083**	15,666	**23,855**	–	**(1,204)**	(1,198)	**89,184**	80,076
Reportable segment results	**1,128**	2,642	**(133)**	606	**1,364**	–	**–**	–	**2,359**	3,248
Unallocated income/(expenses):										
Interest income									**685**	2,633
Rental income on investment properties									**3,300**	3,936
Impairment loss on loan receivable									**–**	(17,179)
Revaluation surplus on investment properties									**12,690**	7,713
Corporate expenses									**(15,748)**	(6,921)
Profit/(Loss) from operations									**3,286**	(6,570)
Finance costs									**(101)**	(177)
Profit/(Loss) before income tax									**3,185**	(6,747)
Income tax expense									**(6,258)**	(5,285)
Loss for the period/year									**(3,073)**	(12,032)

5. SEGMENT INFORMATION (Continued)

5.1 Business operating segments (Continued)

	Commercial Printing Segment		Hangtag Segment		Motor Vehicle Parts Segment		Total	
	31 December 2014 HK$'000	31 March 2014 HK$'000 (Represented)	**31 December 2014 HK$'000**	31 March 2014 HK$'000 (Represented)	**31 December 2014 HK$'000**	31 March 2014 HK$'000 (Represented)	**31 December 2014 HK$'000**	31 March 2014 HK$'000 (Represented)
Reportable segment assets	**17,193**	16,139	**4,146**	4,453	**25,933**	–	**47,272**	20,592
Unallocated assets:								
Investment properties							**135,730**	123,040
Available-for-sale financial assets							**7,344**	–
Loan receivables							**–**	24,500
Cash and cash equivalents							**281,488**	5,124
Deferred tax assets							**137**	197
Tax recoverable							**594**	–
Unallocated corporate assets							**12,300**	381
Total assets from continuing operations							**484,865**	173,834
Assets from discontinued operations							**–**	473,312
Total consolidated assets							**484,865**	647,146
Reportable segment liabilities:	**12,040**	15,527	**2,401**	2,380	**41**	–	**14,482**	17,907
Unallocated liabilities:								
Interest bearing borrowings							**100,000**	10,418
Deferred tax liabilities							**32,939**	27,124
Tax payable							**1,117**	788
Unallocated corporate liabilities							**4,863**	–
Total liabilities from continuing operations							**153,401**	56,237
Liabilities from discontinued operations							**–**	105,115
Total consolidated liabilities							**153,401**	161,352
Other segment information:								
Depreciation on property, plant and equipment	**320**	419	**316**	398	**–**	–	**636**	817
Loss/(Gain) on disposal of property, plant and equipment	**72**	–	**–**	(29)	**–**	–	**72**	(29)
Allowance for impairment on trade receivables	**190**	–	**–**	–	**–**	–	**190**	–
Bad debts expenses	**154**	–	**–**	–	**–**	–	**154**	–
Capital expenditure	**668**	361	**464**	414	**26**	–	**1,158**	775

5. SEGMENT INFORMATION (Continued)

5.2 Geographical information

The Group's revenues from, external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas.

	Hong Kong (domicile)		PRC except Hong Kong		Other countries		Total	
	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)	**Nine months ended 31 December 2014 HK$'000**	Year ended 31 March 2014 HK$'000 (Represented)	**Nine months ended 31 December 2014 HK$'000**	Year ended 31 March 2014 HK$'000 (Represented)	**Nine months ended 31 December 2014 HK$'000**	Year ended 31 March 2014 HK$'000 (Represented)
Reportable segment revenue:								
Sales to external customers	**80,022**	74,604	**7,086**	2,090	**2,076**	3,382	**89,184**	80,076

	31 December 2014 HK$'000	31 March 2014 HK$'000 (Represented)	**31 December 2014 HK$'000**	31 March 2014 HK$'000 (Represented)	**31 December 2014 HK$'000**	31 March 2014 HK$'000 (Represented)	**31 December 2014 HK$'000**	31 March 2014 HK$'000 (Represented)
Non-current assets	**60,896**	43,406	**91,998**	82,232	**–**	–	**152,894**	125,638

The geographical location of customers is based on the location at which the customers operate. The geographical location of the non-current assets is based on the physical location of the assets.

5.3 Information about major customers

Revenue from major customer who has individually contributed to 10% or more of the total revenue of the Group is disclosed as follows:

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000
Customer A	**17,100**	–

The customer is included in the Motor Vehicle Parts Segment.

6. REVENUE

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered arising from the principal activities of the Group during the period/year after eliminations of all significant intra-group transactions.

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing operations		
Sales of goods	**37,118**	14,651
Rendering of services	**52,066**	65,425
	89,184	80,076

7. OTHER OPERATING INCOME

	Group	
	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing operations		
Interest income	**685**	2,633
Rental income on investment properties	**3,300**	3,936
Revaluation surplus on investment properties	**12,690**	7,713
Gain on disposal of property, plant and equipment	**–**	29
Sundry income	**1,047**	595
	17,722	14,906

8. OTHER OPERATING EXPENSES

	Group	
	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing operations		
Allowance for impairment on trade receivables *(note 23)*	**190**	–
Bad debts expenses	**154**	–
Impairment loss on loan receivable *(note 24)*	**–**	17,179
Loss on disposal of property, plant and equipment	**72**	–
	416	17,179

9. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing operations		
Auditor's remuneration	**1,317**	972
Cost of inventories sold	**30,474**	7,803
Cost of services rendered	**15,605**	19,575
Depreciation of property, plant and equipment[a]	**884**	861
Exchange loss/(gain), net	**281**	(36)
Loss/(Gain) on disposal of property, plant and equipment[e]	**72**	(29)
Impairment loss on loan receivable[e] *(note 24)*	**–**	17,179
Gross rental income on investment properties	**(3,300)**	(3,936)
Less: Direct operating expenses arising from investment properties that		
– generated rental income during the period/year	**46**	48
– did not generate rental income during the period/year	**131**	151
Net rental income on investment properties	**(3,123)**	(3,737)
Operating lease charges on land and buildings[b]	**11,796**	9,156
Allowance for impairment on trade receivables *(note 23)*[e]	**190**	–
Bad debts expenses[e]	**154**	–
Revaluation surplus on investment properties[e]	**(12,690)**	(7,713)
Staff costs (excluding directors' remuneration)		
Wages and salaries[c]	**26,474**	27,647
Pension scheme contributions[d]	**1,388**	2,067

9. PROFIT/(LOSS) BEFORE INCOME TAX (Continued)

(a) Depreciation on property, plant and equipment of HK$236,000 (year ended 31 March 2014: HK$252,000) has been expensed in cost of sales and HK$648,000 (year ended 31 March 2014: HK$609,000) in administrative expenses.

(b) Operating lease charges on land and buildings of HK$221,000 (year ended 31 March 2014: Nil) has been expensed in cost of sales and HK$11,575,000 (year ended 31 March 2014: HK$9,156,000) in administrative expenses.

(c) Wages and salaries of HK$1,445,000 (year ended 31 March 2014: HK$2,361,000) has been expensed in cost of sales and HK$25,029,000 (year ended 31 March 2014: HK$25,286,000) in administrative expenses.

(d) Pension scheme contributions of HK$70,000 (year ended 31 March 2014: HK$116,000) has been expensed in cost of sales and HK$1,318,000 (year ended 31 March 2014: HK$1,951,000) in administrative expenses.

(e) Included in other operating (income)/expenses.

10. FINANCE COSTS

	Group	
	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing operations		
Interest charges on overdrafts, bank and other borrowings		
– wholly repayable within five years	**101**	–
– not wholly repayable within five years	**–**	177
	101	177

11. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (year ended 31 March 2014: 16.5%) on the estimated assessable profits for the nine months ended 31 December 2014. Taxation on overseas profits has been calculated on the estimated assessable profits for the nine months ended 31 December 2014 at the rates of taxation prevailing in the countries in which the Group operates.

PRC Enterprise Income Tax has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (year ended 31 March 2014: 25%).

Land appreciation tax is estimated according to the requirements in relevant PRC tax laws and regulations. Land appreciation tax has been provided at ranges of progressive rates of the appreciation value.

Deferred tax is accounted for using the balance sheet liabilities method at a rate of 16.5% (year ended 31 March 2014: 16.5%) in Hong Kong or the tax rates prevailing in the countries in which the Group operates.

	Group	
	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing operations		
Current tax – Hong Kong		
Tax expense for the period/year	**409**	1,008
Over provision in respect of prior years	**(34)**	(42)
	375	966
Current tax – overseas		
Tax expense for the period/year	**8**	226
Deferred tax		
Tax expense for the period/year *(note 32)*	**5,875**	4,093
Income tax expense	**6,258**	5,285

11. INCOME TAX EXPENSE (Continued)

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates is as follows:

	Group	
	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing operations		
Profit/(Loss) before income tax	**3,185**	(6,747)
Tax on profit/(loss) before income tax, calculated at the rates applicable to profit/(loss) in the tax jurisdiction concerned	**1,420**	(442)
Tax effect on non-deductible expenses	**3,245**	3,146
Tax effect on non-taxable revenue	**(4,778)**	(494)
Tax effect of utilisation of tax losses not previously recognised	**–**	(2)
Tax effect on tax loss not recognised	**2,128**	207
Land appreciation tax on investment properties	**5,703**	3,883
Tax effect of land appreciation tax	**(1,426)**	(971)
Over provision in prior years	**(34)**	(42)
Income tax expense	**6,258**	5,285

12. DISCONTINUED OPERATIONS

On 27 February 2014, the Company and Harmony Link Corporation ("Harmony Link") entered into a sale and purchase agreement (the "Asset Reorganisation Agreement") pursuant to which the Company conditionally agreed to sell and Harmony Link conditionally agreed to purchase the entire issued share capital of the Brilliant Stage Holdings Limited ("Brilliant Stage") together with its subsidiaries (collectively referred to as "Brilliant Stage Group") for a cash consideration of HK$180,000,000. Brilliant Stage Group is principally engaged in manufacturing and sale of paper cartons, packaging boxes and printing of children's novelty books and food and beverage business which are classified as discontinued operations of the Group as a result of the disposal. Details of the transaction are set out in the Company's circular dated 26 May 2014. The disposal was completed on 20 June 2014. The carrying amounts of assets and liabilities of Brilliant Stage Group at the date of disposal are disclosed in note 41.

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Loss of discontinued operations for the period/year	**(2,516)**	(412)
Loss on disposal of discontinued operations *(note 41)*	**(1,227)**	–
	(3,743)	(412)

12. DISCONTINUED OPERATIONS (Continued)

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Revenue	**118,232**	444,418
Cost of sales	**(105,567)**	(365,756)
Gross profit	**12,665**	78,662
Other operating income	**2,805**	10,095
Selling and distribution costs	**(2,427)**	(10,344)
Administrative expenses	**(13,441)**	(57,745)
Other operating expenses	**(310)**	(23,575)
	(708)	(2,907)
Finance costs	**(22)**	(396)
Loss before income tax	**(730)**	(3,303)
Income tax (expense)/credit	**(1,786)**	2,891
Loss for the period/year from discontinued operations	**(2,516)**	(412)
Operating cash flows	**73,532**	69,147
Investing cash flows	**(190,858)**	(8,604)
Financing cash flows	**10,000**	(27,829)
Total cash flows	**(107,326)**	32,714

For the purpose of presenting the above discontinued operations, the comparative consolidated statement of comprehensive income has been represented as if the operations discontinued during the period had been discontinued at the beginning of the comparative period.

13. LOSS FOR THE PERIOD/YEAR ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY

Of the consolidated loss for the nine months ended 31 December 2014 attributable to the equity holders of the Company of HK$7,272,000 (year ended 31 March 2014: loss of HK$12,444,000), a profit of HK$170,813,000 (year ended 31 March 2014: loss of HK$89,000) has been dealt with in the financial statements of the Company.

14. DIVIDENDS

(a) Dividends attributable to the period/year

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000
Special dividend of HK$0.50 (year ended 31 March 2014: Nil) per ordinary share	**317,677**	–

The directors do not recommend the payment of final dividend for the nine months ended 31 December 2014 (year ended 31 March 2014: Nil).

(b) Dividends attributable previous financial year, approved and paid during the period/year

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000
Final dividend in respect of the previous financial year of HK2 cents per ordinary share	**–**	12,707

15. LOSS PER SHARE

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

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing and discontinued operations		
Loss for the purposes of calculating basic loss per share	**(7,272)**	(12,444)

15. LOSS PER SHARE (Continued)

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	**710,525**	677,399

The weighted average number of ordinary shares for the purpose of basic loss per share is adjusted to reflect the right issue during the period as if the event had occurred at the beginning of the earlier period reported.

There are no dilutive potential shares in both period/year.

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000 (Represented)
Continuing operations		
Loss for the purposes of calculating basic loss per share:	**(7,272)**	(12,444)
Less: Loss for the period/year from discontinued operations	**(3,743)**	(412)
Loss for the purposes of calculating basic loss per share from continuing operations	**(3,529)**	(12,032)

The number of shares used is the same as above for basic loss per share.

Discontinued operations

Basic loss per share for the discontinued operations is HK0.52 cents per share (year ended 31 March 2014: loss per share for the discontinued operations is HK0.06 cents per share) for the discontinued operations, based on the loss for the period from the discontinued operations of HK$3,743,000 (year ended 31 March 2014: loss for the year from the discontinued operations of HK$412,000) and the number of shares above for basic loss per share.

The calculation of the basis loss per share for both continuing and discontinued operations has been adjusted to reflect the price adjustment arising from the right issues during the period and as if the event had occurred at the beginning of the prior period.

16. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and buildings HK$'000	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Cooking equipment HK$'000	Leasehold improvements HK$'000	Motor vehicles HK$'000	Total HK$'000
At 1 April 2013								
Cost or valuation	139,950	128,350	27,192	16,374	274	4,540	9,427	326,107
Accumulated depreciation	–	(94,970)	(25,955)	(13,290)	(2)	(3,900)	(7,316)	(145,433)
Net carrying amount	**139,950**	**33,380**	**1,237**	**3,084**	**272**	**640**	**2,111**	**180,674**
At 31 March 2014								
Opening net carrying amount	139,950	33,380	1,237	3,084	272	640	2,111	180,674
Additions	–	5,091	586	769	848	1,935	823	10,052
Disposals and write-off, net	(3,950)	(3,543)	–	–	–	–	(17)	(7,510)
Net revaluation surplus	12,548	–	–	–	–	–	–	12,548
Depreciation	(4,208)	(8,457)	(604)	(627)	(329)	(749)	(1,029)	(16,003)
Impairment loss	(29,228)	(9,772)	–	–	–	–	–	(39,000)
Closing net carrying amount	**115,112**	**16,699**	**1,219**	**3,226**	**791**	**1,826**	**1,888**	**140,761**
At 31 March 2014 and 1 April 2014								
Cost or valuation	115,112	110,937	27,646	17,058	1,122	6,475	9,566	287,916
Accumulated depreciation and impairment losses	–	(94,238)	(26,427)	(13,832)	(331)	(4,649)	(7,678)	(147,155)
Net carrying amount	**115,112**	**16,699**	**1,219**	**3,226**	**791**	**1,826**	**1,888**	**140,761**
At 31 March 2014								
Opening net carrying amount	115,112	16,699	1,219	3,226	791	1,826	1,888	140,761
Additions	–	2,965	858	1,253	6	3,210	3,243	11,535
Disposals and write-off, net	–	–	–	–	–	–	(84)	(84)
Net revaluation surplus	1,022	–	–	–	–	–	–	1,022
Eliminated on disposals through disposal of subsidiaries *(note 41)*	(115,112)	(16,424)	(521)	(2,826)	(704)	(1,453)	(1,992)	(139,032)
Depreciation	(1,022)	(2,065)	(246)	(247)	(93)	(380)	(329)	(4,382)
Closing net carrying amount	**–**	**1,175**	**1,310**	**1,406**	**–**	**3,203**	**2,726**	**9,820**
At 31 December 2014								
Cost	–	21,310	4,932	4,593	–	7,435	3,682	41,952
Accumulated depreciation	–	(20,135)	(3,622)	(3,187)	–	(4,232)	(956)	(32,132)
Net carrying amount	**–**	**1,175**	**1,310**	**1,406**	**–**	**3,203**	**2,726**	**9,820**

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Furniture and fixtures HK$'000	Office equipment HK$'000	Leasehold improvements HK$'000	Total HK$'000
Period ended 31 December 2014				
Additions	850	836	3,170	4,856
Depreciation	(28)	(26)	(105)	(159)
Closing net carrying amount	822	810	3,065	4,697
At 31 December 2014				
Cost	850	836	3,170	4,856
Accumulated depreciation	(28)	(26)	(105)	(159)
Net carrying amount	822	810	3,065	4,697

The Company did not own any property, plant and equipment during the year ended 31 March 2014.

At 31 March 2014, the Group's leasehold land and buildings in Hong Kong were carried at their valuations which were performed by LCH, an independent firm of professionally qualified valuers, which has appropriate qualifications and recent experience in the valuation of similar properties in nearby location, at HK$51,670,000. The valuation was arrived at using sales comparison approach, which conforms to Hong Kong Institute of Surveyors Valuation Standards, on the assumption that the Group sells the property on the open market without the benefit or burden of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could affect the value. The revaluation surplus of HK$6,046,000 was credited to other comprehensive income.

The sales comparison approach considers the sales, listing or offerings of similar or substitute real properties and related market data to establish a value estimated by processes involving comparison.

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The following table gives information about how the fair values of these leasehold land and buildings in Hong Kong were determined (in particular, the valuation techniques and inputs used):

Properties	Location	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Mai Sik Industrial Building[1]	Hong Kong	Sales comparison method	Selling price per unit of market comparables, taking into account the factors such as age, location and individual factors including road frontage, size of property and condition	Industrial units (per square feet): 31 March 2014: HK$1,900 to HK$2,060 Car parks (per unit): 31 March 2014: HK$600,000 to HK$900,000	The higher the market unit price, the higher the fair value

Note:

1 The properties comprise industrial units and car parks.

The fair value measurements was based on the highest and best use of leasehold land and buildings in Hong Kong, which did not differ from their actual use.

The fair value of the leasehold land and buildings in Hong Kong as at 31 March 2014 was a level 3 recurring fair value measurement, which used significant unobservable inputs i.e. inputs not derived from market data.

Had the Group's leasehold land and buildings in Hong Kong been valued at cost less accumulated depreciation and impairment losses, their carrying amounts would have been HK$8,287,000 as at 31 March 2014.

As at 31 March 2014, the Group's leasehold land and buildings outside Hong Kong were carried at their valuations which were performed by LCH, an independent firm of professionally qualified valuers, which has appropriate qualifications and recent experience in the valuation of similar properties in nearby location, on the basis of depreciated replacement cost, at HK$92,670,000. For the basis of depreciated replacement cost, which conforms to Hong Kong Institute of Surveyors Valuation Standards, it was assumed that the Group has free and uninterrupted rights to use the property interests for the whole of the unexpired terms as granted and any premiums payable have already been paid in full whereas the same assumption used in valuing the Group's leasehold land and buildings in Hong Kong was applied for the basis of market value. The resulting revaluation surplus amounting to HK$6,015,000 was credited to other comprehensive income.

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The depreciated replacement cost approach requires an estimate of the market value of the land use rights for its existing use, and an estimate of the new replacement cost of the buildings and other site works from which deductions are then made to allow for age, condition, and functional obsolescence taken into account of the site formation cost and those public utilities connection charges to the property. The land use rights of the properties have been determined from market-based evidences by analysing similar sales or offerings of comparable properties.

The following table gives information about how the fair values of these leasehold land and buildings outside Hong Kong were determined (in particular, the valuation techniques and inputs used):

Properties	Location	Valuation technique	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Industrial Buildings at Dasha Dalingshan Town[2]	Dongguan Province, the PRC	Depreciated replacement cost method	Replacement cost of the buildings and other site works, taking into account the factors such as age, condition, and functional obsolescence including the site formation cost and those public utilities connection charges to the property.	Replacement cost of new building of similar characteristics (per square meter): 31 March 2014: HK$2,174	The higher the replacement cost, the higher the fair value

Note:

2 The properties comprise workshops, warehouses, staff quarters, an electric room and a transformer house

The fair value measurements was based on the highest and best use of leasehold land and buildings outside Hong Kong, which did not differ from their actual use.

The fair value of the leasehold land and buildings outside Hong Kong as at 31 March 2014 was a level 3 recurring fair value measurement, which used significant unobservable inputs i.e. inputs not derived from market data.

Had the Group's leasehold land and buildings outside Hong Kong been valued at cost less accumulated depreciation and impairment losses, their carrying amounts would have been HK$11,780,000 as at 31 March 2014.

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 March 2014, certain of the Group's leasehold land and buildings amounting to HK$37,610,000 were pledged to secure the bank borrowings and general banking facilities granted to the Group as further detailed in notes 28 and 34 to the financial statements respectively.

Non-separable leasehold land and buildings were carried at their valuations at HK$39,110,000 are held on medium term leases between 10 to 50 years.

The analysis of the cost or valuation at 31 March 2014 of the above assets is as follows:

	Leasehold land and buildings	Plant and machinery	Furniture and fixtures	Office equipment	Cooking equipment	Leasehold improvements	Motor vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At cost	–	110,937	27,646	17,058	1,122	6,475	9,566	172,804
At valuation	115,112	–	–	–	–	–	–	115,112
	115,112	110,937	27,646	17,058	1,122	6,475	9,566	287,916

Impairment loss for the year ended 31 March 2014

For the year ended 31 March 2014, certain leasehold buildings of the Packing Segment in the PRC were stated at fair value determined by LCH based on depreciated replacement cost approach, which is normally used for valuation of buildings in the PRC and is an acceptable basis for determining fair value under HKAS 16 – Property, Plant and Equipment. As a result of the proposed disposal of Brilliant Stage Group, there was an indication that the carrying amount of the property, plant and equipment of Brilliant Stage Group might be impaired as at 31 March 2014 because the sale consideration (net of estimated cost to sell of HK$4 million) of HK$176 million of the proposed disposal was less than the net asset value (before any impairment loss) of Brilliant Stage Group as at 31 March 2014. Accordingly, an impairment assessment of Brilliant Stage Group was performed. Brilliant Stage Group mainly consists of the Packaging Segment. The recoverable amount of the property, plant and equipment of the Packaging Segment was estimated based on a fair value less cost to sell calculation based on future cash flow estimates including the estimated net proceed of the sale consideration for a period up to the completion date of the disposal, and discounted using a post-tax discount rate of 7.4%. The recoverable amount was approximately HK$113.8 million for the Packaging Segment as at 31 March 2014.

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment loss for the year ended 31 March 2014 (Continued)

Taken into account of the individual recoverable amount of the property, plant and equipment of the Packaging Segment, an impairment loss of HK$29,228,000 for the leasehold buildings in the PRC of the Packaging Segment was charged to other comprehensive income for the year to offset against revaluation surplus (based on depreciated replacement cost approach) recognised in the previous years. Another impairment of loss HK$9,772,000 for the plant and machinery of the Packaging Segment was charged to profit or loss for the year ended 31 March 2014.

No impairment loss on other segments of the Group has been recognised as there was no indicator for material impairment noted as at 31 December 2014 and 31 March 2014.

17. PREPAID LEASE PAYMENTS

The Group's interests in leasehold land and land use rights represent prepaid operating lease payments and the movements in their net carrying amounts are analysed as follows:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Opening net carrying amount	**2,644**	2,727
Amortisation	**(20)**	(83)
Eliminated through disposal of subsidiary *(note 41)*	**(2,624)**	–
Closing net carrying amount	**–**	2,644

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Outside Hong Kong held on:		
Leases of between 10 to 50 years	**–**	2,644

18. INVESTMENT PROPERTIES

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Fair value		
At beginning of period/year	**123,040**	104,260
Additions	**–**	11,067
Change in fair value	**12,690**	7,713
At end of period/year	**135,730**	123,040

At the reporting dates, all of the Group's investment properties were situated in Hong Kong or outside Hong Kong under medium term leases.

The fair value of the Group's investment properties as at 31 December 2014 and 31 March 2014 have been arrived at their valuations which were performed by LCH, an independent firm of professionally qualified valuers and has appropriate qualifications and recent experience in the valuation of similar properties in nearby locations. The valuation was arrived at using investment method of the Income Approach (or sometimes referred to as a method of the Market Approach for the reversionary interest and the rate of return are market-derived), which conforms to Hong Kong Institute of Surveyors Valuation Standards, by taking into account the current rent receivable from the existing tenancy agreements and reversionary potential of the property interests. With the assumption that an investor will pay no more for a property than he or she would have to be paid for another property with an income stream of comparable amount, duration, and certainty, the valuation adopted sales comparison method in assessing the reversionary potential of the property interests, that constitute a significant portion of the values of the investment properties under review.

The sales comparison approach considers the sales, listing or offerings of similar or substitute real properties and related market data to establish a value estimated by processes involving comparison and considered the sales listing or offerings of similar or substitute real properties and related market data to establish a value estimated by processes involving comparison.

18. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties as at 31 December 2014 and 31 March 2014 is a recurring fair value measurement. The following table gives information about how the fair values of these investment properties are determined as well as the fair value hierarchy into which the fair value measurement are categorised (Level 2), based on the degree to which the inputs to the fair value measurement is observable. Sales comparison approach is considered to be the key valuation technique adopted in the measurement of the fair value of the properties, which does not differ from the techniques adopted in previous year.

	Fair value measurements categorised into			
	Level 1	**Level 2**	**Level 3**	**Fair value**
	HK$'000	HK$'000	HK$'000	HK$'000
Recurring fair value measurement				
As at 31 December 2014				
Residential apartments	–	41,820	–	41,820
Car park spaces	–	2,010	–	2,010
Commercial buildings	–	91,900	–	91,900
	–	135,730	–	135,730

	Fair value measurements categorised into			
	Level 1	**Level 2**	**Level 3**	**Fair value**
	HK$'000	HK$'000	HK$'000	HK$'000
Recurring fair value measurement				
As at 31 March 2014				
Residential apartments	–	39,240	–	39,240
Car park spaces	–	1,800	–	1,800
Commercial buildings	–	82,000	–	82,000
	–	123,040	–	123,040

18. INVESTMENT PROPERTIES (Continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation technique	Significant unobservable input(s)
Residential units in Festival City, Shatin, Hong Kong	Level 2	Sales comparison method	Price per square meter is the key input, based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property.
Residential units in Parc Oasis Kowloon, Hong Kong	Level 2	Sales comparison method	Price per square meter is the key input, based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property.
Residential units in The Riverpark, Shatin, Hong Kong	Level 2	Sales comparison method	Price per square meter is the key input, based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property.
Car park spaces in Festival City, Shatin, Hong Kong	Level 2	Sales comparison method	Price per unit is the key input, based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property.

18. INVESTMENT PROPERTIES (Continued)

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Valuation technique	Significant unobservable input(s)
Car park spaces in Parc Oasis, Kowloon, Hong Kong	Level 2	Sales comparison method	Price per unit is the key input, based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property.
Commercial buildings in Shenzhen, Guangdong Province, The PRC	Level 2	Sales comparison method	Price per square meter is the key input, based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject property.

There were no changes to the valuation techniques during the period/year.

The carrying amount of the investment properties pledged as security of the Group's bank borrowings and general banking facilities amounted to nil (31 March 2014: HK$27,400,000) as further details in notes 28 and 34 to the financial statements respectively.

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Unlisted shares, at cost	**132,366**	132,325
Less: Impairment loss	**(64,348)**	–
	68,018	132,325

(a) Particulars of the principal subsidiaries are as follows:

Name	Country/Place of incorporation/ registration	Issued share capital/ Paid up capital	Percentage of equity interests held by the Company Direct	Indirect	Principal activities	Place of operations
Cheong Ming (BVI) Enterprises Limited ("CM (BVI) ")	British Virgin Islands	HK$10,000 ordinary shares	100%	–	Investment holding	Hong Kong
CM Investment Enterprises Limited ("CM Investment")	British Virgin Islands	US$1 ordinary share	100%	–	Investment holding	Hong Kong
Easy Yield Ventures Limited	British Virgin Islands	US$1,000 ordinary shares	100%	–	Investment holding	Hong Kong
Realord Asset Management Limited	Hong Kong	HK$10,000 ordinary shares	100%	–	Assets management and investment holding	Hong Kong
Capital Financial Press Limited	Hong Kong	HK$800,000 ordinary shares	–	100%	Commercial printing	Hong Kong
Capital Translation Services Limited	Hong Kong	HK$500,000 ordinary shares	–	100%	Provision of translation services	Hong Kong
Chun Ming Printing Factory Company Limited	Hong Kong	HK$150,000 ordinary shares	–	100%	Manufacture and sale of hangtags, labels and shirt paper boards	Hong Kong
Easy Bloom Investment Limited	Hong Kong	HK$1 ordinary share	–	100%	Property holding	Hong Kong
Excel Testing Service Limited	Hong Kong	HK$2 ordinary shares	–	100%	Trading of hangtags, labels and shirt paper boards	Hong Kong
Qualiti Printing and Sourcing Limited	Hong Kong	HK$3,750,000 ordinary shares	–	100%	Trading of hangtags, labels and shirt paper boards	Hong Kong

19. INVESTMENTS IN SUBSIDIARIES (Continued)

(a) Particulars of the principal subsidiaries are as follows: (Continued)

Name	Country/Place of incorporation/ registration	Issued share capital/ Paid up capital	Percentage of equity interests held by the Company Direct	Indirect	Principal activities	Place of operations
Qualiti UK Limited	United Kingdom	GBP50,000 ordinary shares	–	100%	Provision of packaging solution advisory services	United Kingdom
偉祿商業(深圳)有限公司 (formerly known as 資浚商務服務(深圳)有限公司)	PRC*	Paid up capital of HK$36,000,000	–	100%	Provision of business services	PRC
Realord Vehicle Parts Limited	Hong Kong	HK$10,000 ordinary shares	–	60%	Distribution and sales of motor vehicle parts	Hong Kong

* The subsidiary is registered as a wholly-foreign owned enterprise under the PRC law.

The financial statements of the above subsidiaries for the nine month ended 31 December 2014 are audited by BDO Limited, for the purpose of incorporation into the Group's consolidated financial statements.

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

(b) The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

20. OTHER ASSET

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Club membership, at cost	**–**	1,100

21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Club debentures, at fair value	**4,844**	–
School debenture, at fair value	**2,500**	–
	7,344	–

The above club/school debentures are refundable/redeemable from the issuers when certain conditions are met and are transferable.

22. INVENTORIES

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Raw materials	**377**	18,304
Work in progress	**31**	2,409
Finished goods	**3,194**	5,791
	3,602	26,504

23. TRADE RECEIVABLES

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Trade receivables	**32,533**	99,965
Less: Allowance for impairment of receivables	**(599)**	(1,570)
Trade receivables – net	**31,934**	98,395

23. TRADE RECEIVABLES (Continued)

Trade receivables generally have credit terms of 30 to 90 days (31 March 2014: 30 to 120 days). The directors of the Group consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

At 31 December 2014, the aging analysis of the trade receivables, based on invoiced date and net of allowance, is as follows:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Current to 30 days	**21,770**	46,934
31 to 60 days	**7,881**	20,132
61 days to 90 days	**859**	18,181
Over 90 days	**1,424**	13,148
	31,934	98,395

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entities to which they relate:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Euro ("EUR")	**–**	49
US dollars ("US$")	**–**	21,914

23. TRADE RECEIVABLES (Continued)

The movement in the allowance for impairment of trade receivables is as follows:

	31 December 2014 HK$'000	31 March 2014 HK$'000
Carrying amount at beginning of period/year	**1,570**	1,108
Allowance for impairment loss of prior year written off against trade receivables	**–**	(110)
Allowance for impairment loss charged to the profit or loss *(note 8)*	**190**	572
Amount released upon disposal of subsidiaries	**(1,161)**	–
Carrying amount at end of period/year	**599**	1,570

At each of the reporting date, the Group reviews trade receivables for evidence of impairment on both individual and collective basis. The impaired receivables are recognised based on the credit history of its customers, indication of financial difficulties, default in payments, and current market conditions. Consequently, specific impairment allowance was recognised. The Group does not hold any collateral over these balances.

As at 31 December 2014, the Group's trade receivables of HK$599,000 (31 March 2014: HK$1,570,000) were fully made for allowance for impairment. The impaired receivables mainly relate to customers that were in financial difficulties and management assessed that the entire amount of the receivable balances is unlikely to be recovered.

23. TRADE RECEIVABLES (Continued)

The aging analysis of trade receivables by past due date that is neither individually nor collectively considered to be impaired are as follows:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Not past due	**21,668**	70,334
Unimpaired but past due		
Not more than 30 days	**7,808**	19,779
31 – 60 days	**1,035**	2,614
61 – 90 days	**1,237**	2,589
Over 90 days	**186**	3,079
	31,934	98,395

As at 31 December 2014, trade receivables of HK$21,668,000 (31 March 2014: HK$70,334,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that the Group had continuing business relationships with these customers including sales to and settlements from these customers in general, which in the opinion of the directors have no indication of default. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	31 December 2014 HK$'000	31 March 2014 HK$'000	**31 December 2014 HK$'000**	31 March 2014 HK$'000
Prepayments	**2,438**	5,025	**1,224**	170
Deposits	**11,726**	7,105	**3,970**	–
Other receivables	**3,510**	7,220	**18**	175
Loan receivable	**–**	24,500	**–**	–
	17,674	43,850	**5,212**	345
Less: Allowance for impairment of receivables	**(3,458)**	(3,693)	**–**	–
	14,216	40,157	**5,212**	345

Impairment losses in respect of other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against other receivables directly.

The movement in the provision for impairment of other receivables is as follows:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Carrying amount at beginning of period/year	**3,693**	3,458
Allowance for impairment loss charged to the profit or loss	**–**	235
Amount released upon disposal of subsidiaries	**(235)**	–
Carrying amount at end of period/year	**3,458**	3,693

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

At each of the reporting dates, the Group's other receivables were individually determined to be impaired. The Group encountered difficulties in collection of certain other receivables and appropriate allowance for impairment has been made against these other receivables. The individually impaired receivables are recognised based on the credit history of these debtors, such as financial difficulties or default in payments, and current market conditions. Consequently, specific allowance for impairment was recognised. The Group does not hold any collateral over these balances. Except for the amount impaired, none of the above assets is either past due or impaired.

For the year ended 31 March 2014, the loan receivable of HK$40,000,000 generated interest income of approximately HK$2,700,000 (based on the interest rate of 10% per annum for the period from 26 April 2013 to 31 December 2013), of which approximately HK$1,000,000 was paid by Fullpower Investment Holdings Corp. ("Fullpower") in July 2013.

As at 31 March 2014, a write off of HK$17,179,000 (note 8) in respect of the loan receivable and accumulated interest receivable was made as it was determined as irrecoverable due to the subsequent disposal. This resulted in a carrying amount of HK$24,500,000 as at 31 March 2014.

On 30 April 2014, the board announced that Peace Broad Holdings Limited ("Peace Broad"), a subsidiary of the Group which entitled the loan receivable, and Mr. Lo Ming Chi, Charles ("Mr. Lo") entered into an agreement, pursuant to which Peace Broad agreed to sell and assign, and Mr. Lo agreed to purchase and accept the assignment of, all rights, title, benefits and interests of and in the loan of Fullpower. The disposal of the loan was completed on 30 April 2014 with settlement of HK$24,500,000 in cash.

25. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Hong Kong listed equity investments	–	3,977
Hong Kong unlisted debt investments	–	53,171
Hong Kong unlisted currency notes	–	91
Overseas listed equity investments	–	506
Overseas unlisted fund investments	–	20,506
	–	78,251

25. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Financial liabilities

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Hong Kong unlisted currency notes	**–**	(1,622)

The above financial assets/liabilities are classified as held for trading.

The fair values of the Group's investments have been measured as described in note 43.7.

Financial assets/liabilities at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows of the discontinued operations.

Changes in fair values of financial assets/liabilities at fair value through profit or loss are recorded in other operating income or other operating expenses in the profit or loss of the discontinued operations.

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	Group		Company	
	31 December 2014 HK$'000	31 March 2014 HK$'000	**31 December 2014 HK$'000**	31 March 2014 HK$'000
Cash in hand, bank balances, and time deposits with original maturity of less than three months	**261,488**	45,332	**27,323**	898
Cash placed at securities brokerage firms	**20,000**	89,218	**–**	–
Time deposits with original maturity of more than three months	**–**	757	**–**	–
Cash and cash equivalents per consolidated statement of financial position	**281,488**	135,307	**27,323**	898
Less: Time deposits with original maturity of more than three months	**–**	(757)	**–**	–
Pledged bank deposit	**(105,500)**	–	**–**	–
Cash and cash equivalents per consolidated cash flow statement	**175,988**	134,550	**27,323**	898

The effective interest rate of time deposit, denominated in HK$ and RMB, with original maturity of less than three months is 0.86% to 3.4% (31 March 2014: 0.4%) per annum. It has a maturity of 7 days to 3 months (31 March 2014: 2 months) and is eligible for immediate cancellation without receiving any interest for the last deposit period.

At 31 December 2014, pledged bank deposit of RMB84,623,000 (equivalent to HK$105,500,000) held by the Group carried fixed interest rate of 3.4% per annum. The deposit was pledged to secure bank borrowing which were repayable within three months from 31 December 2014 and accordingly, the pledged deposit was classified as current asset as at 31 December 2014.

26. CASH AND CASH EQUIVALENTS (Continued)

At 31 March 2014, the effective interest rate of time deposit, denominated in HK$, with original maturity of more than three months is 0.23% per annum. It had a maturity of 6 months and was eligible for immediate cancellation without receiving any interest for the last deposit period.

As at 31 December 2014, cash and bank balances of the Group denominated in RMB amounted to HK$106,111,000 (31 March 2014: HK$15,446,000). RMB is not freely convertible into other currencies, however, under PRC'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.

27. TRADE PAYABLES

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Trade payables	**5,192**	59,275

At 31 December 2014, the aging analysis of the trade payables, based on invoiced date, is as follows:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Current to 30 days	**1,586**	27,383
31 to 60 days	**1,750**	10,401
61 to 90 days	**836**	8,403
Over 90 days	**1,020**	13,088
	5,192	59,275

All amounts are short term and hence the carrying values of the Group's trade payables are considered to be a reasonable approximation of fair value.

28. INTEREST-BEARING BORROWINGS

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Current liabilities		
Bank loans, secured		
– Portion due for repayment within one year	**100,000**	3,807
– Portion due for repayment after one year which contain a repayment on demand clause	**–**	9,811
	100,000	13,618

The analysis of bank loans by scheduled repayment is as follows:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Portion due within one year	**100,000**	3,807
Portion due for repayment after one year *(note)*		
After one year but within two years	**–**	612
After two years but within five years	**–**	1,871
After five years	**–**	7,328
	100,000	13,618

Note: The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

At 31 December 2014, the interest-bearing borrowings were secured by a time deposit of RMB84,623,000 (equivalent to HK$105,500,000). The details are set out in note 26 to the financial statements.

At 31 March 2014, the interest-bearing borrowings were secured by the pledge of certain leasehold land and buildings under property, plant and equipment and investment properties with net carrying amount of HK$37,610,000 and HK$27,400,000 respectively. The details are set out in notes 16 and 18 to the financial statements.

28. INTEREST-BEARING BORROWINGS (Continued)

Details of the loans are stated below.

	Loan amount HK$'000	Interest rate	Repayment terms
Loans denominated in HK$	100,000	HIBOR + 1.50% p.a.	Payable within 1 year

29. SHARE CAPITAL

	Number of shares	HK$'000
Authorised:		
Ordinary shares of HK$0.10 each		
At 31 March 2014	800,000,000	80,000
Increase in authorised ordinary shares	19,200,000,000	1,920,000
At 31 December 2014	20,000,000,000	2,000,000

	Number of shares	HK$'000
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
At 31 March 2014	635,353,119	63,535
Shares issued under right issue	158,838,279	15,884
At 31 December 2014	794,191,398	79,419

(a) Pursuant to an ordinary resolution passed at the annual general meeting on 22 August 2014, the Company's authorised capital is increased to 20,000,000,000 shares by the creation of an additional 19,200,000,000 shares of HK$0.10 each.

(b) On 15 October 2014, the Company completed a right issue by issuing 158,838,279 new ordinary shares ("Rights Shares") at the subscription price of HK$1.00 per Rights Share on the basis of one Rights Share for every four ordinary shares. Details of the right issue are set out in the listing documents issued by the Company on 18 September 2014. The net proceeds of approximately HK$157,357,000 after deducting the associated share issue expense, being the commission to the underwriter of HK$1,481,000, are intended to be utilised for funding existing and future business and for general working capital of the Group. An amount of HK$141,473,000 has been credited to share premium account accordingly (note 31).

30. SHARE OPTION SCHEME

The share option scheme adopted by the Company was approved by the shareholders at the annual general meeting of the Company held on 10 August 2012 (the "Scheme").

A summary of the Scheme is set out below:

The Scheme became effective for a period of 10 years commencing on 10 August 2012. Under the Scheme, the Board shall, in its absolute discretion select, make an offer to any eligible participants to subscribe for shares of the Company at a subscription price being not less than the highest of (i) the closing price of shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant; or (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the share. The offer of a grant of options may be accepted within 21 days from the date of the offer. The options granted shall be exercisable in whole or in part in the effective option period (i.e. 10 years from the commencing date on 10 August 2012. The exercise period of the options granted is determined and notified by the directors to the grantee thereof at the time of making an offer provided that such period shall not exceed the period of 10 years from the date of the grant of the option is made, subject to the provisions for early termination thereof.

The maximum number of shares to be issued upon the exercise of all outstanding options granted at any time under this New Scheme together with options which may be granted under any other share option schemes for the time being of the Company shall not exceed such number of shares as equals 10% of the shares of the Company in issue as at the date of the annual general meeting held on 10 August 2012.

No share options were granted under the Scheme during the period. At 31 December 2014 and March 2014, there were no outstanding options granted under the Scheme.

Share options do not confer rights to the holders to dividends or to vote at shareholders' meetings.

31. RESERVES

Group

	31 December 2014 HK$'000	31 March 2014 HK$'000
Share premium account	**141,473**	107,590
Contributed surplus	**–**	34,080
Asset revaluation reserve	**28,274**	89,043
Capital reserve	**–**	9,900
Exchange reserve	**219**	211
Retained profits	**69,623**	181,435
	239,589	422,259

As at 31 March 2014, the contributed surplus of the Group arose as a result of the Group reorganisation carried out on 24 December 1996 and represents the difference between the nominal value of the share capital of the former holding company of the Group acquired pursuant to the Group reorganisation, over the nominal value of the share capital of the Company issued in exchange therefore. Such contributed surplus had been utilised for the special distribution approved at a special general meeting on 11 June 2014 as mentioned below.

As at 31 March 2014, the capital reserve of the Group arose as a result of the capital injection into a subsidiary, Dongguan Cheong Ming Printing Co., Limited ("DGCM"), by Cheong Ming Press Factory Limited, its immediate holding company, on 1 August 2007 by way of reinvestment of DGCM's retained profits brought forward as approved by the PRC authorities. Balance of capital reserve had been derecognised upon the disposal of Brilliant Stage Group.

31. RESERVES (Continued)

Company

	Share premium account HK$'000	**Contributed surplus** HK$'000	**Retained profits** HK$'000	**Total** HK$'000
At 1 April 2013	107,390	116,795	2,569	226,754
Loss for the year	–	–	(89)	(89)
At 31 March 2014 and 1 April 2014	107,390	116,795	2,480	226,665
Reduction of share premium and contributed surplus	(107,390)	(116,795)	224,185	–
Rights issue *(note 29)*	141,473	–	–	141,473
Profit for the period	–	–	170,813	170,813
2014 Special dividend paid *(note 14)*	–	–	(317,677)	(317,677)
At 31 December 2014	**141,473**	**–**	**79,801**	**221,274**

The contributed surplus of the Company arose as a result of the same Group reorganisation scheme carried out on 24 December 1996 and represents the excess of the combined net assets of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange therefore. In accordance with the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its members out of the contributed surplus under certain circumstances.

Pursuant to a special general meeting held on 11 June 2014, ordinary resolutions in respect of the proposed share premium reduction, the asset reorganisation and special distribution as detailed in the Company's announcement on 23 April 2014 and the circular of the Company on 26 May 2014 had been passed. The share premium reduction was effect on 11 June 2014, the asset reorganisation was completed on 20 June 2014 and the special distribution was paid in July 2014.

The share premium of HK$141,473,000 as at 31 December 2014 arose as a result of the right issue of 158,838,279 new ordinary shares on 15 October 2014 as detailed in note 29.

32. DEFERRED TAX

The following are major deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the current and prior year:

Deferred tax liabilities

	Tax loss	**Accelerated tax depreciation**	**Revaluation of properties**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2013	(835)	503	39,700	39,368
Charge/(Credit) to profit or loss for the year	–	(3,600)	4,182	582
Credit to other comprehensive income for the year	–	–	(4,970)	(4,970)
At 31 March 2014 and 1 April 2014	(835)	(3,097)	38,912	34,980
Eliminated on disposal through disposal of subsidiaries	–	3,832	(11,912)	(8,080)
Charge/(Credit) to profit or loss for the period *(note 11)*	(45)	33	5,827	5,815
Charge to other comprehensive income for the period	–	–	224	224
At 31 December 2014	**(880)**	**768**	**33,051**	**32,939**

32. DEFERRED TAX (Continued)

Deferred tax assets

	Tax loss HK$'000	Accelerated tax depreciation HK$'000	Revaluation of properties HK$'000	Total HK$'000
At 1 April 2013	(546)	11	284	(251)
(Credit)/Charge to profit or loss for the year	(441)	402	(300)	(339)
At 31 March 2014 and 1 April 2014	(987)	413	(16)	(590)
Eliminated on disposal through disposal of subsidiaries	987	(610)	16	393
(Credit)/Charge to profit or loss for the period *(note 11)*	–	60	–	60
At 31 December 2014	**–**	**(137)**	**–**	**(137)**

Deferred tax relating to the revaluation of the Group's properties classified under property, plant and equipment was debited/credited directly to equity.

Deferred tax assets are recognised for tax loss carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable.

Deferred tax assets in respect of tax losses have not been recognised in the financial statements due to the unpredictability of future profit streams against which the tax losses can be utilised. The Group has unrecognised tax losses of HK$17,493,000 (31 March 2014: HK$11,617,000) to carry forward against future taxable income. The tax losses of the subsidiaries operating in the PRC amounted to HK$ Nil (31 March 2014: HK$3,632,000) can be carried forward for 5 years and the tax losses of the subsidiaries operating in Hong Kong amounted to HK$17,493,000 (31 March 2014: HK$7,985,000) will not be expired under the current tax legislation.

Deferred tax liabilities of HK$ Nil (31 March 2014: HK$779,000) have not been established for the withholding and other taxation that would be payable on the unremitted earnings of certain subsidiaries, as such amounts are permanently reinvested; such unremitted earnings totalled HK$ Nil at 31 December 2014 (31 March 2014: HK$15,581,000).

33. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

33.1 Directors' remuneration

Remuneration of the directors disclosed pursuant to Section 78 (1) of Schedule 11 of the Hong Kong Companies Ordinance, Cap. 622, which requires compliance with Section 161 of the Hong Kong Companies Ordinance, Cap. 32 and the provisions of the Listing Rules are as follows:

	Fees	Basic salaries, housing benefits, other allowances and benefits in kind	Discretionary bonus	Pension scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Nine months ended 31 December 2014					
Executive directors:					
Mr. Lin Xiaohui (appointed on 30 June 2014	–	1,507	–	141	1,648
Madam Su Jiaohua) (appointed on 30 June 2014)	–	603	–	51	654
Mr. Lin Xiaodong (appointed on 30 June 2014)	–	362	–	–	362
Mr. Lui Shing Ming, Brian (resigned on 18 July 2014)	–	680	–	62	742
Mr. Lui Shing Cheong (resigned on 18 July 2014)	–	598	–	39	637
Mr. Lui Shing Chung, Victor (resigned on 18 July 2014)	–	609	–	55	664
Independent non-executive directors:					
Mr. Yu Leung Fai (appointed on 30 June 2014)	60	–	–	–	60
Mr. Fang Jixin (appointed on 30 June 2014)	60	–	–	–	60
Dr. Li Jue (appointed on 30 June 2014)	60	–	–	–	60
Dr. Lam Chun Kong (resigned on 18 July 2014)	51	–	–	–	51
Mr. Lo Wing Man (resigned on 18 July 2014)	51	–	–	–	51
Dr. Ng Lai Man, Carmen (resigned on 18 July 2014)	59	–	–	–	59
	341	4,359	–	348	5,048

33. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (Continued)

33.1 Directors' remuneration (Continued)

	Fees	Basic salaries, housing benefits, other allowances and benefits in kind	Discretionary bonus	Pension scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2014					
Executive directors:					
Mr. Lui Shing Ming, Brian	–	2,160	2,900	255	5,315
Mr. Lui Shing Cheong	–	2,032	2,280	172	4,484
Mr. Lui Shing Chung, Victor	–	1,920	2,280	225	4,425
Independent non-executive directors:					
Dr. Lam Chun Kong	160	–	50	–	210
Mr. Lo Wing Man	160	–	50	–	210
Dr. Ng Lai Man, Carmen	190	–	50	–	240
	510	6,112	7,610	652	14,884

There was no arrangement under which a director waived or agreed to waive any remuneration during the period (Year ended 31 March 2014: Nil).

During the period, no emoluments were paid by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

33. DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION (Continued)

33.2 Five highest paid individuals

The five highest paid individuals are also the senior management of the Company. Four (year ended 31 March 2014: three) are directors which includes one existing director and three former directors whose emoluments are reflected in the analysis presented above. The emoluments of the three former directors receivable after their resignations as directors up to the reporting date and the emoluments of the remaining one highest paid individual for the current nine months period (year ended 31 March 2014: two) are as follows:

	Nine months ended 31 December 2014 HK$'000	Year ended 31 March 2014 HK$'000
Basic salaries, housing benefits, other allowances and benefits in kind	**6,890**	3,858
Pension scheme contribution	**110**	30

The following table sets out the emolument bands of the five highest paid individuals who are also the senior management/directors during the period/year.

	Number of individuals	
	Nine months ended 31 December 2014	Year ended 31 March 2014
Emolument bands		
Nil – HK$1,000,000	**–**	–
HK$1,000,001 – HK$1,500,000	**2**	–
HK$1,500,001 – HK$2,000,000	**2**	2
HK$4,000,001 – HK$4,500,000	**–**	2
HK$4,500,001 – HK$5,000,000	**1**	–
HK$5,000,001 – HK$5,500,000	**–**	1

34. BANKING FACILITIES

At 31 December 2014, general banking facilities available to the Group amounted to HK$100,000,000 (31 March 2014: HK$469,253,000). The banking facilities utilised by the Group amounted to HK$100,000,000 (31 March 2014: HK$13,818,000) as at 31 December 2014.

At 31 December 2014, the Group's general banking facilities were secured by the time deposit of RMB84,623,000 (equivalent to HK$105,500,000) (31 March 2014: Nil). The Group's general banking facilities as at 31 March 2014 were secured by certain leasehold land and buildings (note 16) and investment properties (note 18) and corporate guarantees provided by the Company.

35. FINANCIAL GUARANTEES

At 31 December 2014, the Company does not provide any corporate guarantees to banks for the provision of general banking facilities to its subsidiaries (31 March 2014: HK$328,340,000) (note 34).

36. CAPITAL COMMITMENTS

	Group		Company	
	31 December 2014 HK$'000	31 March 2014 HK$'000	**31 December 2014 HK$'000**	31 March 2014 HK$'000
Contracted for but no provided:				
– Renovation of office premises	**343**	–	**343**	–
– Acquisition of office equipment	**2,340**	–	**424**	–
	2,683	–	**767**	–

37. OPERATING LEASE ARRANGEMENTS

The Group leases its investment properties under operating lease arrangements for terms ranging from one to three years (Year ended 31 March 2014: terms ranging from two to four years). None of the leases include contingent rentals.

At 31 December 2014, the Group had total future minimum lease receivables in respect of properties under non-cancellable operating leases as follows:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Within one year	**5,531**	3,562
In the second to fifth year, inclusive	**10,650**	2,255
	16,181	5,817

The Company does not have any minimum lease receipts under non-cancellable operating leases at the reporting date (31 March 2014: Nil).

38. OPERATING LEASE COMMITMENTS

The Group leases certain of its properties and other assets under operating lease arrangements. The leases are negotiated for terms ranging from one to four years. None of the leases includes contingent rentals.

At 31 December 2014, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group			
	31 December 2014		31 March 2014	
	Land and buildings HK$'000	**Other assets HK$'000**	Land and buildings HK$'000	Others assets HK$'000
Within one year	**18,863**	**489**	11,370	501
In the second to fifth years, inclusive	**48,339**	**943**	6,004	1,651
After five years	**–**	**–**	10,176	–
	67,202	**1,432**	27,550	2,152

	Company	
	31 December 2014	31 March 2014
	Land and buildings HK$'000	Land and buildings HK$'000
Within one year	**8,285**	–
In the second to fifth years, inclusive	**23,475**	–
	31,760	–

39. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material related party transactions:

Related party transactions

(a) The key management personnel are the directors of the Company. The details of the remuneration paid to them are set out in note 33 to the financial statements. Other than the pension scheme contributions which are post employment benefits, the rest of the remuneration are short term employment benefits.

39. RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of a director's spouse:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Salaries and allowances	**170**	1,415
Pension scheme contribution	**5**	59
	175	1,474

The above compensation was paid to a spouse of Mr. Lui Shing Chung, Victor, who resigned during the period.

(c) The spouse of Mr. Lui Shing Ming, Brian, who resigned as the director of the Company during the period, is a member of the key management personnel in a company which provided financial advisory services to the Company. The transactions were carried at arm-length with the terms mutually agreed between the relevant parties.

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Financial advisory services provided by a related party	**1,316**	735

(d) In addition, the Company has disposed of Brilliant Stage Group for a cash consideration of HK$180,000,000 as mentioned in note 12 to Harmony Link, in which the directors of the Company, Mr. Lui Shing Ming, Brian, Mr. Lui Sing Cheong and Mr. Lui Shing Chung, Victor who resigned on 18 July 2014, have beneficial interest.

(e) Commission paid to ultimate holding company:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Underwriting commission paid for right issue	**1,481**	–

The transaction was carried out on terms agreed between the parites.

39. RELATED PARTY TRANSACTIONS (Continued)

Related party balances

(f) As at 31 March 2014, the net amount due to a related party for provision of financial advisory services as disclosed in note 39(c) above was HK$600,000. The balance was included in other payables and was unsecured, interest-free and repayable on demand.

(g) As at 31 December 2014, the amount of HK$20,000,000 included in the cash and cash equivalents has been placed at a securities brokerage firm, in which the director of the Company, Madam Su Jiaohua, has equity interest.

40. NON-CONTROLLING INTEREST

Realord Vehicle Parts Limited ("Realord Vehicle"), a 60% owned subsidiary of the Company incorporated on 21 August 2014 with issued capital of HK$10,000, has material non-controlling interest ("NCI"). Each party has to contribute a shareholder loan in proportion to their share of equity interest totalling HK$30,000,000 which are not repayable. Summarised financial information in relation to the NCI of Realord Vehicle, before intra-group eliminations, is presented below:

	2014 HK$'000
For the period ended 31 December 2014	
Revenue	23,855
Profit for the period	1,139
Total comprehensive income	1,139
Profit allocated to NCI	456
Dividend paid to NCI	–
For the period ended 31 December 2014	
Operating cash flows	(24,482)
Investing cash flows	(46)
Financing cash flows	30,000
Total cash flows	5,472

40. NON-CONTROLLING INTEREST (Continued)

	2014
	HK$'000
As at 31 December 2014	
Current assets	31,384
Non-current assets	46
Current liabilities	(30,281)
Net assets	1,149
Share of net assets	460
Amount due from NCI	(4)
Capital contributed by NCI by way of shareholder loan	12,000
Accumulated NCI as at 31 December 2014	12,456

41. DISPOSAL OF SUBSIDIARIES

As disclosed in note 12, the Company and Harmony Link had entered into the Asset Reorganisation Agreement pursuant to which the Company conditionally agreed to sell and Harmony Link conditionally agreed to purchase the entire equity interest of Brilliant Stage Group. The net assets of Brilliant Stage Group at the date of the disposal were as follows:

	As at 20 June 2014 HK$'000
Net assets disposed of:	
Property, plant and equipment *(note 16)*	139,032
Prepaid lease payments *(note 17)*	2,624
Other asset	1,100
Inventories	27,261
Trade receivables	128,485
Prepayments, deposits and other receivables	13,800
Cash and cash equivalents	23,348
Tax recoverable	250
Trade payables	(81,414)
Accrued liabilities and other payables	(42,188)
Financial liabilities at fair value through profit or loss	(1,835)
Interest-bearing borrowings	(13,200)
Tax payables	(8,417)
Deferred tax liabilities	(7,687)
	181,159
Exchange reserve released on disposal	68
Loss on disposal of subsidiaries included in loss for the period from discontinued operations in the consolidated income statement *(note 12)*	(1,227)
Total consideration	180,000
Satisfied by:	
Cash	180,000
Net cash inflow arising on disposal:	
Cash consideration	180,000
Cash and bank balances disposed of	(23,348)
	156,652

42. ACQUISITION OF SUBSIDIARY

On 12 November 2014, Allied Time Investments Limited, a direct wholly-owned subsidiary of the Company had entered into the agreement with Madam Su Jiaohua, being a director of the Company, to conditionally acquire the entire equity interest in a company engaging in the provision of securities broking services at a cash consideration of HK$21,000,000. The completion of the acquisition will be subject to fulfilment or waiver of several conditions. Details of the acquisition can be referred to the announcement of the Company dated 12 November 2014. As at the date of these financial statements issued, the transaction has not been completed.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk, other price risk), credit risk and liquidity risk.

The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to these financial risks. Generally, the Group employs a conservative strategy regarding its risk management. The Group holds certain derivative financial instruments which are included in financial assets at fair value through profit or loss.

43.1 Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position relate to the following categories of financial assets and financial liabilities:

	Group		Company	
	31 December 2014 HK$'000	31 March 2014 HK$'000	**31 December 2014 HK$'000**	31 March 2014 HK$'000
Financial assets				
Financial assets at fair value through profit or loss	**–**	78,251	**–**	–
Loans and receivables:				
– Trade receivables	**31,934**	98,395	**–**	–
– Deposits and other receivables	**9,146**	33,285	**3,988**	–
– Amounts due from subsidiaries	**–**	–	**202,288**	161,972
– Cash at banks and in hand	**281,488**	135,307	**27,323**	898
	322,568	345,238	**233,599**	162,870

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.1 Categories of financial assets and liabilities (Continued)

	Group		Company	
	31 December 2014 HK$'000	31 March 2014 HK$'000	**31 December 2014 HK$'000**	31 March 2014 HK$'000
Financial liabilities				
Financial liabilities at fair value through profit or loss	**–**	1,622	**–**	–
Financial liabilities measured at amortised cost:				
– Trade payables	**5,192**	59,275	**–**	–
– Accrued liabilities and other payables	**11,243**	34,276	**4,494**	2,520
– Amounts due to subsidiaries	**–**	–	**2,063**	2,522
– Interest-bearing borrowings	**100,000**	13,618	**–**	–
	116,435	108,791	**6,557**	5,042

43.2 Foreign currency risk

(i) Transactions in foreign currencies and the Group's risk management policies

The Group mainly operates in Hong Kong and the PRC. The functional currency of the Company and most of its subsidiaries are HK$ and RMB, respectively, with certain of their business transactions being settled in US$ and RMB. Other than certain trade receivables and payables and bank deposits of the Group are denominated mainly in RMB and US$. The Group is thus exposed to currency risk arising from fluctuations on foreign currencies, primarily US$ and RMB, against the functional currency of the relevant Group entities. Management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.2 Foreign currency risk (Continued)

(ii) Summary of exposure

The overall net exposure in respect of the carrying amount of the Group's foreign currency denominated financial assets and liabilities in net position as at 31 December and 31 March 2014 were as follows:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Net financial assets		
RMB	**105,511**	36,995
US$	**659**	154,616

As HK$ is linked to US$, the Group does not have material exchange rate risk on such currency.

At 31 December 2014, the Group was exposed to the foreign currency fluctuation of RMB through its cash and cash equivalents of HK$105,511,000 (31 March 2014: HK$7,299,000) and financial assets at fair value through profit or loss of nil (31 March 2014: HK$29,696,000). The directors consider that any potential possible change in foreign exchange rates will have minimal impact on the Group's loss after income tax for the year and therefore no sensitivity analysis was provided in respect of potential foreign currency fluctuation.

As at 31 March 2014, the Group held certain currency notes which are recorded in financial assets at fair value through profit or loss as stated in note 25 and was exposed to the fluctuations of certain foreign currency indices. Management's best estimate of the effect on the Group's loss after income tax as a result of a reasonably possible change in the underlying foreign currency rates of these currency notes, with all other variables held constant, is as follows (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.2 Foreign currency risk (Continued)

(ii) *Summary of exposure (Continued)*

	Group 31 March 2014 HK$'000
Increase/(Decrease) in net (loss)/profit for the year	
Change in foreign currency rates	
+ 10%	7,815
– 10%	(7,815)

43.3 Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk through the impact of interest rate changes on interest bearing bank borrowings carrying interests at variable rates, cash and cash equivalents and debt investments at fixed rates. Borrowings and cash and cash equivalents carried at variable rates expose the Group to cash flow interest rate risk whereas debt investments issued at fixed rates, which are accounted for as fair value through profit or loss as at 31 March 2014, expose the Group to fair value interest rate risk. The Group will review whether bank loans bearing floating rates should be drawn from time to time with reference to the trend of changes in interest rates. The interest rates and repayment terms of interest-bearing borrowings and cash and cash equivalents of the Group are disclosed in notes 28 and 26 respectively. The Group currently does not have an interest rate hedging policy. However, the directors monitor interest rate change exposure and will consider hedging significant interest rate exchange exposure should the need arise.

Cash flow interest rate risk sensitivity

At 31 December 2014, the Group was exposed to change in market interest through its bank borrowings and bank balances of HK$100,000,000 (31 March 2014: HK$13,618,000) and HK$163,884,000 (31 March 2014: HK$110,698,000) respectively, which are subject to variable interest rates. The club and school debentures under available-for-sale financial assets are interest free. The director considers that any potential possible change in market interest rates will have minimal impact on the Group's profit or loss after taxation for the year and therefore no sensitivity analysis was provided in respect of potential movements in interest rates.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.3 Cash flow and fair value interest rate risk (Continued)

Fair value interest rate risk sensitivity

At 31 March 2014, the Group was exposed to fair value interest rate risk due to changes in market interest rates through its debt investments, which were issued at fixed interest rates and accounted for as fair value through profit or loss. The following table illustrates the sensitivity of the Group's loss after income tax for the year and retained earnings to a proportionate change in interest rates of +5% and -5%, with effect from the beginning of the year. The calculations are based on the Group's debt investments held at 31 March 2014. All other variables were held constant.

	Group 31 March 2014 HK$'000
Decrease in net loss for the year	
If interest rates were 5% higher	(708)
If interest rates were 5% lower	(834)

43.4 Other price risk

Other price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to change in market prices in respect of its investments in listed securities classified as financial assets at fair value through profit or loss.

To manage its market price risk arising from these investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by Board. The Group's listed investments are listed on the Stock Exchange of Hong Kong and overseas. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the relevant stock market index and other industry indicators, as well as the Group's liquidity needs. Temporarily, the Group management has monitored price risk and will consider hedging of the risk if necessary. In the coming future, the Group will appoint a special team to take up the position.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.4 Other price risk (Continued)

The policies to manage other price risk have been followed by the Group since prior years and are considered to be effective.

As at 31 March 2014, the Group was also exposed to equity security price risk arising from its investment in derivative financial instruments. Details about the derivative financial instruments are set out in note 25. Management's best estimate of the effect on the Group's loss after income tax as a result of a reasonably possible change in the market price of the equity securities and the underlying equity securities of the derivative financial instruments, with all other variables held constant, is as follows (in practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material):

	Group 31 March 2014 HK$'000
Increase/(Decrease) in net loss for the year	
Market price of equity securities	
+ 10%	448
– 10%	(448)

43.5 Credit risk

(i) Summary of exposure

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.5 Credit risk (Continued)

(ii) Risk management objective and policies

The Group's policy is to deal only with credit worthy counterparties. Credit terms are granted to new customers after a credit worthiness assessment. In order to minimise the credit risk, management of the Group has formulated a defined fixed credit policy and delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivable regularly at each reporting date to ensure that adequate impairment losses are made for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The credit risk for cash and cash equivalents and financial assets at fair value through profit or loss is considered negligible as the counterparties are reputable financial institutions with high quality external credit ratings.

The Group adopts conservative investment strategies. Usually investments are in liquid securities quoted on recognised stock exchanges. Trading accounts are only opened with reputable security brokers. No margin trading is allowed.

The credit and investment policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

43.6 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.6 Liquidity risk (Continued)

Analysed below is the Group's and Company's remaining contractual maturities for its non-derivative financial liabilities as at 31 December 2014. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

Group

	Repayable on demand HK$'000	Within 3 months HK$'000	4-6 months HK$'000	Total contractual undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2014					
Financial liabilities measured at amortised cost:					
Trade payables	**–**	**4,172**	**1,020**	**5,192**	**5,192**
Other payables	**458**	**–**	**–**	**458**	**458**
Accrued liabilities	**10,785**	**–**	**–**	**10,785**	**10,785**
Interest-bearing borrowings	**100,000**	**–**	**–**	**100,000**	**100,000**
Total	**111,243**	**4,172**	**1,020**	**116,435**	**116,435**
Financial liabilities at fair value through profit or loss	**–**	**–**	**–**	**–**	**–**
At 31 March 2014					
Financial liabilities measured at amortised cost:					
Trade payables	–	46,187	13,088	59,275	59,275
Other payables	7,705	–	–	7,705	7,705
Accrued liabilities	26,571	–	–	26,571	26,571
Interest-bearing borrowings	13,618	–	–	13,618	13,618
Total	47,894	46,187	13,088	107,169	107,169
Financial liabilities at fair value through profit or loss	–	1,622	–	1,622	1,622

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.6 Liquidity risk (Continued)

Group (Continued)

Specifically, for bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the above analysis shows the cash outflow based on the earliest period in which the entity can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect.

The table that follows summarises the maturity analysis of bank loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis above. Taking into account the Group's financial position, the directors do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors believe that such term loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

Maturity analysis – bank loans subject to repayment on demand clause based on scheduled repayments

	Within 3 months	4-6 months	7-9 months	10-12 months	Over 1 year	Total contractual undiscounted cash flows
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 December 2014	100,000	–	–	–	–	100,000
At 31 March 2014	3,412	205	205	204	11,413	15,439

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.6 Liquidity risk (Continued)

Company

	Repayable on demand HK$'000	Within 3 months HK$'000	4-6 months HK$'000	Total contractual undiscounted cash flows HK$'000	Carrying amount HK$'000
At 31 December 2014					
Accrued liabilities	**4,437**	**–**	**–**	**4,437**	**4,437**
Other payables	**57**	**–**	**–**	**57**	**57**
Amounts due to subsidiaries	**2,063**	**–**	**–**	**2,063**	**2,063**
Total	**6,557**	**–**	**–**	**6,557**	**6,557**
Financial guarantees issued					
Maximum amount guaranteed	**–**	**–**	**–**	**–**	**–**
At 31 March 2014					
Accrued liabilities	1,092	–	–	1,092	1,092
Other payables	1,428	–	–	1,428	1,428
Amounts due to subsidiaries	2,522	–	–	2,522	2,522
Total	5,042	–	–	5,042	5,042
Financial guarantees issued					
Maximum amount guaranteed	13,618	–	–	13,618	–

The Group and the Company enjoyed a healthy financial position as at 31 December 2014, with cash and cash equivalents amounting to HK$281,488,000 and HK$27,323,000, an increase from HK$135,307,000 and HK$898,000 as at 31 March 2014.

The Group and the Company financed its operations and investment activities with internally generated cash flow.

The Group's and the Company's policy is to monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities to meet its liquidity requirements in the short and long term.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.7 Fair value

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

– Level 1: Quoted prices in active markets for identical items (unadjusted);

– Level 2: Observable direct or indirect inputs other than Level 1 inputs;

– Level 3: Unobservable inputs (i.e. not derived from market data).

The level in the fair value hierarchy within which the financial asset and liabilities is categorised in its entirely is based on the lowest level of input that is significant to the fair value measurement.

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

	Group							
	Level 1		Level 2		Level 3		Total	
	31 December 2014 HK$'000	31 March 2014 HK$'000	**31 December 2014 HK$'000**	31 March 2014 HK$'000	**31 December 2014 HK$'000**	31 March 2014 HK$'000	**31 December 2014 HK$'000**	31 March 2014 HK$'000
Financial assets at fair value through profit or loss								
Listed securities held for trading	**–**	4,483	**–**	–	**–**	–	**–**	4,483
Unlisted securities held for trading	**–**	73,768	**–**	–	**–**	–	**–**	73,768
Available-for-sale financial assets								
Club debentures	**–**	–	**4,844**	–	**–**	–	**4,844**	–
School debenture	**–**	–	**2,500**	–	**–**	–	**2,500**	–
Financial liabilities at fair value through profit of loss								
Unlisted securities held for trading	**–**	(1,622)	**–**	–	**–**	–	**–**	(1,622)
Total fair values	**–**	76,629	**7,344**	–	**–**	–	**7,344**	76,629

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

43.7 Fair value (Continued)

As at 31 December 2014, the Group holds certain club and school debentures, which are classified as available-for-sale financial assets and are measured at fair value at each reporting date. The fair value of these club and school debentures as at 31 December 2014 amounted to HK$4,844,000 and HK$2,500,000 respectively. The fair values of the club and school debentures are determined by reference to prices published by the clubs and school, and certain agents. Due to the price quotation for the club and school debentures are not regularly available and relevant information publicly available is limited, these instruments are included in Level 2.

As at 31 March 2014, the fair values of the listed investments were determined based on the quoted bid prices on regulated exchange markets. The fair values of the unlisted currency notes, unlisted debt investments and unlisted fund investments are determined by reference to the quoted bid prices from active markets with actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

There were no transfers between level 1 and 2 in the reporting period. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous year.

44. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern;
- to provide an adequate return to shareholders;
- to support the Group's sustainable growth; and
- to provide capital for the purpose of potential mergers and acquisitions.

The Group sets the amount of equity capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The gearing ratio at the reporting date was as follows:

	Group	
	31 December 2014 HK$'000	31 March 2014 HK$'000
Total borrowings	**100,000**	13,618
Total equity	**331,464**	485,794
Gearing ratio	**30%**	3%

45. EVENTS AFTER REPORTING DATE

(i) On 16 January 2015, the Company had announced that it was in discussion with several independent third parties regarding possible acquisitions of certain real estate projects in Hong Kong, Australia and the PRC. It was also in discussion with Manureen on a possible private placing of not less than 360,000,000 new shares (the "Subscription Shares") of the Company to Manureen at a subscription price of approximately HK$1.40 per Subscription Share (the Subscription Price"), raising not less than HK$500,000,000 new capital for the Company.

(ii) On 28 January 2015, the Company had announced that it entered into a subscription agreement with Manureen pursuant to which Manureen has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 360,000,000 Subscription Shares at the Subscription Price of HK$1.40 per Subscription Share (the "Subscription Agreement").

Assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of the announcement up to completion of the Subscription Agreement, the 360,000,000 Subscription Shares represent (i) approximately 45% of the issued share capital of the Company; and (ii) approximately 31% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

The subscription has been approved by the independent shareholders on the special general meeting held on 30 March 2015. Details of the subscription are set out in the circular dated 12 March 2015.