佳明
GRAND MING

GRAND MING GROUP HOLDINGS LIMITED
佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1271

ANNUAL REPORT **2014/15**

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chan Hung Ming *(Chairman)*
Mr. Lau Chi Wah
Mr. Yuen Ying Wai
Mr. Kwan Wing Wo

Independent Non-Executive Directors

Mr. Tsui Ka Wah
Mr. Kan Yau Wo
Mr. Mok Kwai Pui Bill
Mr. Lee Chung Yiu Johnny

COMPANY SECRETARY

Mr. Leung Wai Chuen, *HKICPA, FCCA, ACS, ACIS*

COMMITTEES OF THE BOARD

Audit Committee

Mr. Mok Kwai Pui Bill *(Chairman)*
Mr. Tsui Ka Wah
Mr. Kan Yau Wo
Mr. Lee Chung Yiu Johnny

Remuneration Committee

Mr. Tsui Ka Wah *(Chairman)*
Mr. Kan Yau Wo
Mr. Mok Kwai Pui Bill
Mr. Lee Chung Yiu Johnny

Nomination Committee

Mr. Kan Yau Wo *(Chairman)*
Mr. Tsui Ka Wah
Mr. Mok Kwai Pui Bill
Mr. Lee Chung Yiu Johnny

AUTHORISED REPRESENTATIVES

Mr. Chan Hung Ming
Mr. Lau Chi Wah

REGISTERED OFFICE

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

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

19/F., Eastern Commercial Centre
No. 395–399 Hennessy Road, Hong Kong

HONG KONG LEGAL ADVISER

Li & Partners
22/F., World-wide House
19 Des Voeux Road Central, Hong Kong

COMPLIANCE ADVISER

Cinda International Capital Limited
45/F., COSCO Tower
183 Queen's Road Central, Hong Kong

AUDITORS

KPMG
Certified Public Accountants
8/F., Prince's Building
10 Chater Road, Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

STOCK CODE

1271

COMPANY WEBSITE

www.grandming.com.hk

	2015	2014	2013	2012	2011
Turnover (HK$'000)					
a. Construction	**704,126**	348,300	640,112	926,844	349,780
b. Property leasing	**142,048**	135,763	133,588	131,218	108,181
	846,174	484,063	773,700	1,058,062	457,961
Segment profit (HK$'000)					
a. Construction	**66,107**	70,326	35,344	17,264	8,757
b. Property leasing	**89,375**	90,285	93,749	94,212	79,849
	155,482	160,611	129,093	111,476	88,606
Adjusted profit for the year *(Note (i))* (HK$'000)	**116,090**	107,544	81,586	58,936	45,781
Current ratio	**1.19**	1.84	1.55	0.41	0.35
Gearing ratio *(Note (ii))*	**50.7%**	45.1%	64.8%	61.2%	77.4%
Net gearing ratio *(Note (iii))*	**42.3%**	31.2%	57.1%	50.7%	71.5%
Return on equity	**15.5%**	24.1%	12.2%	9.1%	25.6%

Notes:

(i) Adjusted profit for the year is calculated based on the profit for the year and adjusted by excluding the changes in fair value of investment properties

(ii) Gearing ratio represents total interest-bearing borrowings divided by shareholders' equity and multiplied by 100%.

(iii) Net gearing ratio represents total interest-bearing borrowings net of cash and bank balances, divided by shareholders' equity and multiplied by 100%.

FIVE-YEAR FINANCIAL SUMMARY

	2015 HK$'000	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000
RESULTS *For the year ended 31 March*					
Turnover	**846,174**	484,063	773,700	1,058,062	457,961
Profit before taxation	**352,149**	463,402	165,959	113,429	256,891
Profit for the year	**327,813**	438,482	148,981	101,936	247,703
ASSETS AND LIABILITIES *As at 31 March*					
Total assets	**3,482,638**	2,801,509	2,292,427	2,211,858	2,103,247
Total liabilities	**1,362,729**	981,080	1,002,023	1,054,466	1,012,775
Total equity	**2,119,909**	1,820,429	1,290,404	1,157,392	1,090,472

Chan Hung Ming
Chairman

On behalf of the board (the "Board") of directors (the "Directors") of Grand Ming Group Holdings Limited (the "Company"), I am delighted to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2015 ("FY 2015").

RESULTS

The Group's profit attributable to the equity shareholders of the Company for FY 2015 amounted to approximately HK$327.8 million, representing a decrease of approximately HK$110.7 million or 25.2% over HK$438.5 million for the corresponding year ended 31 March 2014 ("FY 2014"). Earnings per share were HK67.7 cents. By excluding the change in fair value of investment properties, the Group recorded net profit for the year for FY 2015 of approximately HK$116.1 million, representing an increase of HK$8.6 million or 7.9% over approximately HK$107.5 million for FY 2014.

DIVIDENDS

The Board recommends payment of a final dividend of HK4.2 cents per share to the shareholders of the Company ("Shareholders") whose names appear on the register of members of the Company on 31 July 2015. Subject to approval by the Shareholders in the forthcoming annual general meeting of the Company, the dividend warrants will be dispatched to Shareholders on or before 12 August 2015. Together with the interim dividend of HK4.2 cents per share already paid, the total dividend for FY 2015 will amount to HK8.4 cents per share, representing a payout ratio of approximately 33.5% (based on the total dividend for FY 2015 and the Group's profit for the year excluding the gains from changes in fair value of investment properties.).

BONUS SHARE ISSUE

To thank the support and trust of the Shareholders, the Company issued bonus shares on 22 September 2014 and 18 December 2014.

The Board now proposes a bonus issue of shares on the basis of one bonus share for every ten existing shares held by Shareholders whose names appear on the register of members of the Company on 31 July 2015. The relevant resolution will be proposed at the forthcoming annual general meeting of the Company, and if passed and upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting the listing of and permission to deal in such new shares, shares certificates of the bonus shares will be despatched to Shareholders on or before 12 August 2015.

The bonus shares will rank pari passu in all respects with the existing shares in issue from the date of issue except that they will not rank for the final dividend for the FY 2015. No fractional shares arising from the bonus issue shall be allotted and fractional entitlements will be aggregated and sold at such time or times as the Directors shall think fit for the benefit of the Company.

REVIEW OF OPERATIONS

The Group has a long history in the construction sector as a main contractor in residential and commercial property development projects for prominent local developers since 1997. With an aim of broadening the income stream from a project-based nature to a more balanced one and procuring a higher gross profit margin, the Group tapped into the data centre premises leasing business in 2007.

1. Construction Business

The Group has established solid relationships with local prominent developers, providing them with building construction services, alterations, renovation and fitting-out works. As at the date of this report, the Group has three construction contracts on hand in progress with a total contract value of approximately HK$1,649 million. The Group continues to emphasise quality work delivered in order to expand our clientele to more renowned developers. In the year under review, the construction business recorded a turnover of approximately HK$704.1 million (2014: approximately HK$348.3 million), representing an increase of approximately 102.2%.

2. Data Centre Premises Leasing Business

The Group's existing high-tier data centre, namely iTech Tower, in Tsuen Wan, provides approximately 53,200 square feet of raised floor area ("RFA"), and has been fully occupied since 2011.

The site for the second high-tier data centre, located in Ta Chuen Ping Street, Kwai Chung, was acquired in November 2012 and the superstructure works were completed in January 2015. This second data centre will provide RFA of approximately 45,000 square feet with initial operation by the end of 2015. The whole development work is expected to be completed around the third quarter of 2016 with estimated total development costs, including land cost, of approximately HK$682 million. During FY 2015, turnover of the data centre premises leasing business increased by 4.5% to approximately HK$141.9 million.

OUTLOOK

The current economic environment in Hong Kong is expected to remain stable when the global economic environment gradually rebounds. The demand for the local private and public residential housing remains strong and hence the Group's building construction business still has room for growth. The Group's strategy to further expand its quality customer base by reaching out to new renowned property developers is continuously propelled to broaden the income stream. Furthermore, the Group has actively participated in the tenders of sales of Hong Kong Government land with an aim to engage in the property development business by leveraging its experience in building construction and previous property development experience.

Hong Kong is still an international financial centre amidst the rising challenges spanning across from Southeast Asia to the Western countries. For example, Hong Kong competes with other financial centres to be the main centre for Renminbi offshore settlement and securities listing. To retain its international financial centre standing, Hong Kong must continue its unparalleled move in the development of high-tier data centres ("HTDCs"), in support of high frequency stock trading, e-commerce and cloud computing services. Shanghai-Hong Kong Stock Connect is the paramount financial event, being backed up by HTDCs. Leveraging its close relationship with Mainland China, sound protection of data privacy, reliable power supply, comprehensive telecommunications infrastructure and a low risk of natural disasters, Hong Kong must take its lead in housing HTDCs for local and multinational corporations ("MNCs"). Self-developing HTDCs for letting to MNCs remains our core strategy. We continue to receive positive responses from the market in leasing our second high-tier data centre. The development of the second high-tier data centre is making good progress and is expected to be completed according to our plan. On the other hand, there is an emerging market trend of many MNCs preferring to buy and hold their own blocks of HTDCs. The Group, at the request of interested MNCs, will source suitable land or existing industrial buildings to design and build or convert into HTDCs for such corporations. Our next move is to investigate and explore opportunities in developing HTDCs in Mainland China as the infrastructure in Mainland China becomes more reliable and advanced. Besides, the Government of the People's Republic of China is boosting its international standing in the financial arena, such as establishing the China (Shanghai) Pilot Free Trade Zone and the Shenzhen Qianhai Special Zone, thereby attracting more mega MNCs to set up their Asian headquarters in Mainland China. HTDCs constitute the pillar in international hub development in Mainland China.

With adequate internal financial resources and ample banking facilities from banks, the Directors believe the Group has sufficient working capital for the Group's operations and expansion in the near future.

APPRECIATION

I would like to take this opportunity to express my gratitude to the Board for its brilliant leadership, to the shareholders for their strong support, and to the community for their enthusiastic help, and last but not least, to our staff for their dedicated efforts.

Chan Hung Ming
Chairman

Hong Kong, 2 June 2015

FINANCIAL REVIEW

Turnover

The Group's total turnover for FY 2015 was approximately HK$846.2 million, representing an increase of approximately 74.8% or HK$362.1 million from approximately HK$484.1 million for FY 2014.

The increase in revenue was mainly contributed by recognition of revenue from two construction projects which commenced works at the beginning and mid of FY 2015 respectively, completion of a substantial portion of building works of a major construction project during FY 2015 which rendered a greater extent of revenue being certified and an increase in the rental related income from data centre premises leasing due to higher electricity consumption by the tenants.

Gross profit

The Group's gross profit dipped slightly by approximately 3.5% or HK$6.0 million, from approximately HK$172.8 million for FY 2014 to approximately HK$166.8 million for FY 2015, mainly due to the absence of comparatively high gross profit contribution from additional works which were completed during FY2014 in several construction projects.

General and administrative expenses

The Group's general and administrative expenses decreased by approximately 45.5% or HK$11.2 million, from approximately HK$24.6 million for FY 2014 to approximately HK$13.4 million for FY 2015, primarily because no listing and listing related expenses were incurred during FY 2015 as the Company was successfully listed on the Main board of the Stock Exchange in August 2013.

Change in fair value of investment properties

The Group recorded fair value gains on investment properties of approximately HK$211.7 million during FY 2015 as compared to the fair value gains of approximately HK$330.9 million for the corresponding period last year. The revaluation gain primarily arose from our second high-tier data centre located at Ta Chuen Ping Street, Kwai Chung, Hong Kong based on its state of completion.

Profit for the year

The Group recorded a net profit of approximately HK$327.8 million for FY 2015, a decrease of approximately 25.2% or HK$110.7 million when compared with that of approximately HK$438.5 million for the same period in 2014. Excluding the fair value gains on investment properties, the Group recorded an adjusted profit for the year of approximately HK$116.1 million in FY 2015, representing an increase of approximately 7.9% or HK$8.6 million when compared to an adjusted profit for the year of approximately HK$107.5 million in FY 2014.

FINANCIAL POSITION

The Group funded its liquidity and capital requirements primarily through cash inflows from operating activities, bank borrowings and proceeds received from the public offer and placing of shares ("IPO") in 2013.

As at 31 March 2015, the Group's total cash balances were approximately HK$177.5 million (31 March 2014: approximately HK$252.1 million), most of which are held in Hong Kong dollars. The current ratio (defined as current assets divided by current liabilities) of the Group was 1.19 times (31 March 2014: 1.84 times). The gearing ratio (defined as total interest-bearing borrowings divided by shareholders' equity) of the Group was approximately 50.7% (31 March 2014: approximately 45.1%).

Interest on bank loans is charged at floating rates. The Group has in place a treasury policy by which the exposure to floating interest rate risk is mitigated by the use of interest rate swaps. The swaps had fixed swap rates ranging from 0.89% to 1.97% per annum.

USE OF NET PROCEEDS FROM THE IPO

The Company raised aggregate net proceeds of approximately HK$85.6 million from the IPO. Up to 31 March 2015, the Group has used up all the net proceeds in accordance with the proposed usage set out in the Prospectus:

	Net proceeds (HK$million)		
	Available	Utilised	Unutilised
Development of second data centre	55.6	55.6	–
Initial outlay for new construction projects	21.0	21.0	–
Sales and marketing promotion activities	0.4	0.4	–
General working capital	8.6	8.6	–
	85.6	85.6	–

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 21 January 2015, a wholly-owned subsidiary of the Company entered into a provisional sale and purchase agreement to acquire the entire equity interest in Swift Millions Limited ("Swift Millions") and the shareholder's loan due by Swift Millions at a consideration of HK$125 million. Swift Millions is principally engaged in the property investment business and is holding a property located at 19th Floor, No. 39 Chatham Road South, Kowloon, Hong Kong. The acquisition was completed on 16 March 2015.

Details of the acquisition were set out in the Company's announcement dated 21 January 2015.

Save as disclosed above, there was no acquisition or disposal of subsidiaries and associated companies by the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2015, the Group had a total of 166 (31 March 2014: 135) employees (including Directors). The total remuneration cost incurred by the Group for the FY 2015 was approximately HK$71.6 million (2014: approximately HK$62.2 million).

The remuneration policy and packages of the Group's employees are periodically reviewed by making reference to the prevailing market conditions, industry practice and an assessment of the performance of the Group and individual employees. The components of remuneration packages consisted of basic salary, benefit-in-kind, fringe benefits and contributions to mandatory provident funds, as well as discretionary bonuses which are determined according to individual performance. The Company has adopted a share option scheme and a share award plan to provide incentives to its employees. Please refer to the paragraphs "Share Option Scheme" and "Share Award Plan" in this annual report for details.

DEBTS AND CHARGE ON ASSETS

The Group had total bank borrowings of approximately HK$1,074.9 million as at 31 March 2015 (31 March 2014: approximately HK$820.2 million). Bank borrowings of approximately HK$1,067.5 million are secured by the Group's assets with an aggregate carrying amount of approximately HK$3,098.0 million as at 31 March 2015.

FOREIGN CURRENCY RISK

The Group has no significant exposure to foreign currency risk because almost all the Group's transactions are denominated in Hong Kong dollars.

CAPITAL COMMITMENTS

Save as disclosed in note 28 to the financial statements, the Group had no other capital commitments as at 31 March 2015.

CONTINGENT LIABILITIES

Save as disclosed in note 29 to the financial statements, the Group had no other contingent liabilities as at 31 March 2015.

The Directors are pleased to present this annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the business of data centre premises leasing and construction in Hong Kong. Details of the principal activities of the principal subsidiaries are set out in note 16 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year ended 31 March 2015.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2015 are set out in the consolidated income statement on page 34 of this annual report. An interim dividend of HK4.2 cents per share was paid on 18 December 2014. The Board recommends payment of a final dividend of HK4.2 cents per share to Shareholders whose name appear on the register of members of the Company on 31 July 2015.

BONUS ISSUE OF SHARES

On 30 June 2014, the Board recommended a bonus issue on the basis of one bonus shares for every ten shares then held. The bonus issue was approved by Shareholders on 31 July 2014 and 40,000,000 bonus shares were issued on 22 September 2014.

On 30 October 2014, the Board recommended a bonus issue on the basis of one bonus shares for every ten shares then held. The bonus issue was approved by Shareholders on 17 November 2014 and 44,071,205 bonus shares were issued on 18 December 2014.

The Board now recommends a bonus issue on the basis of one bonus shares for every ten shares held to Shareholders whose name appear on the register of members of the Company on 31 July 2015.

CLOSURE OF REGISTER OF MEMBERS

In order to determine entitlement of Shareholders to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 21 July 2015 to 23 July 2015, both days inclusive, during which period no transfer of Shares will be effected. All transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrars and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 20 July 2015.

In order to determine Shareholders who qualify for the proposed final dividend and proposed issue of bonus shares, the register of members of the Company will be closed from 29 July 2015 to 31 July 2015, both days inclusive, during which period no transfer of Shares will be effected. All transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrars and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 28 July 2015.

SHARE CAPITAL

Details of the movement in the share capital of the Company during the year are set out in note 26 to the financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of the movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 39 of this annual report and in note 26(a) to the financial statements, respectively.

DONATIONS

Donations made by the Group during the year amounted to HK$2,000.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group is set out on page 4 of this annual report.

FIXED ASSETS

Details of movements in fixed assets (including investment properties and other property, plant and equipment) during the year are set out in note 15 to the financial statements.

BANK LOANS

Details of bank loans of the Group as at 31 March 2015 are set out in note 23 to the financial statements.

INTEREST CAPITALISED

The amount of interest capitalised by the Group during the year is set out in note 7(a) to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of turnover of the Group attributable to the largest customer and the five largest customers in aggregate are 40.7% and 94.4% respectively.

The percentage of purchases of the Group attributable to the largest supplier and the five largest suppliers in aggregate are 9.7% and 32.4% respectively.

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had an interest in the five major suppliers or customers of the Group.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company (the "Articles") and there is no restriction against such rights which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

DIRECTORS

The Directors of the Company during the year and up to the date of this annual report were:

Executive Directors

Mr. Chan Hung Ming *(Chairman)*
Mr. Lau Chi Wah
Mr. Yuen Ying Wai
Mr. Kwan Wing Wo

Independent Non-Executive Directors

Mr. Tsui Ka Wah
Mr. Kan Yau Wo
Mr. Mok Kwai Pui Bill
Mr. Lee Chung Yiu Johnny

Pursuant to Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. According to the Articles and in the opinion of the Board, Mr. Chan Hung Ming, Mr. Yuen Ying Wai and Mr. Mok Kwai Pui Bill shall retire as Directors and, being eligible, offer themselves for re-election as Directors at the Annual General Meeting.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 19 to 23 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of three years with effect from 9 August 2013 ("the Listing Date") unless terminated by not less than three months' notice in writing served by either the Director or the Company. Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years with effect from the Listing Date unless terminated by not less than three months' notice in writing served by either the independent non-executive Director or the Company.

Apart from the foregoing, no Director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers that all of the independent non-executive Directors remain independent.

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

As of 31 March 2015, the interests and short positions of the Company's Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company pursuant to 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 Companies were as follows:

Name of Director	Name of Group Member/Associated Corporation	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding
Mr. Chan Hung Ming	The Company	Interest of a controlled corporation *(Note 2)*	326,700,000 (L)	67.39%
	Chan HM Company Limited	Beneficial owner	1	100%
Mr. Lau Chi Wah	The Company	Interest of a controlled corporation *(Note 3)*	36,300,000 (L)	7.49%

Notes:

1. The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.

2. Mr. Chan Hung Ming holds 100% of the issued share capital of Chan HM Company Limited, which owns 326,700,000 ordinary shares out of the issued share capital of the Company. Therefore, Mr. Chan Hung Ming is deemed to have the same interest in the Company.

3. Mr. Lau Chi Wah holds 100% of the issued share capital of Lau CW Company Limited, which owns 36,300,000 ordinary shares out of the issued share capital of the Company. Therefore, Mr. Lau Chi Wah is deemed to have the same interest in the Company.

Save as disclosed above, none of the Directors or chief executives of the Company has or is deemed to have any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 31 March 2015.

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

As at 31 March 2015, so far as the Directors were aware, the following persons/entities (not being the Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company or any of its associated corporations which were required to be notified to the Company under Divisions 2 and 3 of Part XV of SFO or which were recorded in the register of the Company required to be kept under Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximate percentage of interest in our Company
Chan HM Company Limited	Beneficial owner	326,700,000 (L)	67.39%
Lau CW Company Limited	Beneficial owner	36,300,000 (L)	7.49%
Ms. Cheung Shuk Fong	Family *(Note 2)*	36,300,000 (L)	7.49%

Notes:

1. The letter "L" denotes the person's/entity's long position in the shares of the Company or the relevant Group member.

2. Ms. Cheung Shuk Fong, the spouse of Mr. Lau Chi Wah, is deemed to be interested in Mr. Lau Chi Wah's interest in our Company by virtue of the SFO.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31 March 2015 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the year ended 31 March 2015 was the Company or any of its subsidiaries or any holding company or any subsidiary of the Company's holding company, a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save for their respective interests in the Group, none of the Directors was interested in any business which competes or is likely to compete with the businesses of the Group during the year ended 31 March 2015.

CONTINUING CONNECTED TRANSACTIONS

During the year, the Group had the following related party transactions, which constituted continuing connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

	2015 **HK$'000**	2014 HK$'000
Rental paid to related companies *(note)*	**1,380**	1,380

Note:

On 17 April 2013, the Group entered into tenancy agreements ("Agreements") with two related companies, namely Grand Tech Enterprise Company Limited ("GTE") and Grand Regal Holdings Limited ("GRH") to lease their office units for three years at an aggregate monthly rental charge of HK$115,000 commencing on 1 April 2013. On 21 November 2013, GTE and GRH entered into assignment agreements with two related companies, namely Perfect Top Development Limited ("Perfect Top") and Gain Glory Development Limited ("Gain Glory") respectively. The ownership of the office units were transferred from GTE and GRH to Perfect Top and Gain Glory respectively, and Perfect Top and Gain Glory agreed to assume all rights and obligations under the Agreements.

GTE, GRH, Perfect Top and Gain Glory are wholly-owned subsidiaries of Grand Ming Holdings Limited, which is owned as to 90% and 10% by Mr. Chan Hung Ming, a controlling shareholder and an executive Director of the Company, and Mr. Lau Chi Wah, an executive Director of the Company, respectively.

The continuing connected transactions mentioned above have been reviewed by the independent non-executive Directors of the Company who have confirmed that the transactions have been entered into: (a) in the ordinary and usual course of business of the Company; (b) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; (c) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of shareholders of the Company as a whole; and (d) within the caps or the aggregate transaction values set out in the Prospectus.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Company in this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as the continuing connected transactions disclosed above and in note 30(b) to the financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries or any of its fellow subsidiaries was a party during the year ended 31 March 2015.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS

Save as the continuing connected transactions disclosed above, none of the Company or any of its subsidiaries had entered into any contract of significance or contract of significance for provision of services with the Company's controlling shareholder or its subsidiaries during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration during the year are set out in note 10 to the financial statements in this annual report.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

A deed of non-competition in respect of the Controlling Shareholder was entered into on 23 July 2013 (the "Deed of Non-Competition"). The Controlling Shareholder has confirmed to the Company of its compliance with the Deed of Non-Competition provided to the Company during the year.

The independent non-executive Directors have reviewed and confirmed that the Controlling Shareholder of the Company has complied with the Deed of Non-Competition which has been enforced by the Company in accordance with its terms, and that there was no New Opportunity (as defined in the Prospectus headed "Relationship with Controlling Shareholders — Non-compete undertakings") referred by the Controlling Shareholder to the Company as provided under the Deed of Non-Competition.

PENSION SCHEMES

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") which is a defined contribution retirement scheme for all its qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. During the year ended 31 March 2015, the Group contributed approximately HK$2.08 million to the aforesaid scheme.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Scheme") on 23 July 2013 (the "Adoption Date"). The purpose of the Scheme is to attract and retain the best quality personnel, to provide additional incentives to them to promote the long term success of the Group. Pursuant to the Scheme, the Board may, at its own discretion, grant options to any full-time or part-time employee, executives, officers, directors (including executive, non-executive, and independent non-executive Directors), consultants, advisors, suppliers, customers, agents and other persons whom the Board determines have or will have contributed to the Group.

The maximum number of Shares in respect of which options may be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue upon the Listing Date, being 40,000,000 Shares (the "Scheme Limit"). Subject to Shareholders' approval in general meeting, the Board may (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or (ii) grant options beyond the Scheme Limit to eligible participants specifically identified by the Board.

The number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Scheme) if this will result in the limit being exceeded.

The total number of Shares issuable upon exercise of the options granted under the Scheme and any other share option schemes of the Company to each eligible participant in any 12-month period shall not exceed 1% of the Shares in issue. Any further grant of options is subject to Shareholders' approval in general meeting with such eligible participant and his associates abstaining from voting.

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof. The Scheme shall be valid and effective for a period of ten years commencing from the Adoption Date.

A consideration of HK$1.0 is payable on acceptance of the grant of an option. Pursuant to the Share Option Scheme, the participants may subscribe for the shares of the Company on exercise of an option at the price determined by the Board provided that it shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share.

No options have been granted under the Scheme during the year.

SHARE AWARD PLAN

The Company adopted a share award plan (the "Share Award Plan" or the "SAP") on the Adoption Date. Subject to and in accordance with the rules of the SAP, the Board may make an award of Shares to certain classes of eligible participants as specified in the SAP, as determined by the Board from time to time on the basis of the Board's opinion as to the proposed awardee's contribution and/or future contribution to the development and growth of the Group. The SAP shall be subject to the administration of the Board, or such committee or such sub-committee or person(s) delegated with the power and authority by the Board to administer the SAP. The Shares and other trust fund for the implementation of the Share Award Plan shall be administered by a trustee or trustees (the "Share Award Plan Trustee", or the "SAP Trustee") to be appointed by the Company. Under the SAP, the Board shall determine the eligibility of the eligible participants and the number of shares to be awarded (the "Awarded Shares") and notify the SAP Trustee of the making of awards. The SAP Trustee shall then set aside the appropriate number of award Shares pending the transfer and vest to the relevant participants out of a pool of Shares which shall comprise of, among others, Shares either (1) (i) transferred to it from any person (other than the Group) by way of gift; or (ii) purchased by the SAP Trustee out of the funds received by the SAP Trustee by way of gift or for nominal consideration; (2) subscribed for or purchased by the Share Award Plan Trustee out of the funds allocated by the Board out of the Group's resources ("Group's Contribution"), subject to the terms and conditions of the rules of the SAP; (3) purchased by the SAP Trustee by utilizing any surplus gift contribution, or the net proceeds of the sale of the relevant nil-paid rights, options or warrants allocated to it in respect of the awarded Shares; (4) which remain unvested and revert to the SAP Trustee in accordance with the rules of the SAP.

The SAP Trustee may purchase Shares on the Stock Exchange at the prevailing market prices or off the market. In respect of off-market transactions, purchases shall not be made with any connected person, nor shall the purchase price be higher than the lower of (1) the closing market price on the date of such purchase, and (2) the average closing market price for the five preceding trading days on which Shares of the Company were traded on the Stock Exchange. At the beginning of each financial year of the Group, the Board shall determine the maximum amount of the Group's

Contribution to be allocated to the SAP Trustee (or via a special purpose vehicle which may be established by the SAP Trustee subject to the provisions of the trust deed to be executed by the Company as settlor and the SAP Trustee as trustee, shortly as "Share Award Plan SPV") during such financial year, provided that the maximum numbers of Shares which may be awarded for each financial year under the SAP shall not exceed 10% of the total number of Shares in issue at the beginning of such financial year. The Share Award Plan Trustee may also subscribe for new Shares at par or at such other subscription price as instructed by the Board out of the Group's Contribution if the Board considers it appropriate to do so. Prior approval from the Company's shareholders is not required for the Directors to allot and issue new Shares under the SAP to the SAP Trustee, provided that the Directors have sufficient unissued shares within the general mandate on hand subject to certain limitations under the SAP. The Company shall comply with the relevant Listing Rules when granting the Awarded Shares. The legal and beneficial ownership of the relevant awarded Shares shall be vested in the relevant selected participant within 10 business days after the latest of (1) the date specified in the notice of the award given by the Board to the SAP Trustee; and (2) where applicable, the date on which the condition(s) or performance target(s) (if any) to be attained by such selected participant as specified in the related notice of award have been attained and notified to the Share Award Plan Trustee by the Board in writing. Neither the SAP Trustee nor Share Award Plan SPV (if so established and subsisting) shall exercise the voting rights in respect of the Shares held under trust. The Share Award Plan will remain in force for a period of 10 years commencing on the Adoption Date.

No Shares have been awarded under the Share Award Plan during the year.

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

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

CORPORATE GOVERNANCE

The Company has complied with all the code provisions as set out in the Corporate Governance Code ("CG Code") as contained in Appendix 14 to the Listing Rules throughout the year ended 31 March 2015. Details are set out in the Corporate Governance Report on pages 24 to 32.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual report, the Company has maintained the prescribed minimum public float under the Listing Rules.

AUDITOR

KPMG retire and being eligible, offer itself for re-appointment, and a resolution to this effect shall be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chan Hung Ming
Chairman

Hong Kong, 2 June 2015

EXECUTIVE DIRECTORS

Mr. Chan Hung Ming (陳孔明), aged 61, is our chairman and executive Director. He is also our Controlling Shareholder. Pursuant to the SFO, Mr. Chan is interested in 326,700,000 Shares, representing 67.39% of the issued capital of the Company, as at the date of this annual report.

Mr. Chan was a co-founder of our Group and has participated in the management of our Group since 1995. He is primarily responsible for formulating the overall strategic development and direction of the business development of our Group. He has accumulated over 41 years of experience in construction and property development field. Besides he has over 7 years' experience in data centre premises leasing business.

Mr. Chan holds a Higher Certificate in Building Technology from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University).

Save as disclosed above, Mr. Chan is not connected with any existing Directors, senior management, substantial Shareholders or Controlling Shareholders.

Mr. Lau Chi Wah (劉志華), aged 50, is our executive Director and chief executive officer. Pursuant to the SFO, Mr. Lau is interested in 36,300,000 Shares, representing 7.49% of the issued capital of the Company, as at the date of this annual report.

Mr. Lau was a co-founder of our Group and has participated in the management of our Group since 1995. He is primarily responsible for formulating the overall strategic planning of our Group and overseeing the business development, administrative and compliance matters of our Group. He had over 21 years of audit, accounting and finance experience.

Mr. Lau holds a Honour Diploma in Accountancy from the Lingnan College (now known as the Lingnan University) and Master's Degree in Professional Accounting from Hong Kong Polytechnic University. He is a fellow of the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Save as disclosed above, Mr. Lau is not connected with any existing Directors, senior management, substantial Shareholders or Controlling Shareholders.

Mr. Yuen Ying Wai (袁英偉), aged 52, is our executive Director. Mr. Yuen joined our Group in 2001 and has participated in the management of our Group since 2007.

Mr. Yuen is responsible for the overall management of the construction and data centre premises leasing business. He has over 31 years' experience in quantity surveying and construction project management and 7 years' experience in the construction of high tier data centre and the related leasing matters.

Mr. Yuen holds a Certificate in Civil Engineering Studies from the Hong Kong Vocational Training Council, a National Certificate in Civil Engineering Studies from Business & Technician Education Council, a Higher Certificate in Civil Engineering from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University), and a Diploma in Surveying from the College of Estate Management in United Kingdom. He is a member of both the Society of Surveying Technician and the Hong Kong Institute of Surveyors.

As at the date of this annual report, Mr. Yuen did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Yuen is not connected with any existing Directors, senior management, substantial Shareholders or Controlling Shareholders.

Mr. Kwan Wing Wo (關永和), aged 47, is our executive Director and chief financial officer. Mr. Kwan joined our Group in 2008 and has participated in the management of our Group since 2008.

Mr. Kwan is responsible for the corporate finance, accounting, taxation, investment and administrative matters of our Group. He has over 24 years' experience in auditing, accounting and finance field. Prior to joining our Group in 2008, Mr. Kwan has held a management position in a listed company in Hong Kong for 12 years and was mainly responsible for its finance, financial reporting obligations, accounting, taxation and administrative matters.

Mr. Kwan holds a Bachelor's degree in Accountancy from the City University of Hong Kong. He is a fellow of the Association of Chartered Certified Accountants of United Kingdom and a member of the HKICPA.

As at the date of this annual report, Mr. Kwan did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Kwan is not connected with any existing Directors, senior management, substantial Shareholders or Controlling Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tsui Ka Wah (徐家華), aged 62, is our independent non-executive Director since 23 July 2013. He is also the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company.

Mr. Tsui has 28 years of banking experience with United States and local banks, and has held various management positions in corporate, retail and private banking. Currently he holds the position of Chief Executive Officer of SME Credit Company Limited. He is also an independent non-executive director of Oriental Explorer Holdings Limited (stock code: 430), Multifield International Holdings Limited (stock code: 898) and Southeast Asia Properties & Finance Limited (stock code: 252) respectively, whose shares are listed on the Main Board of the Stock Exchange.

Mr. Tsui holds a Bachelor of Arts Degree and a Master's Degree of Business Administration from the Chinese University of Hong Kong.

As at the date of this annual report, Mr. Tsui did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Mr. Tsui is not connected with any existing Directors, senior management, substantial Shareholders or Controlling Shareholders.

Mr. Kan Yau Wo (簡友和), aged 62, is our independent non-executive Director since 23 July 2013. He is also the chairman of the nomination committee and a member of the audit committee and remuneration committee of the Company.

Mr. Kan has been working with Fujitsu's group of companies for over 30 years and was appointed as the president in Fujitsu Hong Kong Ltd in 2007 and then the chief executive officer of Fujitsu's South China and Hong Kong Region. Mr. Kan retired from his positions in Fujitsu's group of companies in 2011.

Mr. Kan graduated from University of Hull in United Kingdom with Bachelor of Science (First Class Honour) in Computer Studies and Mathematics in July 1978.

As at the date of this annual report, Mr. Kan did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Mr. Kan is not connected with any existing Directors, senior management, substantial Shareholders or Controlling Shareholders.

Mr. Mok Kwai Pui Bill (莫貴標), aged 54, is our independent non-executive Director since 23 July 2013. He is also the chairman of the audit committee, and a member of the remuneration committee and the nomination committee of the Company.

Mr. Mok has 27 years' experience in accounting, finance and banking in Hong Kong and Mainland China with specific expertise in managing financial and accounting operations, fund raising, investor relations and executing corporate strategy. Currently he is the chief financial officer of Fortune Oil, a company which was listed in the London Stock Exchange (stock code on the London Stock Exchange: FTO) and voluntarily delisted in March 2015. From 2010 to 2011, Mr. Mok was appointed as the president, an executive director, and a member of the remuneration committee of Kosmopolito Hotels International Limited (currently known as Dorsett Hospitality International Limited; stock code: 2266). On 1 November 2011, he ceased to act as president of Kosmopolito Hotels International Limited and re-designated from an executive director to a non-executive director till August 2012.

Mr. Mok holds Bachelor of Arts degree in Business Administration from the University of Washington in the United States and a Master Degree in Business Administration from the Seattle University in the United States. He is a member of the American Institute of Certified Public Accountants and the HKICPA respectively.

As at the date of this annual report, Mr. Mok did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Mr. Mok is not connected with any existing Directors, senior management, substantial Shareholders or Controlling Shareholders.

Mr. Lee Chung Yiu Johnny (李宗燿), aged 71, is our independent non-executive Director since 23 July 2013. He is also a member of the audit committee, remuneration committee and nomination committee of the Company.

With approximately 19 years' experience in the field of architecture, Mr. Lee worked in several architect firms including as a director from 1995 to 2009, respectively. From 2009, Mr. Lee has been working for an architecture company as a project director.

Mr. Lee graduated from the University of Hong Kong with a Bachelor's Degree in Architecture. He is a member of the Hong Kong Institute of Architects and a registered architect with Architects Registration Board in Hong Kong. Mr. Lee is also an authorised person within the List of Architects maintained by the Buildings Department.

As at the date of this annual report, Mr. Lee did not have any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Mr. Lee is not connected with any existing Directors, senior management, substantial Shareholders or Controlling Shareholders.

Save as disclosed above, each of the Directors above did not hold any directorship in other listed company in the past three years.

Save as disclosed aherein, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there were no other matters with respect of the re-election of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as at the date of this annual report.

SENIOR MANAGEMENT

Mr. Au-Yeung Yiu Wai (歐陽耀偉), aged 57, joined our group in 1997 and is a project director of our construction business responsible for supervising our project managers and overseeing the construction matters. He is also a director of Grand Tech Construction Company Limited. Mr. Au-Yeung possesses more than 34 years' experience in the construction industry.

Mr. Au-Yeung holds a Higher Certificate in Civil Engineering from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University), Bachelor of Science in Building from Brighton Polytechnic (now known as University of Brighton) and a Diploma in Construction Management from the Hong Kong Construction Industry Training Authority. Mr. Au-Yeung is a member of both the Chartered Institute of Building and the Hong Kong Institute of Construction Managers.

Mr. Ng Kwok Fong (伍國方), aged 44, joined our group in 1998 and is the technical director of our construction business in respect of our building design and construction projects. He is also a director of Grand Tech Construction Company Limited.

Mr. Ng holds a Bachelor of Engineering in Civil Engineering from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University), a Bachelor of Laws from the University of London and a Master of Laws degree from the City University of Hong Kong. With dual membership in the Institution of Structural Engineers in the United Kingdom and the Hong Kong Institution of Engineers, Mr. Ng is a chartered engineer of the United Kingdom as well as a registered professional engineer of Hong Kong.

Mr. Chan Sik Nin (陳錫年), aged 50, joined our group in August 2013 and is the general manager of our data centre leasing business responsible for such business development and operation. Mr. Chan possesses more than 11 years' experience in the data centre industry and managed to succeed major deals in providing high-tier data centre services for meeting the stringent requirements from customers. Prior to joining our Group, he was the Vice President of Sales & Business Development, and then re-designated as the Vice President of Corporate Development of iAdvantage Limited, a subsidiary of SUNeVision Holdings Ltd. (stock code: 8008) whose shares are listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Chan holds a Master of Business Administration degree from the University of Canberra, a Diploma in Marketing & International Business from the Chinese University of Hong Kong, and a Professional Diploma in Business Studies from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University).

COMPANY SECRETARY

Mr. Leung Wai Chuen (梁偉泉), aged 49, is the company secretary of the Company. Mr. Leung is a practicing member of the HKICPA, a fellow of the Association of Chartered Certified Accountants of the United Kingdom and an associate of the Hong Kong Institute of Chartered Secretaries and Institute of Chartered Secretaries and Administrators respectively. He holds a Bachelor's Degree in Social Sciences from the University of Hong Kong, a Master's Degree in Business Administration jointly awarded by the University of Wales and the University of Manchester and a Master's Degree in Business (Logistics Management) from the Royal Melbourne Institute of Technology (now known as RMIT University). He is also an independent non-executive director of E Lighting Group Holdings Limited (stock code: 8222), a company listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Leung has over 24 years' experience in auditing, accounting, financial management and company secretarial matters. Prior to joining our Group in July 2013, he worked for and held senior positions in various listed companies in Hong Kong and was responsible for their finance, accounting and company secretarial functions.

Save as disclosed, each of the senior management and the company secretary of our Company has not been a director of any other publicly listed company during the three years preceding the date of this report.

A. COMMITMENT TO CORPORATE GOVERNANCE

The Company acknowledges the importance of good corporate governance practices and procedures, and regards a pre-eminent board of directors, sound internal controls and accountability to all shareholders as the core elements of its corporate governance principles. The Company endeavours to ensure that its businesses are conducted in accordance with rules and regulations, and applicable codes and standards.

B. CORPORATE GOVERNANCE CODE

Throughout the year ended 31 March 2015 (the "Reporting Period"), the Company has applied the principles and complied with the applicable code provisions set out in the CG Code as contained in Appendix 14 to the Listing Rules.

C. BOARD OF DIRECTORS

1. Responsibilities of the Board

The Board is primarily responsible for the management of the Group, including the responsibilities of formulating business strategies, directing and monitoring the Group's development. Apart from its statutory responsibilities, the Board is also required to approve the Group's strategic development plan and major investments; review the Group's financial performance; identify principal risks of the Group's businesses and ensure implementation of appropriate systems to manage these risks. The Board also delegates certain responsibilities to various board committees which have been established by the Board to deal with different aspects of the Company's affairs.

The day to day operations and administration are delegated to the management of the Company under the leadership of the executive Directors.

2. Board Composition

The Board currently comprises eight members, as detailed below:

Executive Directors
Mr. Chan Hung Ming
Mr. Lau Chi Wah
Mr. Yuen Ying Wai
Mr. Kwan Wing Wo

Independent Non-Executive Directors
Mr. Tsui Ka Wah
Mr. Kan Yau Wo
Mr. Mok Kwai Pui Bill
Mr. Lee Chung Yiu Johnny

The biographical details of the Directors are set out on pages 19 to 23 of this annual report. There is no financial, business, family or other material/relevant relationship among members of the Board. A list of Directors and their roles and functions has been published on the Company's website.

The Board has adopted a board diversity policy with the aim of achieving diversity on the Company's Board. The Company recognises the benefits of having a diverse Board, and sees diversity of perspectives at the Board level as essential in achieving a sustainable and balanced development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills, knowledge, industry experience and expertise. All Board appointments are based on meritocracy, and candidates will be considered against a variety of criteria, having due regard for the benefits of diversity on the Board.

Currently, the Board comprises all male Directors with diverse backgrounds and/or extensive expertise in corporate management, with over 50% of the Directors possessing professional qualifications.

All executive Directors have served the Group for over five years and all independent non-executive Directors were appointed with effect from the Listing Date. The term of office of all independent non-executive Directors has been fixed for a specific term of not more than three years. The Board are subject to retirement by rotation and re-election at the Company's Annual General Meeting ("AGM") in accordance with the Articles.

The Company has complied Rule 3.10(1) of the Listing Rules and met the requirement of Rule 3.10A of the Listing Rules of at least one-third of the members of the Board being independent non-executive Directors. In addition, Mr. Mok Kwai Piu Bill, one of the independent non-executive Directors, has the appropriate professional qualifications, or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Company has received from each of the independent non-executive Directors a written confirmation of his independence pursuant to the Rule 3.13 of the Listing Rules. The Board considers that all of the independent non-executive Directors are independent.

3. Board Meetings

(i) Number of Meetings and Directors' Attendance

During the Reporting Period, the Board held four regular Board meetings and one other Board meeting to discuss the overall strategy as well as the operational and financial performance of the Group. The table below set outs attendance of the Directors at the board meetings during the Reporting Period:

Name of Director	Board Meetings Attended/Total
Executive Directors	
Mr. Chan Hung Ming	5/5
Mr. Lau Chi Wah	5/5
Mr. Yuen Ying Wai	5/5
Mr. Kwan Wing Wo	5/5
Independent Non-Executive Directors	
Mr. Tsui Ka Wah	5/5
Mr. Kan Yau Wo	5/5
Mr. Mok Kwai Pui Bill	5/5
Mr. Lee Chung Yiu Johnny	5/5

(ii) Practices and Conduct of Meetings

Notices and agendas of regular Board meetings are given to all Directors at least 14 days before the meetings. For other Board meeting and board committee meetings, appropriate notices are given in advance to all Directors. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before the relevant meetings.

The company secretary is responsible for taking and keeping minutes of all Board meetings and board committee meetings. Draft minutes are normally circulated to Directors and committee members for comments within a reasonable time after each meeting. The final signed minutes are sent to all Directors and board committee members for their records and open for their inspection.

4. General Meetings

All Directors attended the AGM on 31 July 2014 and the extraordinary general meeting on 17 November 2014.

5. Conflict of Interest

If a director has a potential conflict of interest in a matter being considered in the board meeting, he will abstain from voting. Independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict of interest issues.

6. Directors' and Officers' Liability Insurance

The Company has appropriate and sufficient insurance coverage relating to directors' and officers' liability to indemnify the Directors and senior management against any potential liabilities arising from the Company's business activities for which such Directors and senior management may be held liable.

7. Directors' Time Commitments and Trainings

The Company has received confirmation from each Director that he had sufficient time and attention to the affairs of the Company for the year. All Directors have also disclosed to the Company the number and nature of offices they held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies and organisations and an indication of the time involved. They are reminded to notify the Company in a timely manner of any changes of such information. All Directors are encouraged to attend the Board meeting and board committee meeting in person. For the Directors and committee members who are unable to attend the meeting, participation through electronic means is arranged and available.

All Directors, namely, Mr. Chan Hung Ming, Mr. Lau Chi Wah, Mr. Yuen Ying Wai, Mr. Kwan Wing Wo, Mr. Tsui Ka Wah, Mr. Kan Yau Wo, Mr. Mok Kwai Pui Bill and Mr. Lee Chung Yiu Johnny, had participated in continuous professional development with respect to directors duties, relevant programmes and seminars or had perused reading materials and updated information in relation to business and industrial development. The Directors have provided the relevant training records to the Company.

D. CHAIRMAN AND CHIEF EXECUTIVE

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Chairman and the Chief Executive Officer are currently two separate positions held by Mr. Chan Hung Ming and Mr. Lau Chi Wah respectively with clear distinction in responsibilities.

Mr. Chan Hung Ming, being the Chairman, is responsible for the management and leadership of the Board to formulate overall strategies and business development directions for the Group, to ensure that adequate, complete and reliable information is provided to all Directors in a timely manner, and to ensure that the issues raised at the Board meetings are explained appropriately.

Mr. Lau Chi Wah, being the Chief Executive Officer, is responsible for the daily operations of the Group and the implementation of business policies, objectives and plans as formulated and adopted by the Board, and is accountable to the Board for the overall operation of the Group.

E. BOARD COMMITTEES

The Board has established three committees, namely, the Remuneration Committee, Audit Committee and Nomination Committee, for overseeing particular aspects of the Group's affairs. All of these three committees of the Company are established with defined written terms of reference.

All members of the Remuneration Committee, Audit Committee and Nomination Committee are independent non-executive Directors.

The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

1. Remuneration Committee

The Company established the Remuneration Committee on 23 July 2013 with written terms of reference in compliance to Rule 3.25 of the Listing Rules. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

The primary duties of the Remuneration Committee are to make recommendation to the Board on the remuneration policy, structure and remuneration package relating to Directors and senior management of the Group and to ensure none of the Directors determine their own remuneration. The Remuneration Committee consists of four independent non-executive Directors, being Mr. Tsui Ka Wah, Mr. Kan Yau Wo, Mr. Mok Kwai Pui Bill and Mr. Lee Chung Yiu Johnny. The chairman of the Remuneration Committee is Mr. Tsui Ka Wah.

The Remuneration Committee held one meeting during the Reporting Period to review the remuneration policy and structure, assess the performance of executive Directors and make recommendations to the Board on the annual remuneration packages of the executive Directors and senior management and other related matters. The attendance records of the meeting of Remuneration Committee are set out in point 4 below.

Details of remuneration of Directors and senior management are set out in note 10 and 11(b) to the financial statements respectively.

2. Audit Committee

The Company established the Audit Committee on 23 July 2013 with written terms of reference in compliance with Rule 3.21 of the Listing Rules. The written terms of reference are posted on the websites of the Company and the Stock Exchange.

The primary duties of the Audit Committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditors; to review the financial statements; and to oversee the financial reporting and internal control procedures. The Audit Committee consists of four independent non-executive Directors, being Mr. Mok Kwai Pui Bill, Mr. Tsui Ka Wah, Mr. Kan Yau Wo and Mr. Lee Chung Yiu Johnny. The chairman of the Audit Committee is Mr. Mok Kwai Pui Bill, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

During the Reporting Period, the Audit Committee held two meetings together with the external auditors to review the audited financial statements and annual results announcement for the year ended 31 March 2014; to review the unaudited interim report and interim results announcement for the six months ended 30 September 2014; and to review the work of the internal control advisor on assessing the effectiveness of the Group's internal control system. The attendance records of the meeting of Audit Committee are set out in point 4 below.

The Group's audited financial statements and annual results announcement for the year ended 31 March 2015 were reviewed by the Audit Committee on 2 June 2015.

3. Nomination Committee

The Company established the Nomination Committee on 23 July 2013 with written terms of reference in compliance with A.5 of Appendix 14 of the Listing Rules. The written terms of references are posted on the websites of the Company and the Stock Exchange.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on regular basis; to identify individuals suitably qualified to become Board members; to assess the independence of independent non-executive Directors; and to make recommendations to the Board on the appointment or re-appointment of Directors. The Nomination Committee consists of four independent non-executive Directors, being Mr. Kan Yau Wo, Mr. Tsui Ka Wah, Mr. Mok Kwai Pui Bill and Mr. Lee Chung Yiu Johnny. The chairman of the Nomination Committee is Mr. Kan Yau Wo.

The Nomination Committee held one meeting during the Reporting Period to review the size and composition and diversity of the Board by taking into account the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership. The attendance records of the meeting of Nomination Committee are set out in point 4 below.

4. Attendance Record at Board Committee Meetings

	Number of meetings attended/ Number of meetings held		
Committee Members	Remuneration Committee	Audit Committee	Nomination Committee
Mr. Tsui Ka Wah	1/1	2/2	1/1
Mr. Kan Yau Wo	1/1	2/2	1/1
Mr. Mok Kwai Pui Bill	1/1	2/2	1/1
Mr. Lee Chung Yiu Johnny	1/1	2/2	1/1

F. DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as the code for dealing in securities of the Company by the Directors as set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all Directors, the Company confirms that all Directors have complied with the Model Code in the Reporting Period.

G. FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare the financial statements of the Group and other disclosures required under the Listing Rules. The management will provide information and explanation to the Board to enable it to make an informed assessment of the financial and other Board decisions.

The responsibilities of the external auditors for the consolidated financial statements of the Group are set out in the Independent Auditors' Report on page 33 of this annual report.

H. AUDITOR'S REMUNERATION

The remuneration in respect of audit and non-audit services provided by the Company's external auditor, KPMG, to the Group during FY 2015 are approximately HK$1,680,000 (2014: HK$1,450,000) and HK$693,000 (2014: HK$748,000) respectively. The non-audit services mainly include the review of the Group's interim financial report and tax advisory services.

I. INTERNAL CONTROLS

The Board is responsible for maintaining an internal control system to safeguard shareholder investments and the Group's assets, and reviewing the effectiveness of such internal control system. An internal control advisor had been engaged to assist the Board to perform review on the internal control system of the Group's business operations at regular intervals. The review covered all material control areas including financial, compliance and risk management functions.

During the Reporting Period, the Audit Committee had reviewed the internal control review report issued by the internal control advisor. Based on the findings of the internal control advisor and comments of the Audit Committee, the Board considers that the Group's internal control system is effective.

J. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make informed investment decisions.

The general meetings of the Company are expected to provide a forum for communication between the Board and the shareholders. The Chairman of the Board as well as chairmen of the board committees and, in their absence, other members of the respective committees are available to answer questions at shareholder meetings. The Company's external auditor is also invited to attend the AGM to answer questions about the conduct of the audit and the preparation and content of the Independent Auditor's Report.

To promote effective communication, the Company maintains a website at www.grandming.com.hk, where information and updates on the Group's business developments and operations, financial information, corporate governance practices and other information are available for public access.

The Company has established a shareholders' communication policy and posted it on the Company's website and will review it on a regular basis to ensure its effectiveness.

K. SHAREHOLDER RIGHTS

1. Convening Extraordinary General Meetings ("EGM")

The following procedures for shareholders to convene an EGM of the Company are prepared in accordance with the Articles:

(i) One or more Shareholders ("Requisitionist(s)") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings, shall have the right, by written notice, to require an EGM to be called by the directors for the transaction of any business specified in such requisition.

(ii) Such requisition shall be made in writing to the Board or the company secretary of the Company by post to the Company's headquarter in Hong Kong at 19/F, Eastern Commercial Centre, 395–399 Hennessy Road, Hong Kong, or by email to info@grandming.com.hk.

(iii) The EGM shall be held within two months after the deposit of such requisition.

(iv) If the Board fails to proceed to convene the EGM within twenty-one (21) days of such deposit, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board shall be reimbursed to the Requisitionist(s) by the Company.

2. Procedures for Putting Forward Proposals at Shareholders' Meetings

(i) Proposal for election of a person other than a Director as a Director:

A shareholder may propose a person other than a retiring Director ("Candidate") for election as a director at a general meeting by lodging the following documents at the headquarter of the Company in Hong Kong or the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong:

(a) a written notice ("Proposal Notice") of the intention to propose the Candidate for election as a Director, which must (i) state the information of the Candidate as required by Rule 13.51(2) of the Listing Rules, which is available on the Stock Exchange's website (www.hkex.com.hk) and (ii) must be signed by the shareholder; and

(b) a written notice ("Consent Notice") by the Candidate, which must (i) indicate his/her willingness to be elected as a Director and consent to the publication of his/her personal information as required by Rule 13.51(2) of the Listing Rules; and (ii) must be signed by the Candidate.

The Proposal Notice and the Consent Notice shall be lodged for a period of at least seven (7) clear days commencing no earlier than the day after the despatch of the notice of the general meeting and ending no later than seven (7) clear days before the date of such general meeting.

(ii) Other Proposals:

If a Shareholder wishes to make other proposals (the "Proposal(s)") at a general meeting, he/she may lodge a written request, duly signed, at the head office of the Company in Hong Kong.

The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

(1) Notice of not less than 21 clear days and not less than 20 clear business days in writing if the Proposal requires approval in an annual general meeting of the Company.

(2) Notice of not less than 21 clear days and not less than 10 clear business days in writing if the Proposal requires approval by way of a special resolution in an extraordinary general meeting of the Company.

(3) Notice of not less than 14 clear days and not less than 10 clear business days in writing if the Proposal requires approval by way of an ordinary resolution in an extraordinary general meeting of the Company.

3. Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may send their enquiries in writing with their detailed contact information to the company secretary of the Company or the Board either by:

(i) Post to the Company's headquarter in Hong Kong at 19/F, Eastern Commercial Centre, 395–399 Hennessy Road, Hong Kong; or

(ii) Email to info@grandming.com.hk

L. CONSTITUTIONAL DOCUMENTS

During the Reporting Period, the Company did not amend its constitutional documents.

M. COMPANY SECRETARY

The company secretary supports the Chairman, the Board and the board committees by ensuring good information flow and Board policy and procedures are followed. The company secretary is an employee of the Company and is appointed by the Board. The company secretary reports to the Chairman and chief executive officer. All directors may call upon him for advice and assistance at any time in respect of his duties. The company secretary obtained a practitioner's endorsement of The Hong Kong Institute of Chartered Secretaries and has taken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules. The biographical details of the company secretary are shown on page 23 of this annual report.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Grand Ming Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Grand Ming Group Holdings Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 34 to 95, which comprise the consolidated and Company balance sheets as at 31 March 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 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 financial position of the Company and of the Group as at 31 March 2015 and of the Group's consolidated financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

2 June 2015

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Turnover	*4*	**846,174**	484,063
Direct costs		**(679,398)**	(311,297)
Gross profit		**166,776**	172,766
Other revenue	*5*	**3,619**	3,307
Other net income	*6*	**3,053**	3,051
General and administrative expenses		**(13,427)**	(24,640)
Changes in fair value of investment properties	*15*	**211,723**	330,938
Profit from operations		**371,744**	485,422
Finance costs	*7(a)*	**(19,595)**	(22,020)
Profit before taxation	*7*	**352,149**	463,402
Income tax	*8(a)*	**(24,336)**	(24,920)
Profit for the year		**327,813**	438,482
		HK cents	HK cents (Restated)
Earnings per share *(note)* **— Basic and Diluted**	*13*	**67.7**	99.5

Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 26(b).

Note: Basic and diluted earnings per share for the year ended 31 March 2014 have been restated for the impact of the bonus issue of shares as explained in notes 26(c)(v) and 26(c)(vi).

The notes on pages 42 to 95 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015
(Expressed in Hong Kong dollars)

	Note	**2015** **$'000**	2014 $'000
Profit for the year		**327,813**	438,482
Other comprehensive income for the year	*9*		
Items that may be reclassified subsequently to profit or loss:			
Available-for-sale securities:			
Net movement in the fair value reserve		**(797)**	(78)
Cash flow hedges:			
Net movement in the hedging reserve		**6,571**	8,087
		5,774	8,009
Total comprehensive income for the year		**333,587**	446,491

The notes on pages 42 to 95 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 31 March 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Non-current assets			
Fixed assets	15		
— Investment properties		**2,985,000**	2,352,000
— Other property, plant and equipment		**716**	505
		2,985,716	2,352,505
Other financial assets	17	**14,170**	14,967
		2,999,886	2,367,472
Current assets			
Gross amount due from customers for contract work	21	**72,574**	41,654
Trade and other receivables	18	**232,632**	140,324
Restricted and pledged deposits	19	**45,984**	43,149
Cash and bank balances	20	**131,562**	208,910
		482,752	434,037
Current liabilities			
Gross amount due to customers for contract work	21	**7,616**	–
Trade and other payables	22	**237,599**	111,259
Bank loans	23	**147,880**	114,429
Derivative financial instruments	25	**5,236**	–
Tax payable	8(c)	**6,150**	10,004
		404,481	235,692
Net current assets		**78,271**	198,345
Total assets less current liabilities		**3,078,157**	2,565,817

At 31 March 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Non-current liabilities			
Bank loans	*23*	**926,973**	705,737
Deferred tax liabilities	*8(c)*	**31,117**	23,671
Derivative financial instruments	*25*	**158**	15,980
		958,248	745,388
NET ASSETS		**2,119,909**	1,820,429
CAPITAL AND RESERVES	*26*		
Share capital	*26(c)*	**4,848**	4,000
Reserves		**2,115,061**	1,816,429
TOTAL EQUITY		**2,119,909**	1,820,429

Approved and authorised for issue by the board of directors on 2 June 2015

Chan Hung Ming
Director

Lau Chi Wah
Director

The notes on pages 42 to 95 form part of these financial statements.

BALANCE SHEET

At 31 March 2015
(Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Non-current assets			
Investment in subsidiaries	16	**–**	–
Current assets			
Prepayment and other receivables	18	**252,466**	85,842
Cash and bank balances	20	**2,084**	38,677
		254,550	124,519
Current liabilities			
Other payables	22	**63,437**	973
Bank loan	23	**1,011**	–
Loan from a subsidiary	24	**2,500**	–
Tax payable	8(c)	**–**	50
		66,948	1,023
Net current assets		**187,602**	123,496
Total assets less current liabilities		**187,602**	123,496
Non-current liabilities			
Bank loan	23	**3,455**	–
Loan from a subsidiary	24	**47,500**	–
		50,955	–
NET ASSETS		**136,647**	123,496
CAPITAL AND RESERVES	26		
Share capital	26(c)	**4,848**	4,000
Reserves		**131,799**	119,496
TOTAL EQUITY		**136,647**	123,496

Approved and authorised for issue by the board of directors on 2 June 2015

Chan Hung Ming
Director

Lau Chi Wah
Director

The notes on pages 42 to 95 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015
(Expressed in Hong Kong dollars)

	Note	Share capital $'000	Share premium $'000	Fair value reserve $'000	Hedging reserve $'000	Retained profits $'000	Total equity $'000
At 1 April 2013		5,000	–	45	(14,530)	1,299,889	1,290,404
Changes in equity for 2014:							
Profit for the year		–	–	–	–	438,482	438,482
Other comprehensive income	*9*	–	–	(78)	8,087	–	8,009
Total comprehensive income for the year		–	–	(78)	8,087	438,482	446,491
Arising from reorganisation	*26(c)(i)*	(5,000)	–	–	–	–	(5,000)
Issue of new shares under the Initial Public Offering ("IPO"), net of issuing expenses	*26(c)(iii)*	1,000	101,934	–	–	–	102,934
Capitalisation issue	*26(c)(ii)*	3,000	(3,000)	–	–	–	–
Dividends declared in respect of the current year	*26(b)(i)*	–	–	–	–	(14,400)	(14,400)
At 31 March 2014 and 1 April 2014		**4,000**	**98,934**	**(33)**	**(6,443)**	**1,723,971**	**1,820,429**
Changes in equity for 2015:							
Profit for the year		**–**	**–**	**–**	**–**	**327,813**	**327,813**
Other comprehensive income	*9*	**–**	**–**	**(797)**	**6,571**	**–**	**5,774**
Total comprehensive income for the year		**–**	**–**	**(797)**	**6,571**	**327,813**	**333,587**
Shares issued under the scrip dividend scheme	*26(c)(iv)*	**7**	**2,796**	**–**	**–**	**–**	**2,803**
Issuance of new shares under the bonus issues	*26(c)(v) & 26(c)(vi)*	**841**	**(841)**	**–**	**–**	**–**	**–**
Dividends declared in respect of the current year	*26(b)(i)*	**–**	**–**	**–**	**–**	**(18,510)**	**(18,510)**
Dividends approved in respect of the previous year	*26(b)(ii)*	**–**	**–**	**–**	**–**	**(18,400)**	**(18,400)**
At 31 March 2015		**4,848**	**100,889**	**(830)**	**128**	**2,014,874**	**2,119,909**

The notes on pages 42 to 95 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2015
(Expressed in Hong Kong dollars)

	Note	**2015** **$'000**	2014 $'000
Operating activities			
Profit before taxation		**352,149**	463,402
Adjustments for:			
— Interest income	*5*	**(1,449)**	(1,139)
— Finance costs	*7(a)*	**19,595**	22,020
— Depreciation	*7(c)*	**652**	752
— Dividend income from unlisted securities	*5*	**(810)**	(847)
— Changes in fair value of investment properties	*15*	**(211,723)**	(330,938)
— Net unrealised gain on derivative financial instruments	*6*	**(2,716)**	(3,059)
— Gain on a bargain purchase in relation to the acquisition of a subsidiary	*6*	**(223)**	–
— Net foreign exchange (gain)/loss	*6*	**(114)**	8
Changes in working capital:			
— (Increase)/decrease in trade and other receivables		**(91,000)**	46,174
— Increase in gross amount due from customers for contract work		**(23,965)**	(14,735)
— Increase in trade and other payables		**124,464**	30,067
— Increase/(decrease) in gross amount due to customers for contract work		**9,285**	(33,747)
Cash generated from operations		**174,145**	177,958
Tax paid		**(23,942)**	(16,672)
Net cash generated from operating activities		**150,203**	161,286
Investing activities			
Payment for the purchase of fixed assets		**(863)**	(126)
Payment for acquisition of a subsidiary	*20(b)*	**(125,000)**	–
Expenditure on investment properties		**(284,724)**	(41,862)
Interest received		**1,449**	1,139
Decrease/(increase) in deposits with original maturity over three months at acquisition		**4,462**	(4,462)
Dividends received from unlisted securities		**810**	847
Net cash used in investing activities		**(403,866)**	(44,464)

For the year ended 31 March 2015
(Expressed in Hong Kong dollars)

	Note	**2015 $'000**	2014 $'000
Financing activities			
Proceeds from bank loans		**871,911**	143,205
Repayment of bank loans		**(618,528)**	(148,219)
(Increase)/decrease in pledged deposits		**(2,721)**	771
Decrease in amounts due to the former holding company		**–**	(8,450)
Interest and other borrowing costs paid		**(35,778)**	(38,682)
Cash distributed to the former holding company on reorganisation		**–**	(5,000)
Proceeds from issue of shares		**–**	111,000
Share issue expenses		**–**	(8,066)
Dividends paid		**(34,107)**	(14,400)
Net cash generated from financing activities		**180,777**	32,159
Net (decrease)/increase in cash and cash equivalents		**(72,886)**	148,981
Cash and cash equivalents at the beginning of the year		**204,448**	55,467
Cash and cash equivalents at the end of the year	*20(a)*	**131,562**	204,448

The notes on pages 42 to 95 form part of these financial statements.

(Expressed in Hong Kong dollars unless otherwise indicated)

1 GENERAL INFORMATION

Grand Ming Group Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in the business of data centre premises leasing and construction in Hong Kong. The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 14 August 2012 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 9 August 2013 ("the Listing Date").

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period, as permitted by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32). These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 March 2015 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

— investment properties (see note 2(i)(i));

— available-for-sale securities; (see note 2(f)); and

— derivative financial instruments (see note 2(q)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company:

— Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*

— Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*

— Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*

— Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*

— HK (IFRIC) 21, *Levies*

These developments have had no material impact on the Group's financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(f) Other investments in securities

The Group's and the Company's policies for investments in securities, other than investments in subsidiaries, are as follows:

Investments in securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs.

Other investments in securities, being those held for non-trading purposes, are classified as available-for-sale securities. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 2(k)). Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in notes 2(t)(iv) and 2(t)(v), respectively. Foreign exchange gains and losses resulting from changes in the amortised cost of monetary items, such as debt securities, are recognised directly in profit or loss.

When the investments are derecognised or impaired (see note 2(k)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 2(h)).

(h) Hedging

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gains or losses on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity and is included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (such as when interest income or expense is recognised).

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(h) Hedging *(Continued)*

Cash flow hedges *(Continued)*

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to profit or loss immediately.

(i) Fixed assets

(i) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(j)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the balance sheet date and their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(t)(ii).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(j)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(j).

(ii) Other property, plant and equipment

Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(k)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of furniture, fixtures and other fixed assets, less their estimated residual value, if any, using the straight-line method over their estimated useful lives of 3 to 5 years.

Where parts of an item of furniture, fixtures and other fixed assets have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(j) Leased assets

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.

(i) 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, except where 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 an investment property, is accounted for as if held under a finance lease (see note 2(i)(i)).

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(i)(i)).

(k) Impairment of assets

(i) Impairment of investments in securities and other receivables

Investments in securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment 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.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(k) Impairment of assets *(Continued)*

(i) Impairment of investments in securities and other receivables *(Continued)*

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

— For trade and other receivables carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

— For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

— For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt 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.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(k) Impairment of assets *(Continued)*

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

— fixed assets (other than properties carried at revalued amounts);

— goodwill; and

— investments in subsidiaries in the Company's balance sheet.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— *Recognition of impairment losses*

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

— *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(k) Impairment of assets *(Continued)*

(iii) Interim financial reporting and impairment

Under the Listing Rule, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(k)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(l) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets, where the customer is able to specify the major structural elements of the design. The accounting policy for contract revenue is set out in note 2(t)(i). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the balance sheet date. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

Construction contracts in progress at the balance sheet date are recorded at the net amount of costs incurred plus recognised profit less recognised losses and progress billings, and are presented in the balance sheet as the "Gross amount due from customers for contract work" (as an asset) or the "Gross amount due to customers for contract work" (as a liability), as applicable. Progress billings not yet paid by the customer are included under "Trade and other receivables". Amounts received before the related work is performed are included under "Trade and other payables".

(m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(k)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(s)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(q) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(r) Income tax *(Continued)*

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(i)(i), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the balance sheet date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(r) Income tax *(Continued)*

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group or the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

— in the case of current tax assets and liabilities, the Group or the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

— in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  — the same taxable entity; or

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

(s) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantee issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(s)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(s) Financial guarantees issued, provisions and contingent liabilities *(Continued)*

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate 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.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, 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 events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Contract revenue

When the outcome of a construction contract can be estimated reliably, revenue from a fixed price contract is recognised using the percentage of completion method.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Rental related income

Rental related income is recognised on an accrual basis.

(iv) Dividends

Dividend income from unlisted investments is recognised when the Group's right to receive payment is established.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) 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 the key management personnel of the Group or the Group's parent.

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

(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 employees of either the Group or an entity related to the Group.

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

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

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.

(Expressed in Hong Kong dollars unless otherwise indicated)

2 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(a) Valuation of investment properties and investment properties under development

As described in note 15, investment properties and investment properties under development are stated at fair value based on the valuation performed by an independent firm of professional valuers.

In determining the fair value of investment properties, the valuers have used a method of valuation which involves, inter-alia, certain estimates including appropriate discount rates, terminal capitalisation rates, expected future market rents, term yield, reversionary yield and market rents. In relying on the valuation report, management has exercised its judgement and is satisfied that the method of valuation is reflective of the current market conditions.

Investment properties under development are valued by estimating the fair value of such properties as if they were completed in accordance with the relevant development plan and then deducting from that amount the estimated costs to complete the construction, financing costs and a reasonable profit margin.

(b) Construction contracts

As explained in policy notes 2(l) and 2(t)(i), revenue and profit recognition on an uncompleted project is dependent on estimating the total outcome of the construction contract, as well as the work done to date. Based on the Group's recent experience and the nature of the construction activities undertaken by the Group, the Group makes estimates of the point at which it considers the work is sufficiently advanced such that the costs to complete and revenue can be reliably estimated. As a result, until this point is reached the amounts due from customers for contract work as disclosed in note 21 will not include profit which the Group may eventually realise from the work done to date. In addition, actual outcomes in terms of total costs or revenue may be higher or lower than estimated at the balance sheet date, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

(c) Impairment of trade receivables

The Group evaluates whether there is any objective evidence that trade receivables are impaired, and estimates allowances for doubtful debts as a result of the inability of the debtors to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the customer and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

(Expressed in Hong Kong dollars unless otherwise indicated)

4 TURNOVER

Turnover represents revenue from construction contracts, rental and rental related income and is analysed as follows:

	2015	2014
	$'000	$'000
Revenue from construction contracts	**704,126**	348,300
Rental income	**112,704**	112,541
Rental related income	**29,344**	23,222
	846,174	484,063

5 OTHER REVENUE

	2015	2014
	$'000	$'000
Bank interest income	**1,449**	1,139
Dividend income from unlisted securities	**810**	847
Others	**1,360**	1,321
	3,619	3,307

6 OTHER NET INCOME

	2015	2014
	$'000	$'000
Net unrealised gain on derivative financial instruments	**2,716**	3,059
Gain on a bargain purchase in relation to the acquisition of a subsidiary *(note 20(b))*	**223**	–
Net foreign exchange gain/(loss)	**114**	(8)
	3,053	3,051

(Expressed in Hong Kong dollars unless otherwise indicated)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2015 $'000	2014 $'000
(a) Finance costs		
Interest on bank loans wholly repayable:		
— within five years	**35,075**	30,534
— after five years	**–**	3,437
Other borrowing costs	**2,696**	2,258
	37,771	36,229
Less: Amount included in construction contracts in progress	**(8,623)**	(10,561)
Amount capitalised into investment properties under development*	**(9,553)**	(3,648)
	19,595	22,020

* The borrowing costs have been capitalised at the range of 2.56% to 3.29% per annum (2014: 3.27% per annum).

	2015 $'000	2014 $'000
(b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	**69,508**	60,609
Contributions to defined contribution retirement plans	**2,076**	1,625
	71,584	62,234
Less: Amount included in construction contracts in progress	**(62,032)**	(53,471)
Amount capitalised into investment properties under development	**(4,353)**	(1,696)
	5,199	7,067
(c) Other items		
Rental income from investment properties	**(112,704)**	(112,541)
Less: Direct outgoings	**46,211**	38,380
	(66,493)	(74,161)
Depreciation	**652**	752
Impairment loss for trade and other receivables	**8**	38
Auditors' remuneration		
— audit services	**1,680**	1,450
— other services	**693**	748

(Expressed in Hong Kong dollars unless otherwise indicated)

8 INCOME TAX

(a) Income tax in the consolidated income statement represents:

	2015 $'000	2014 $'000
Current tax		
Provision for Hong Kong Profits Tax for the year	**20,154**	18,905
(Over)/under-provision in respect of prior years	**(188)**	1,775
	19,966	20,680
Deferred tax		
Origination and reversal of temporary differences	**4,370**	4,240
	24,336	24,920

(i) Pursuant to the rules and regulations of the British Virgin Islands ("BVI") and the Cayman Islands, the Group is not subject to any income tax in the BVI and the Cayman Islands.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profits for the year.

(b) Reconciliation between income tax expense and accounting profit before taxation at applicable tax rate:

	2015 $'000	2014 $'000
Profit before taxation	**352,149**	463,402
Notional tax on profit before taxation, calculated at the rate applicable to the profits in the jurisdictions concerned	**58,105**	76,461
Effect of non-taxable income	**(34,653)**	(55,446)
Effect of non-deductible expenses	**1,020**	1,992
Tax effect of prior year's unrecognised tax losses utilised in the current year	**(34)**	–
Effect of unused tax losses not recognised	**125**	180
(Over)/under-provision in respect of prior years	**(188)**	1,775
Others	**(39)**	(42)
Actual income tax expense	**24,336**	24,920

(Expressed in Hong Kong dollars unless otherwise indicated)

8 INCOME TAX *(CONTINUED)*

(c) Income tax in the consolidated and the Company's balance sheets represents:

(i) Current taxation

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Provision for Hong Kong Profits Tax for the year	**20,154**	18,905	**–**	50
Provisional Profits Tax paid	**(14,126)**	(9,943)	**–**	–
	6,028	8,962	**–**	50
Balance of Profits Tax payable relating to prior years	**–**	1,042	**–**	–
Acquisition of a subsidiary *(note 20(b))*	**122**	–	**–**	–
	6,150	10,004	**–**	50

(ii) Deferred tax assets and liabilities recognised

The Group

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

Deferred tax arising from:	Depreciation allowances in excess of the related depreciation $'000	Hedging reserve $'000	Total $'000
At 1 April 2013	20,704	(2,871)	17,833
Charged to other comprehensive income	–	1,598	1,598
Charged to profit or loss	4,240	–	4,240
At 31 March 2014 and 1 April 2014	24,944	(1,273)	23,671
Charged to other comprehensive income	–	1,299	1,299
Charged to profit or loss	4,370	–	4,370
Acquisition of a subsidiary *(note 20(b))*	1,777	–	1,777
At 31 March 2015	**31,091**	**26**	**31,117**

	2015 **$'000**	2014 $'000
Net deferred tax liabilities recognised on the consolidated balance sheet	**31,117**	23,671

(Expressed in Hong Kong dollars unless otherwise indicated)

8 INCOME TAX *(CONTINUED)*

(d) At 31 March 2015, the Group has not recognised deferred tax assets in respect of unused tax losses of $1,844,000 (2014: $1,089,000) as it is not probable that sufficient future taxable profits will be available against which the unused tax losses can be utilised. The tax losses do not expire under current tax legislation.

9 OTHER COMPREHENSIVE INCOME

(a) Tax effects relating to cash flow hedges included in other comprehensive income:

	2015 $'000	2014 $'000
Pre-tax amount	7,870	9,685
Tax charge	(1,299)	(1,598)
Net-of-tax amount	6,571	8,087

(b) Components of other comprehensive income, including reclassification adjustments

	2015 $'000	2014 $'000
Available-for-sale securities:		
Changes in fair value and net movement in the fair value reserve during the year recognised in other comprehensive income	(797)	(78)
Cash flow hedges:		
Effective portion of changes in fair value of hedging instruments recognised during the year	7,870	9,685
Net deferred tax charged to other comprehensive income	(1,299)	(1,598)
Net movement in the hedging reserve during the year recognised in other comprehensive income	6,571	8,087

(Expressed in Hong Kong dollars unless otherwise indicated)

10 DIRECTORS' REMUNERATION

Directors' remuneration disclosed with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

	2015				
	Fees	Basic salaries, allowances and benefits in kind	Bonuses	Retirement scheme contributions	Total
	$'000	$'000	$'000	$'000	$'000
Executive Directors					
Chan Hung Ming	–	1,638	410	17	2,065
Lau Chi Wah	–	1,638	410	17	2,065
Yuen Ying Wai	–	1,661	410	17	2,088
Kwan Wing Wo	–	1,222	300	17	1,539
Independent Non-Executive Directors					
Tsui Ka Wah	240	–	60	–	300
Kan Yau Wo	240	–	60	–	300
Mok Kwai Pui Bill	240	–	60	–	300
Lee Chung Yiu Johnny	240	–	60	–	300
Total	960	6,159	1,770	68	8,957

(Expressed in Hong Kong dollars unless otherwise indicated)

10 DIRECTORS' REMUNERATION (CONTINUED)

	2014				
	Fees $'000	Basic salaries, allowances and benefits in kind $'000	Bonuses $'000	Retirement scheme contributions $'000	Total $'000
Executive Directors					
Chan Hung Ming	–	1,638	410	15	2,063
Lau Chi Wah	–	1,638	410	15	2,063
Yuen Ying Wai	–	1,640	410	15	2,065
Kwan Wing Wo	–	1,213	300	15	1,528
Independent Non-Executive Directors					
Tsui Ka Wah	166	–	60	–	226
Kan Yau Wo	166	–	60	–	226
Mok Kwai Pui Bill	166	–	60	–	226
Lee Chung Yiu Johnny	166	–	60	–	226
Total	664	6,129	1,770	60	8,623

Note:

No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the year. No director waived or agreed to waive any emoluments during the years ended 31 March 2015 and 2014.

(Expressed in Hong Kong dollars unless otherwise indicated)

11 EMOLUMENTS OF FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT

(a) Emoluments of five highest paid individuals

The five highest paid individuals of the Group during the year ended 31 March 2015 include 4 (2014: 4) directors whose emoluments are disclosed in note 10. The aggregate of the emoluments in respect of the remaining individual is as follows:

	2015 **$'000**	2014 $'000
Salaries, allowances and benefits in kind	**1,202**	919
Discretionary bonuses	**293**	227
Retirement scheme contributions	**17**	15
	1,512	1,161

The above individual's emoluments are within the following band:

	2015 **Number of individuals**	2014 Number of individuals
HK$1,000,001 to HK$1,500,000	**–**	1
HK$1,500,001 to HK$2,000,000	**1**	–

(b) Emoluments of senior management

Other than the emoluments of the Directors and five highest paid individual disclosed in notes 10 and 11(a), the emoluments of the remaining senior management fell within the following bands:

	2015 **Number of individuals**	2014 Number of individuals
Nil to HK$1,000,000	**1**	2
HK$1,000,001 to HK$1,500,000	**1**	1

12 PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to equity shareholders of the Company includes a profit of $47,258,000 (2014: a loss of $43,445,000) which has been dealt with in the financial statements of the Company.

Details of dividends paid and payable to equity shareholders of the Company are set out in note 26(b).

(Expressed in Hong Kong dollars unless otherwise indicated)

13 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of $327,813,000 (2014: $438,482,000) and the weighted average number of 484,409,872 shares (2014 (restated): 440,904,110 shares) in issue during the year.

The weighted average number of shares in issue during the year ended 31 March 2014 is based on the assumption that 300,000,000 shares of the Company were in issue, comprising 100 shares in issue, 9,900 shares issued under the share split and 299,990,000 shares issued pursuant to the capitalisation issue, as if these shares were outstanding throughout the period from 1 April 2013 to the Listing Date, and has been adjusted to reflect the effect of the issue of bonus shares on 22 September 2014 and 18 December 2014 on the basis of one bonus share for every ten shares held.

	2015	2014
	'000	'000 (Restated)
Weighted average number of shares		
Issued ordinary shares at 1 April	**400,000**	–
Effect of share split *(note 26(c)(i))*	**–**	10
Effect of capitalisation issue *(note 26(c)(ii))*	**–**	299,990
Effect of issuance of new shares under the IPO *(note 26(c)(iii))*	**–**	64,384
Weighted average number of shares issued under the scrip dividend scheme *(note 26(c)(iv))*	**373**	–
Effect of bonus issue of shares *(notes 26(c)(v) and 26(c)(vi))*	**84,037**	76,520
Weighted average number of shares at 31 March	**484,410**	440,904

(b) Diluted earnings per share

There were no diluted potential shares in existence during the year ended 31 March 2015 and 2014.

14 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

— Construction contracts: this segment constructs residential buildings, shopping arcades, commercial buildings and data centres for external customers and for group companies.

— Property leasing: this segment leases data centres and office premises to generate rental income.

(Expressed in Hong Kong dollars unless otherwise indicated)

14 SEGMENT REPORTING *(CONTINUED)*

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, non-current and current assets with the exception of investments in financial assets, deferred tax assets and other corporate assets. Segment liabilities include trade creditors, accruals and other current and non-current liabilities attributable to the business activities of the individual segments and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year is set out below.

	Construction contracts		Property leasing		Total	
	2015	2014	**2015**	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Revenue from external customers	**704,126**	348,300	**142,048**	135,763	**846,174**	484,063
Inter-segment revenue	**228,800**	–	**–**	–	**228,800**	–
Reportable segment revenue	**932,926**	348,300	**142,048**	135,763	**1,074,974**	484,063
Reportable segment profit	**66,107**	70,326	**89,375**	90,285	**155,482**	160,611
Interest income	**1,200**	909	**–**	–	**1,200**	909
Interest expense	**–**	–	**(19,541)**	(22,020)	**(19,541)**	(22,020)
Dividend income from unlisted securities	**810**	847	**–**	–	**810**	847
Depreciation for the year	**(147)**	(69)	**(505)**	(683)	**(652)**	(752)
Changes in fair value of investment properties	**–**	–	**211,723**	330,938	**211,723**	330,938
Reportable segment assets	**402,593**	326,871	**3,055,823**	2,420,421	**3,458,416**	2,747,292
Additions to non-current segment assets during the year	**433**	88	**421,707**	47,100	**422,140**	47,188
Reportable segment liabilities	**(419,060)**	(302,910)	**(901,008)**	(643,522)	**(1,320,068)**	(946,432)

(Expressed in Hong Kong dollars unless otherwise indicated)

14 SEGMENT REPORTING *(CONTINUED)*

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2015 $'000	2014 $'000
Revenue		
Reportable segment revenue	**1,074,974**	484,063
Elimination of inter-segment revenue	**(228,800)**	–
Consolidated turnover	**846,174**	484,063
Profit		
Reportable segment profit derived from the Group's external customers	**155,482**	160,611
Other revenue and other net income	**3,956**	3,299
Depreciation	**(652)**	(752)
Finance costs	**(19,595)**	(22,020)
Changes in fair value of investment properties	**211,723**	330,938
Net unrealised gain on financial derivative instruments	**2,716**	3,059
Unallocated head office and corporate expenses	**(1,481)**	(11,733)
Consolidated profit before taxation	**352,149**	463,402
Assets		
Reportable segment assets	**3,458,416**	2,747,292
Available-for-sale securities	**14,170**	14,967
Unallocated head office and corporate assets	**10,052**	39,250
Consolidated total assets	**3,482,638**	2,801,509
Liabilities		
Reportable segment liabilities	**(1,320,068)**	(946,432)
Tax payable	**(6,150)**	(10,004)
Deferred tax liabilities	**(31,117)**	(23,671)
Unallocated head office and corporate liabilities	**(5,394)**	(973)
Consolidated total liabilities	**(1,362,729)**	(981,080)

(Expressed in Hong Kong dollars unless otherwise indicated)

14 SEGMENT REPORTING *(CONTINUED)*

(c) Geographic information

No geographic information has been presented as all of the Group's operating activities are carried out in Hong Kong.

(d) Information about major customers

Revenue from customers contributing over 10% of the total turnover of the Group is as follows:

	2015 **$'000**	2014 $'000
Customer A *(note (i))*	**344,707**	199,598
Customer B *(note (i))*	**130,241**	133,270
Customer C *(note (ii))*	**83,288**	80,682
Customer D *(note (i))*	**204,415**	–

Notes:

(i) Revenue from customers A, B and D is generated from provision of construction services.

(ii) Revenue from customer C is generated from property leasing.

(Expressed in Hong Kong dollars unless otherwise indicated)

15 FIXED ASSETS

	The Group				
	Investment properties $'000	Investment properties under development $'000	Sub-total $'000	Furniture, fixtures and other fixed assets $'000	Total $'000
Cost or valuation:					
At 1 April 2013	1,812,000	162,000	1,974,000	9,677	1,983,677
Additions	–	47,062	47,062	126	47,188
Surplus on revaluation	5,000	325,938	330,938	–	330,938
At 31 March 2014	1,817,000	535,000	2,352,000	9,803	2,361,803
Representing:					
Cost	–	–	–	9,803	9,803
Valuation	1,817,000	535,000	2,352,000	–	2,352,000
	1,817,000	535,000	2,352,000	9,803	2,361,803
Accumulated depreciation:					
At 1 April 2013	–	–	–	8,546	8,546
Charge for the year	–	–	–	752	752
At 31 March 2014	–	–	–	9,298	9,298
Net book value:					
At 31 March 2014	1,817,000	535,000	2,352,000	505	2,352,505

(Expressed in Hong Kong dollars unless otherwise indicated)

15 FIXED ASSETS *(CONTINUED)*

	The Group				
	Investment properties $'000	Investment properties under development $'000	Sub-total $'000	Furniture, fixtures and other fixed assets $'000	Total $'000
Cost or valuation:					
At 1 April 2014	1,817,000	535,000	2,352,000	9,803	2,361,803
Additions	4,495	289,782	294,277	863	295,140
Acquisition of a subsidiary *(note 20(b))*	127,000	–	127,000	–	127,000
Written off	–	–	–	(415)	(415)
Surplus/(deficit) on revaluation	(4,495)	216,218	211,723	–	211,723
At 31 March 2015	1,944,000	1,041,000	2,985,000	10,251	2,995,251
Representing:					
Cost	–	–	–	10,251	10,251
Valuation	1,944,000	1,041,000	2,985,000	–	2,985,000
	1,944,000	1,041,000	2,985,000	10,251	2,995,251
Accumulated depreciation:					
At 1 April 2014	–	–	–	9,298	9,298
Charge for the year	–	–	–	652	652
Written off	–	–	–	(415)	(415)
At 31 March 2015	–	–	–	9,535	9,535
Net book value:					
At 31 March 2015	1,944,000	1,041,000	2,985,000	716	2,985,716

(Expressed in Hong Kong dollars unless otherwise indicated)

15 FIXED ASSETS *(CONTINUED)*

Notes:

(a) Fair value measurement of investment properties and investment properties under development

(i) Fair value hierarchy

The following table presents the fair value of the Group's investment properties and investment properties under development measured at the balance sheet date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

— Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

— Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

— Level 3 valuations: Fair value measured using significant unobservable inputs

		The Group		
	Fair value at 31 March 2015 $'000	**Fair value measurements as at 31 March 2015 categorised into Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**
Recurring fair value measurement				
Investment properties and investment properties under development	**2,985,000**	**–**	**–**	**2,985,000**

		The Group		
	Fair value at 31 March 2014 $'000	Fair value measurements as at 31 March 2014 categorised into Level 1 $'000	Level 2 $'000	Level 3 $'000
Recurring fair value measurement				
Investment properties and investment properties under development	2,352,000	–	–	2,352,000

During the year ended 31 March 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties and investment properties under development were revalued as at 31 March 2015. The valuations were carried out by an independent firm of surveyors, Colliers International (Hong Kong) Limited, who have among their staff Members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued, on a market value basis. Management of the Group has discussion with the valuers about the valuation assumptions and valuation results when the valuation is performed at each interim and annual reporting date.

(Expressed in Hong Kong dollars unless otherwise indicated)

15 FIXED ASSETS *(CONTINUED)*

Notes: (Continued)

(a) Fair value measurement of investment properties and investment properties under development (Continued)

(ii) Information about Level 3 fair value measurements

	Valuation techniques	Unobservable input	Adopted rate/ value
Investment properties			
— Data centres	Income approach — discounted cash flow analysis	Risk-adjusted discount rate	6% (2014: 6%)
		Expected market rental growth	4.5% (2014: 4.5%)
		Expected occupancy rate	100% (2014: 100%)
		Terminal capitalisation rate	4.5% (2014: 4.5%)
— Office premises	Income approach — term and reversion approach	Term yield	3% (2014: –)
		Reversionary yield	3.25% (2014: –)
		Market rent ($/square feet/month)	31.7 (2014: –)
Investment properties under development	Residual approach — discounted cash flow analysis	Risk-adjusted discount rate	6% (2014: 6%)
		Expected market rental growth	4.5% (2014: 4.5%)
		Expected stabilised occupancy rate	100% (2014: 100%)
		Terminal capitalisation rate	4.5% (2014: 4.5%)
		Expected monthly rental ($/square feet)	190 (2014: 190)
		Estimated profit margin	20% (2014: 20%)
		Costs to completion ($'000)	221,558 (2014: 505,855)
		Estimated land premium on lease modification ($'000)	Nil (2014: 189,000)

The fair value of investment properties — data centres is determined on the basis of capitalisation of discounted cash flow analysis by discounting a projected cash flow series associated with the properties using risk-adjusted discount rates. The valuation takes into account expected market rental growth and occupancy rates of the properties. The discount rates used have been adjusted for the quality and location of the buildings and the tenant credit quality. The fair value measurement of investment properties — data centres is positively correlated to the expected market rental growth and the occupancy rate, and negatively correlated to the risk-adjusted discount rate and terminal capitalisation rate.

The fair value of investment properties — office premises is determined on a market basis by capitalising net rental income on a fully leased basis having regard to the current passing rental income from existing tenancies and potential future reversionary income at the market level. No allowance have been made for vacancies or capital deductions of any nature. The fair value measurement of investment properties — office premises is positively correlated to the market rent and negatively correlated to the term yield and reversionary yield.

(Expressed in Hong Kong dollars unless otherwise indicated)

15 FIXED ASSETS *(CONTINUED)*

Notes: (Continued)

(a) Fair value measurement of investment properties and investment properties under development (Continued)

(ii) Information about Level 3 fair value measurements (Continued)

The fair value of investment properties under development is determined using the residual method by estimating the fair value of such properties as if they were completed in accordance with the relevant development plan and then deducting from that amount the estimated land premium, estimated costs to complete the construction, financing costs and a reasonable profit margin. The fair value measurement of investment properties under development is positively correlated to the expected monthly rental, market rental growth and occupancy rate and negatively correlated to the risk-adjusted discount rate, terminal capitalisation rate, estimated profit margin, costs to completion and estimated land premium on lease modification.

The movements during the year ended 31 March 2015 in the balances of these Level 3 fair value measurements are as follows:

	Investment properties and investment properties under development	
	2015	2014
	$'000	$'000
At 1 April	**2,352,000**	1,974,000
Additions	**294,277**	47,062
Acquisition of a subsidiary *(note 20(b))*	**127,000**	–
Fair value adjustment	**211,723**	330,938
At 31 March	**2,985,000**	2,352,000

Fair value adjustment of investment properties and investment properties under development is recognised in the line item "changes in fair value of investment properties" on the face of the consolidated income statement.

(b) All the Group's investment properties and investment properties under development are situated in Hong Kong and held under medium-term leases.

(c) Fixed assets leased out under operating leases

The Group leases out a number of building facilities under operating leases. The leases typically run for an initial period of 2 to 20 years, with an option to renew each lease upon expiry at which time all terms are renegotiated.

All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	2015	2014
	$'000	$'000
Within 1 year	**118,086**	115,451
After 1 year but within 5 years	**372,496**	400,339
After 5 years	**176,837**	266,192
	667,419	781,982

(d) The Group's investment properties and investment properties under development were pledged against bank loans, details of which are set out in note 23.

(Expressed in Hong Kong dollars unless otherwise indicated)

16 INVESTMENT IN SUBSIDIARIES

	The Company	
	2015	2014
	$'000	$'000
Unlisted shares, at cost	**–#**	–*

Represents $31
* Represents $23

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

			Proportion of ownership interest			
Name of subsidiary	Place of incorporation and business	Particulars of issued and paid-up capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Grand Tech Construction Company Limited	Hong Kong	$5,000,000	100%	–	100%	Construction
Wellford Properties Limited	Hong Kong	$100	100%	–	100%	Leasing of data centre premises
Winning Tech Limited	Hong Kong	$1	100%	–	100%	Property investment
Swift Millions Limited	Hong Kong	$5,000	100%	–	100%	Property investment

17 OTHER FINANCIAL ASSETS

	The Group	
	2015	2014
	$'000	$'000
Available-for-sale securities, quoted but unlisted	**14,170**	14,967

The available-for-sale securities were pledged as security for the bank loans granted to the Group (see note 23).

(Expressed in Hong Kong dollars unless otherwise indicated)

18 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Trade debtors *(note (i))*	**130,589**	77,350	**–**	–
Less: allowance for doubtful debts	**(46)**	(38)	**–**	–
	130,543	77,312	**–**	–
Deposits, prepayments and other receivables *(note (i))*	**16,119**	8,513	**6,916**	572
Retentions receivable *(note (ii))*	**85,970**	54,499	**–**	–
Amounts due from subsidiaries *(note (iii))*	**–**	–	**245,550**	85,270
	232,632	140,324	**252,466**	85,842

Notes:

(i) Except for the amounts of $30,326,000 (2014: $34,789,000) as at 31 March 2015, which is expected to be recovered after one year, all of the remaining balances are expected to be recovered within one year.

(ii) Except for the amounts of $54,042,000 (2014: $18,463,000) as at 31 March 2015, which are expected to be recovered after one year, all of the remaining balances are expected to be recovered within one year.

(iii) The amounts due from subsidiaries were unsecured, interest-free and recoverable on demand.

(iv) Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis at the balance sheet date:

	The Group	
	2015	2014
	$'000	$'000
Not yet due	**119,391**	75,143
Under 1 month overdue	**10,236**	1,903
More than 1 month overdue and up to 3 months overdue	**908**	86
More than 3 months overdue and up to 6 months overdue	**–**	180
More than 6 months overdue and up to 1 year overdue	**8**	–
	130,543	77,312

(Expressed in Hong Kong dollars unless otherwise indicated)

18 TRADE AND OTHER RECEIVABLES *(CONTINUED)*

Notes: (Continued)

(v) Impairment of trade debtors

Impairment losses in respect of trade debtors 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 trade debtors directly (see note 2(k)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
At 1 April 2014/2013	**38**	–	**–**	–
Impairment loss recognised	**8**	38	**–**	–
At 31 March	**46**	38	**–**	–

At 31 March 2015, the Group's trade debtors of $46,000 (2014: $38,000) were individually determined to be impaired. The individually impaired receivables related to customers who were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Accordingly, the Group has recognised impairment losses during the year in relation to the amounts which are considered to be irrecoverable.

(vi) Trade debtors that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2015	2014
	$'000	$'000
Neither past due nor impaired	**119,391**	75,143
Less than 1 month past due	**10,236**	1,903
Over 1 month but less than 3 months past due	**908**	86
Over 3 months but less than 6 months past due	**–**	180
Over 6 months but less than 1 year past due	**8**	–
	11,152	2,169
	130,543	77,312

Notes:

Receivables which were neither past due nor impaired related to a range of customers for whom there was no recent history of default.

Receivables which were past due but not impaired relate to independent customers that have a good track record of trading with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the balances are still considered fully recoverable.

(Expressed in Hong Kong dollars unless otherwise indicated)

19 RESTRICTED AND PLEDGED DEPOSITS

	The Group	
	2015	2014
	$'000	$'000
Pledged deposits *(note (i))*	**39,920**	37,085
Restricted deposits *(note (ii))*	**6,064**	6,064
	45,984	43,149

Notes:

(i) The balances represent bank deposits pledged to secure banks loans of the Group (see note 23).

(ii) The balances represent security deposits placed in a bank according to the terms of the tenancy agreement entered into with a tenant by the Group. The Group has no absolute right and control over the bank balance as the usage of the bank balance is specifically restricted by the tenant under the tenancy agreement. The Group can deduct the balance upon the breach of the tenancy agreement by the tenant. If the Group makes a deduction from the deposit, the tenant shall make up the difference within 14 days of demand.

20 CASH AND BANK BALANCES

(a) Cash and bank balances comprise:

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Cash at banks and in hand	**131,562**	204,448	**2,084**	38,677
Cash and cash equivalents in the consolidated cash flow statement	**131,562**	204,448	**–**	–
Deposits with original maturity over three months at acquisition	**–**	4,462	**–**	–
Cash and bank balances in the balance sheets	**131,562**	208,910	**2,084**	38,677

(Expressed in Hong Kong dollars unless otherwise indicated)

20 CASH AND BANK BALANCES *(CONTINUED)*

(b) Acquisition of a subsidiary

On 21 January 2015, the Group, through a wholly-owned subsidiary, entered into a provisional sale and purchase agreement with an independent third party (the "Seller") pursuant to which the Group had conditionally agreed to acquire the entire issued share capital of Swift Millions Limited, a company principally holding office premises in Hong Kong for property investment purposes, from the Seller for a cash consideration of $125,000,000. The transaction was completed on 16 March 2015 and Swift Millions Limited became a subsidiary of the Group accordingly.

The fair value of the assets acquired and the liabilities assumed were as follows:

	$'000
Investment properties	127,000
Deposits and other receivables	1,308
Other payables	(1,186)
Tax payable	(122)
Deferred tax liabilities	(1,777)
Net assets acquired	125,223
Gain on a bargain purchase	(223)
Consideration on acquisition of a subsidiary	125,000
Satisfied by:	
Cash	125,000

Net cash outflow of cash and cash equivalents in respect of the acquisition of a subsidiary:

	$'000
Cash consideration paid	125,000

Acquisition of the subsidiary has been accounted for using the purchase method. A gain on a bargain purchase arises from the excess of fair value of identifiable assets and liabilities of the acquired subsidiary over the cost of acquisition. The total revenue of the acquired subsidiary for the year was $4,047,000 which contributed $163,000 to the revenue of the Group. Profit of the acquired subsidiary for the year was $8,284,000. The profit attributable to the shareholders of the Company for the year included a profit of $24,000 which was related to the acquired subsidiary.

(Expressed in Hong Kong dollars unless otherwise indicated)

21 GROSS AMOUNT DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	The Group	
	2015	2014
	$'000	$'000
Gross amount due from customers for contract work		
Contract costs incurred plus recognised profits less recognised losses	**2,272,539**	1,892,998
Less: Progress billings received and receivable	**(2,199,965)**	(1,851,344)
	72,574	41,654
Gross amount due to customers for contract work		
Progress billings received and receivable	**128,883**	–
Less: Contract costs incurred plus recognised profits less recognised losses	**(121,267)**	–
	7,616	–

All gross amounts due from/to customers for contract work are expected to be recovered/settled within one year.

22 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Creditors and accrued charges	**168,204**	65,611	**928**	973
Rental and other deposits *(note (ii))*	**7,214**	6,064	**–**	–
Receipts in advance	**3,232**	3,116	**–**	–
Retentions payable *(note (iii))*	**58,949**	36,468	**–**	–
Amounts due to a subsidiary *(note (iv))*	**–**	–	**62,509**	–
	237,599	111,259	**63,437**	973

(Expressed in Hong Kong dollars unless otherwise indicated)

22 TRADE AND OTHER PAYABLES *(CONTINUED)*

Notes:

(i) Except as disclosed in notes 22(ii) to (iii) below, all of the trade and other payables are expected to be settled within one year.

(ii) Except for an amount of $6,064,000 (2014: $6,064,000) as at 31 March 2015, which is expected to be settled after one year, all of the remaining balances are expected to be settled within one year.

(iii) Except for the amounts of $32,347,000 (2014: $7,645,000) as at 31 March 2015, which is expected to be settled after one year, all of the remaining balances are expected to be settled within one year.

(iv) The amounts due to a subsidiary are unsecured, interest-free and repayable on demand.

(v) Included in trade and other payables are trade creditors with the following ageing analysis at the balance sheet date:

	The Group	
	2015	2014
	$'000	$'000
Due within 1 month or on demand	**103,181**	30,769
Due after 1 month but within 3 months	**122**	207
Due after 3 months but within 6 months	**4**	174
Due after 6 months	**3**	126
	103,310	31,276

23 BANK LOANS

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Bank loans				
— Secured	**1,067,506**	820,166	**–**	–
— Unsecured	**7,347**	–	**4,466**	–
	1,074,853	820,166	**4,466**	–

(Expressed in Hong Kong dollars unless otherwise indicated)

23 BANK LOANS *(CONTINUED)*

At 31 March 2015, the bank loans were repayable as follows:

	The Group		The Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Within 1 year and included in current liabilities	**147,880**	114,429	**1,011**	–
After 1 year and included in non-current liabilities:				
— After 1 year but within 2 years	**143,276**	116,765	**1,011**	–
— After 2 years but within 5 years	**746,197**	433,159	**2,444**	–
— After 5 years	**37,500**	155,813	**–**	–
	926,973	705,737	**3,455**	–
	1,074,853	820,166	**4,466**	–

Notes:

(i) At 31 March 2015, the bank loans bear interest ranging from 2.24% to 3.29% (2014: 2.23% to 3.78%) per annum and are secured by the following assets:

	The Group	
	2015	2014
	$'000	$'000
Investment properties	**2,985,000**	2,352,000
Pledged deposits	**39,920**	37,085
Available-for-sale securities	**14,170**	14,967
Other assets	**58,871**	48,773
Total	**3,097,961**	2,452,825

In addition, at 31 March 2015, the banking facilities of the Group were secured by the following:

— assignment of project proceeds, project insurance and fire insurance policies for certain construction contracts;

— assignment of insurance and sales proceeds over one of the investment properties of the Group; and

— share mortgages over the entire issued and paid-up share capital of certain subsidiaries.

(ii) At 31 March 2015, all rental and all moneys in relation to one of the investment properties of the Group were assigned to a bank in relation to a loan granted to the Group with initial principal amount of $740,000,000 which will be repayable by instalments up to March 2020.

(iii) At 31 March 2015, all proceeds from certain construction projects were assigned to banks in relation to performance bonds and banking facilities granted to the Group with maximum amount of $263,670,000 (2014: $185,700,000).

(iv) Certain of the Group's banking facilities are subject to the fulfilment of covenants relating to certain balance sheet ratios as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 27(b).

(Expressed in Hong Kong dollars unless otherwise indicated)

24 LOAN FROM A SUBSIDIARY

The loan from a subsidiary is unsecured, interest-bearing at 3.875% per annum and not expected to be repaid within one year except for an amount of $2,500,000 (2014: Nil) which is repayable within one year.

25 DERIVATIVE FINANCIAL INSTRUMENTS

	The Group	
Liabilities	**2015 $'000**	2014 $'000
Cash flow hedges: interest rate swaps	**3,835**	11,661
Interest rate swaps	**1,559**	4,319
	5,394	15,980
Represented by:		
Current portion	**5,236**	–
Non-current portion	**158**	15,980
	5,394	15,980

(a) The notional principal amounts of derivative financial instruments outstanding at the balance sheet date were as follows:

	The Group	
	2015 $'000	2014 $'000
Interest rate swaps	**851,000**	962,000

(b) Derivative financial liabilities represent the amounts the Group would pay if the positions were closed at the balance sheet date. Derivative financial instruments that did not qualify for hedge accounting and their corresponding changes in fair values have been recognised in the profit or loss.

(Expressed in Hong Kong dollars unless otherwise indicated)

26 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	The Company			
	Share capital $'000	Share premium $'000	(Accumulated losses)/ Retained profits $'000	Total $'000
At 1 April 2013	–*	–	(8,483)	(8,483)
Changes in equity for 2014:				
Profit and total comprehensive income for the year	–	–	43,445	43,445
Issuance of new shares under the IPO, net of issuing expenses *(note 26(c)(iii))*	1,000	101,934	–	102,934
Capitalisation issue *(note 26(c)(ii))*	3,000	(3,000)	–	–
Dividends declared in respect of the current year *(note 26(b)(i))*	–	–	(14,400)	(14,400)
At 31 March 2014 and 1 April 2014	**4,000**	**98,934**	**20,562**	**123,496**
Changes in equity for 2015:				
Profit and total comprehensive income for the year	**–**	**–**	**47,258**	**47,258**
Shares issued under the scrip dividend scheme *(note 26(c)(iv))*	**7**	**2,796**	**–**	**2,803**
Issuance of new shares under the bonus issues *(notes 26(c)(v) & 26(c)(vi))*	**841**	**(841)**	**–**	**–**
Dividends declared in respect of the current year *(note 26(b)(i))*	**–**	**–**	**(18,510)**	**(18,510)**
Dividends approved in respect of the previous year *(note 26(b)(ii))*	**–**	**–**	**(18,400)**	**(18,400)**
At 31 March 2015	**4,848**	**100,889**	**30,910**	**136,647**

* Represents $100

(Expressed in Hong Kong dollars unless otherwise indicated)

26 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to profit for the year

	2015 $'000	2014 $'000
Interim dividend declared and paid of HK4.2 (2014: 3.6) cents per ordinary share	**18,510**	14,400
Final dividend proposed after the balance sheet date of HK4.2 (2014: 4.6) cents per ordinary share	**20,361**	18,400
	38,871	32,800

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(ii) Dividends payable to equity shareholders of the Company attributable to profit for the previous financial year, approved and paid during the year

	2015 $'000	2014 $'000
Final dividend in respect of the previous financial year, approved and paid during the year, of HK4.6 cents per share (2014: Nil)	**18,400**	–

(c) Share capital

	The Company			
	2015		2014	
	No. of shares '000	Amount $'000	No. of shares '000	Amount $'000
Authorised:				
Ordinary shares of HK$0.01 each (2014: HK$0.01 each)	**10,000,000**	**100,000**	10,000,000	100,000
Ordinary shares, issued and fully paid:				
At 1 April	**400,000**	**4,000**	–#	–*
Share split *(note (i))*	**–**	**–**	10	–
Capitalisation issue *(note (ii))*	**–**	**–**	299,990	3,000
Issuance of new shares under the IPO *(note (iii))*	**–**	**–**	100,000	1,000
Shares issued under the scrip dividend scheme *(note (iv))*	**712**	**7**	–	–
Issuance of new shares under the bonus issues *(notes (v) & (vi))*	**84,071**	**841**	–	–
At 31 March	**484,783**	**4,848**	400,000	4,000

(Expressed in Hong Kong dollars unless otherwise indicated)

26 CAPITAL, RESERVES AND DIVIDENDS *(CONTINUED)*

(c) Share capital *(Continued)*

* Each represents $100

\# Each represents 100 shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes:

(i) The Company was incorporated on 14 August 2012 with an authorised share capital of $390,000 divided into 390,000 shares of $1 each. On the same date, the Company allotted and issued an aggregate of 100 shares of $1 each to its then shareholders.

Upon the completion of the reorganisation of the Group on 19 July 2013 (the "Reorganisation"), the Company became the holding company of the Group.

Since the Reorganisation was not completed on 31 March 2013, the share capital in the consolidated balance sheet as at 31 March 2013 represented the aggregate share capital of the Company and companies comprising the Group. The share capital in the consolidated balance sheet as at 31 March 2014 represented the share capital of the Company.

On 23 July 2013, pursuant to a written resolution of the shareholders of the Company, each share of $1 each was split into 100 shares of $0.01 each, and accordingly the authorised share capital and issued shares were increased from 390,000 shares to 39,000,000 shares and from 100 shares to 10,000 shares respectively. The authorised share capital (after the share split) was increased from 39,000,000 shares to 10,000,000,000 shares by the creation of 9,961,000,000 new shares, ranking pari passu in all respects with the shares in issue as at the date of passing of the written resolution.

(ii) On 23 July 2013, pursuant to a written resolution of the shareholders of the Company, the Company allotted and issued 299,990,000 shares of $0.01 each to the then existing shareholders of the Company. This resolution was conditional on the share premium account being credited as a result of the Company's IPO and pursuant to this resolution, a sum of $2,999,900 standing to the credit of the share premium account was subsequently applied in paying up this capitalisation in full upon the Listing Date.

(iii) On 9 August 2013, the Company was successfully listed on the Stock Exchange following the completion of its IPO of 100,000,000 shares of $0.01 each issued at a price of $1.11 per share. Proceeds of $1,000,000, representing the par value of the shares issued, were credited to the Company's share capital. The remaining proceeds of $101,934,000, after deducting issuing expenses of $8,066,000, were credited to the share premium account.

(iv) On 22 September 2014, the Company issued and allotted 712,058 shares at an issue price of $3.936 per share in respect of the final dividend for the year ended 31 March 2014 under the scrip dividend scheme. Except for the entitlement to the said final dividend and bonus shares issue (note 26(c)(v)), the 712,058 issued shares rank pari passu in all respects with the then existing shares.

(v) Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 31 July 2014, bonus shares were issued to shareholders whose names appeared on the register of members of the Company on 7 August 2014, the record date, on the basis of one new share credited as fully paid for every ten shares held.

On 22 September 2014, an amount of $400,000 standing to the credit of the share premium account was applied in paying up in full 40,000,000 ordinary shares of $0.01 each which were allotted and issued as fully paid to the shareholders who were entitled to those bonus shares.

(vi) Pursuant to the ordinary resolution passed at the extraordinary general meeting of the Company held on 17 November 2014, bonus shares were issued to shareholders whose names appeared on the register of members of the Company on 5 December 2014, the record date, on the basis of one new share credited as fully paid for every ten shares held.

On 18 December 2014, an amount of $440,712 standing to the credit of the share premium account was applied in paying up in full 44,071,205 ordinary shares of $0.01 each which were allotted and issued as fully paid to the shareholders who were entitled to those bonus shares.

(Expressed in Hong Kong dollars unless otherwise indicated)

26 CAPITAL, RESERVES AND DIVIDENDS *(CONTINUED)*

(d) Nature and purpose of reserves

(i) Share premium

The share premium account is governed by the Companies Law of the Cayman Islands and may be applied by the Company subject to the provisions, if any, of its memorandum and articles of association in paying distributions or dividends to equity shareholders.

No distribution or dividend may be paid to the equity shareholders out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

(ii) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policy set out in note 2(f).

(iii) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of the hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policy set out in note 2(h).

(e) Distributability of reserves

At 31 March 2015, the aggregate amount of the Company's reserves available for distribution to equity shareholders of the Company, as calculated in accordance with the Companies Law of the Cayman Islands and the Company's memorandum and articles of association, was $131,799,000 (2014: $119,496,000). After the balance sheet date the directors proposed a final dividend of HK4.2 cents (2014: 4.6 cents) per ordinary share, amounting to $20,361,000 (2014: $18,400,000) (note 26(b)(i)). This dividend has not been recognised as a liability at the balance sheet date.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to fund its construction business and property investment projects, provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to any externally imposed capital requirements.

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity and interest rate risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to bank deposits, financial derivative instruments and trade and other receivables. The Group maintains a defined credit policy and the exposures to these credit risks are monitored on an ongoing basis.

Cash is deposited with financial institutions with sound credit ratings and the Group has an exposure limit for any single financial institution. Transactions involving derivative financial instruments are with counterparties of sound credit standing. Given their high credit ratings, management does not expect any of these financial institutions and counterparties will fail to meet their obligations.

Before entering into construction contracts, assessment of the potential customers is carried out as part of the acceptance procedures for the new contracts.

Regular review and follow-up actions are carried out on overdue amounts of trade receivables from customers which enable management to assess their recoverability and to minimise the exposure to credit risk. Trade receivables are due within 0-45 days from the date of billing. Normally, the Group does not obtain collateral from customers.

In respect of rental income from leasing properties, rental deposits are held to cover potential exposure to credit risk. An ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise any credit risk associated with these receivables. Adequate impairment losses have been made for estimated irrecoverable amounts.

At the balance sheet date, the Group has significant concentration of credit risk in a few customers. In view of their credit standing, good payment record and long established relationships with the Group, management does not consider the Group's credit risk to be significant. At the balance sheet date, 19% and 96% (2014: 39% and 96%) of the total trade debtor was due from the Group's largest customer and the five largest customers respectively.

Except for the financial guarantees given by the Group as set out in note 29, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in note 29.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 18.

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Liquidity risk

Individual subsidiaries within the Group are responsible for their own cash management, including the raising of loans to cover the expected cash demands, subject to approval by the Company's board of directors. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed funding lines from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay:

The Group

	2015					
	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans	173,683	165,772	761,649	44,536	1,145,640	1,074,853
Creditors and accrued charges	168,204	–	–	–	168,204	168,204
Retentions payable	26,602	28,485	3,862	–	58,949	58,949
	368,489	194,257	765,511	44,536	1,372,793	1,302,006
Derivative settled net:						
Interest rate swap contracts	5,220	808	742	–	6,770	5,394

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) Liquidity risk *(Continued)*

The Group *(Continued)*

	2014					
	Contractual undiscounted cash outflow					Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
	$'000	$'000	$'000	$'000	$'000	$'000
Bank loans	132,130	131,791	455,629	157,499	877,049	820,166
Creditors and accrued charges	65,611	–	–	–	65,611	65,611
Retentions payable	28,823	7,645	–	–	36,468	36,468
	226,564	139,436	455,629	157,499	979,128	922,245
Derivative settled net:						
Interest rate swap contracts	12,984	5,486	1,995	–	20,465	15,980

The Company

	2015					
	Contractual undiscounted cash outflow					**Carrying amount**
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Bank loans	**1,080**	**1,062**	**2,493**	**–**	**4,635**	**4,466**
Creditors and accrued charges	**928**	**–**	**–**	**–**	**928**	**928**
Amounts due to a subsidiary	**62,509**	**–**	**–**	**–**	**62,509**	**62,509**
Loan from a subsidiary	**4,398**	**4,296**	**12,311**	**48,467**	**69,472**	**50,000**
	68,915	**5,358**	**14,804**	**48,467**	**137,544**	**117,903**

The contractual maturities at 31 March 2014 of the Company's financial liabilities, which were based on contractual undiscounted cash flows and the earliest date on which the Company can be required to pay, were within one year or on demand.

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(c) Interest rate risk

The Group is exposed to interest rate risk through the impact of rates changes on interest-bearing borrowings which predominantly bear floating interest rates. The Group monitors closely its interest rate exposure and the level of fixed rate and floating rate borrowing and considers hedging interest rate exposure should the need arise. The Group's interest rate profile as monitored by management is set out in (ii) below.

The interest rates and terms of repayment of interest-bearing borrowings of the Group are disclosed in note 23 to the financial statements.

(i) Hedging

Interest rate swaps, denominated in Hong Kong dollars, have been entered into to achieve an appropriate mix of fixed and floating rate exposure consistent with the Group's policy. At 31 March 2015, the Group had interest rate swaps with a notional contract amount of $651,000,000 (2014: $762,000,000), which it has designated as cash flow hedges of the interest rate risk inherent in its variable rate bank borrowings. At 31 March 2015, the Group had interest rate swaps with a notional contract amount of $200,000,000 (2014: $200,000,000) which were not designated as cash flow hedging instruments.

The swaps mature over the next three years and have fixed swap rates ranging from 0.89% to 1.97% (2014: 0.99% to 1.97%). The net fair value of swaps entered into by the Group at 31 March 2015 was $5,394,000 (2014: $15,980,000). These amounts are recognised as derivative financial instruments (note 25).

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(c) Interest rate risk *(Continued)*

(ii) Interest rate profile

The following table details the interest rate profile of the Group's net borrowings (as defined above) at the balance sheet date, after taking into account the effect of interest rate swaps designated as cash flow hedging instruments (see (i) above).

	2015		2014	
	Effective interest rate %	**Amount $'000**	Effective interest rate %	Amount $'000
Net fixed rate borrowings:				
Bank loans	**3.68**	**649,920**	3.68	760,709
Variable rate borrowings:				
Bank loans	**3.15**	**424,933**	3.25	59,457
Total net borrowings		**1,074,853**		820,166
Net fixed rate borrowings as a percentage of total net borrowings		**60.47%**		92.75%

(iii) Sensitivity analysis

At 31 March 2015, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation and total equity by approximately $3,548,000 (2014: $496,000), in response to the general increase/decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The analysis has been performed on the same basis for the year 2014.

(d) Foreign currency risk

The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in Hong Kong dollars.

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the balance sheet date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

		The Group		
	Fair value at 31 March 2015	**Fair value measurement as at 31 March 2015 categorised into**		
		Level 1	**Level 2**	**Level 3**
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Available-for-sale securities	**14,170**	**–**	**14,170**	**–**
Liabilities				
Derivative financial instruments:				
— Interest rate swaps	**5,394**	**–**	**5,394**	**–**

		The Group		
	Fair value at 31 March 2014	Fair value measurement as at 31 March 2014 categorised into		
		Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Assets				
Available-for-sale securities	14,967	–	14,967	–
Liabilities				
Derivative financial instruments:				
— Interest rate swaps	15,980	–	15,980	–

(Expressed in Hong Kong dollars unless otherwise indicated)

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS *(CONTINUED)*

(e) Fair value measurement *(Continued)*

(i) Financial assets and liabilities measured at fair value *(Continued)*

Fair value hierarchy (Continued)

During the years ended 31 March 2015 and 2014, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occurred.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of available-for-sale securities is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

The fair values of interest rate swaps are the estimated amount that the Group would receive or pay to terminate each swap at the balance sheet date, taking into account current interest rates and the current credit worthiness of the swap counterparties.

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 March 2015 and 2014.

28 COMMITMENTS

Capital commitments outstanding at 31 March 2015 not provided for in the Group's financial statements were as follows:

	The Group	
	2015	2014
	$'000	$'000
Contracted for	**26,043**	24,735
Authorised but not contracted for	**195,515**	486,605
	221,558	511,340

The capital commitments solely related to development expenditure for a data centre building.

29 CONTINGENT LIABILITIES

At 31 March 2015, the Company had contingent liabilities in respect of performance bonds to guarantee for the due and proper performance of the obligations undertaken by one of the Group's subsidiaries amounting to $103,670,000 (2014: $65,700,000).

(Expressed in Hong Kong dollars unless otherwise indicated)

30 MATERIAL RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances disclosed elsewhere in this financial statements, the Group entered into the following material related party transaction during the year:

	The Group	
	2015	2014
	$'000	$'000
Rental paid to related companies	**1,380**	1,380

The directors consider that all related party transactions during the year were conducted on normal commercial terms and in the ordinary and usual course of the Group's business.

Note: On 17 April 2013, the Group entered into tenancy agreements ("Agreements") with two related companies, namely Grand Tech Enterprise Company Limited ("Grand Tech Enterprise") and Grand Regal Holdings Limited ("Grand Regal") to lease their office units for three years at an aggregate monthly rental charge of $115,000 commencing on 1 April 2013. On 21 November 2013, Grand Tech Enterprise and Grand Regal entered into assignment agreements with two related companies, namely Perfect Top Development Limited ("Perfect Top") and Gain Glory Development Limited ("Gain Glory"), respectively. The ownership of the office units was transferred from Grand Tech Enterprise and Grand Regal to Perfect Top and Gain Glory respectively, and Perfect Top and Gain Glory agreed to assume all rights and obligations under the Agreements. These transactions constitute continuing connected transaction as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the section headed "Continuing connected transactions" in the Report of the Directors.

(b) Remuneration of key management personnel, including amounts paid to the executive directors as disclosed in note 10 and certain of the highest paid employees and senior management as disclosed in note 11, is as follow:

	2015	2014
	$'000	$'000
Short-term employee benefits	**11,065**	11,597
Post-employment benefits	**123**	115
	11,188	11,712

Total remuneration is included in "staff costs" (see note 7(b)).

The related party transactions in respect of the remuneration of directors and chief executive of the Company constitute connected transactions as defined in Chapter 14A of the Listing Rules. However, these transactions are exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The related party transactions in respect of the remuneration of key management personnel (other than directors and chief executive) of the Company did not fall under the definition of connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(Expressed in Hong Kong dollars unless otherwise indicated)

31 NON-ADJUSTING POST BALANCE SHEET EVENTS

After the balance sheet date, the directors proposed a final dividend. Further details are disclosed in note 26(b).

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2015

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 March 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Annual improvements to HKFRSs 2010–2012 cycle	1 July 2014
Annual improvements to HKFRSs 2011–2013 cycle	1 July 2014
Annual improvements to HKFRSs 2012–2014 cycle	1 January 2016
Amendments to HKFRS 11, *Accounting for acquisitions of interests in joint operations*	1 January 2016
Amendments to HKAS 16 and HKAS 38, *Clarification of acceptable methods of depreciation and amortisation*	1 January 2016
HKFRS 15, *Revenue from contracts with customers*	1 January 2017
HKFRS 9, *Financial instruments*	1 January 2018

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. The Group is therefore unable to disclose the impact that adopting the amendments and new standards will have on its consolidated financial statements when such amendments and new standards are adopted.

33 IMMEDIATE PARENT AND ULTIMATE HOLDING COMPANY

At 31 March 2015, the directors consider the immediate parent and ultimate holding company of the Group to be Chan HM Company Limited, which is incorporated in the BVI. This entity does not produce financial statements available for public use.

PARTICULARS OF PROPERTIES HELD BY THE GROUP

The particular of the Group's investment properties and investment properties under development are as follows:

Location	Use	Tenure
Investment properties		
iTech Tower No. 28 Pak Tin Par Street Tsuen Wan New Territories, Hong Kong	Data centre use	Medium-term lease
19/F, No. 39 Chatham Road South, Kowloon, Hong Kong	Office premises	Medium-term lease
Investment properties under development		
Lot No. 326 in D.D.444 54–56 Ta Chuen Ping Street Tsuen Wan New Territories, Hong Kong	Data centre use	Medium-term lease