



Turning A New Page

ANNUAL REPORT 2015 年報



CSI PROPERTIES LIMITED
資本策略地產有限公司*

Stock Code 股份代號: 497

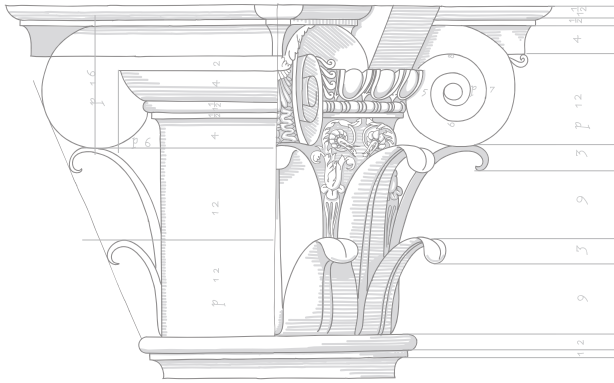
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Turning A New Page on *Luxury Homes*



* For identification purposes only



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Corporate Information

BOARD OF DIRECTORS

Executive Directors:

Chung Cho Yee, Mico (*Chairman*)
 Kan Sze Man
 Chow Hou Man
 Wong Chung Kwong
 Fong Man Bun, Jimmy

Independent Non-Executive Directors:

Lam Lee G.
 Wong Sin Just
 Cheng Yuk Wo
 Lo Wing Yan, William

AUDIT COMMITTEE

Cheng Yuk Wo (*Chairman*)
 Lam Lee G.
 Wong Sin Just
 Lo Wing Yan, William

REMUNERATION COMMITTEE

Cheng Yuk Wo (*Chairman*)
 Chung Cho Yee, Mico
 Lam Lee G.

NOMINATION COMMITTEE

Chung Cho Yee, Mico (*Chairman*)
 Lam Lee G.
 Cheng Yuk Wo

EXECUTIVE COMMITTEE

Chung Cho Yee, Mico (*Chairman*)
 Kan Sze Man
 Chow Hou Man
 Wong Chung Kwong
 Fong Man Bun, Jimmy

COMPANY SECRETARY

Chan Suet Kwan

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
 Industrial and Commercial Bank of China (Asia) Limited
 Bank of China (Hong Kong) Limited
 The Bank of East Asia Limited
 DBS Bank (Hong Kong) Limited
 Hang Seng Bank Limited
 China Construction Bank (Asia) Corporation Limited

REGISTERED OFFICE

Clarendon House
 2 Church Street
 Hamilton HM 11
 Bermuda

HONG KONG HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

3108
 Bank of America Tower
 12 Harcourt Road
 Central, Hong Kong

SHANGHAI OFFICE

Room 804, The Platinum
 233 Tai Cang Road
 Huang Pu District
 Shanghai, 200020, China

AUDITORS

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

PRINCIPAL REGISTRARS

MUFG Fund Services (Bermuda) Limited
 The Belvedere Building
 69 Pitts Bay Road, Pembroke HM08
 Bermuda

HONG KONG BRANCH SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited
 Shops 1712–1716
 17th Floor, Hopewell Centre
 183 Queen's Road East
 Wanchai, Hong Kong

STOCK CODE

497

COMPANY WEBSITE

www.csigroup.hk

Financial Review



REVIEW OF THE RESULTS

The Group reported a total revenue of approximately HK\$745.6 million for the year ended 31 March 2015, which was mainly generated from sale of properties, representing a decrease of 71.1% from approximately HK\$2,578.1 million recorded last year.

The Group reported a consolidated profit attributable to the equity shareholders of the Company of HK\$262.9 million for the year ended 31 March 2015, represented a decrease of 67.8% compared with HK\$815.5 million reported in 2014.

The decrease in profit was mainly attributable to decrease in contribution of profits from sale of properties (including joint ventures) during the year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy liquid position which included bank balance and cash of approximately HK\$1,279.8 million. The Group generally financed its operations through its internal resources and bank facilities provided by its principal bankers.

The Group's short-term bank borrowing decreased from approximately HK\$802.4 million as at 31 March 2014 to approximately HK\$710.2 million as at 31 March 2015, and long-term bank borrowing increased from approximately HK\$1,788.2 million as at 31 March 2014 to approximately HK\$2,045.7 million as at 31 March 2015. All the bank borrowings were utilized in financing the Group's properties investments in generating recurring rental income. As a result, the Group's total bank borrowing increased from approximately HK\$2,590.6 million as at 31 March 2014 to approximately HK\$2,755.9 million as at 31 March 2015, and the Group's ratio of total debt (bank and other borrowings) to total assets was 31.3% (At 31 March 2014: 31.7%). All bank borrowings were denominated in Hong Kong dollars and Renminbi and were on a floating rate basis at either bank prime rate lending rates or short-term inter-bank offer rates. The maturity profile which with

approximately HK\$710.2 million repayable within one year, HK\$1,433.6 million repayable between one to five years, and HK\$612.1 million over five years.

The majority of the Group's assets and liabilities were denominated in Hong Kong dollars, Renminbi and US dollars. As such, the fluctuation of foreign currencies did not have a significant impact on the performance, result and operation of the Group. However, the Group will closely monitor the risk exposure.

ASSETS VALUE

The Group's properties held for sale are stated at the lower of cost and net realisable value on individual property basis in accordance with the current accounting standards.

The principal asset of the Group's joint ventures are properties held for sale and stated at the lower of cost and net realisable value in accordance with the current accounting standards.

In order to fully reflect the underlying economic value of the properties held for sale of the Group and its joint ventures, the Group considers it appropriate also to present to shareholders, as set out below, supplementary information on the Group's statement of net assets on the basis that the Group were to state its properties held for sale at their open market valuations as at 31 March 2015.

	2015 (Unaudited) HK\$'000
Net assets attributable to owners of the Company (audited)	8,264,720
Add: Attributable revaluation surplus relating to the Group's properties held for sale ⁽¹⁾	2,888,304
Attributable revaluation surplus relating to properties held for sale by joint ventures ⁽¹⁾	1,817,193
Net assets attributable to owners of the Company as if the properties held for sale and interests in joint ventures were stated at open market value ⁽²⁾	12,970,217
Net assets per ordinary share as if the properties held for sale and interests in joint ventures were stated at open market value	\$1.2

(1) Based on open market valuations as at 31 March 2015 carried out by independent firms of qualified professional valuers not connected to the Group.

(2) Deferred tax liabilities have not been provided for the attributable surplus of the properties held for sale.

EMPLOYEE

The Group's employees are remunerated in line with the prevailing market terms and individual performance, with the remuneration package and policies reviewed on a regular basis. In addition to salaries, discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and the individual employee.

CONTINGENT LIABILITIES

	2015 HK\$'000	2014 HK\$'000
Corporate guarantee given by the Group for banking facilities granted to:		
Joint ventures	2,503,188	1,723,709
An associate	–	96,000
	2,503,188	1,819,709
and utilised by:		
Joint ventures	1,929,676	1,173,308
An associate	–	88,800
	1,929,676	1,262,108



In addition, as at 31 March 2015, the other joint venture partner of a joint venture of which the Group held as to 50% of the issued share capital, provided corporate guarantees to the full amount for loan facilities granted by a bank to the relevant joint venture amounting to approximately HK\$625 million (2014: HK\$625 million). The banking facilities utilised by the relevant joint venture amounted to approximately HK\$482 million (2014: HK\$419 million) at the end of the reporting period. A counter-indemnity in favour of the other joint venture partner is executed pursuant to which the Group undertakes to indemnify the other joint venture partner 50% of the liabilities arising from the above loan facilities.

The directors assessed the risk of default of the joint ventures and the associates at the end of each reporting period and consider the risk to be insignificant and it is unlikely that any guaranteed amount will be claimed by the counterparties. Included in other payables and accruals represents deferred income in respect of financial guarantee contracts given to joint ventures amounted to HK\$6,689,000 (2014: HK\$5,772,000).

PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

	2015 HK\$'000	2014 HK\$'000
Property, plant and equipment	606,966	593,739
Properties held for sale	5,172,481	3,708,517
Investments held for trading	37,870	300,517
	5,817,317	4,602,773

Chairman's Statement



British-style Luxurious Villas Project in Shanghai

The site is in the “Dahongqiao” Area which is conveniently located around 15 minutes from the Hong Qiao International Airport in Shanghai. This prime site will be developed into British-style luxurious villas and apartments, offering tailored-made luxury life-style residences to address the strong demand of high net-worth users in Shanghai.



Chairman's Statement

Continued to well-position itself as a rising leader in real estate investment and development in Hong Kong and China



Dear Shareholders,

On behalf of the Board, I am pleased to present a respectable set of results of CSI Properties (the “Company”) for the financial year ended 31 March 2015 (the “Year”), showing that the Company has continued to fulfil the objectives of steady asset sale, stable recurrent income stream and delivering solid cash dividend. During the Year, the net income of the Company amounted to HK\$263 million.

The Board has declared a final dividend of 0.378 Hong Kong cents and a special dividend of 0.252 Hong Kong cents per share, or approximately HK\$66.1 million. The implied payout ratio would be approximately 25.1%, compared with 12.8% for the year ended 31 March 2014. Given that the prices of our commercial and residential properties have increased due to decent rental improvement, net asset value of the Company increased by 14% to reach HK\$12,970 million as at 31 March 2015, from HK\$11,378 million as at 31 March 2014. Furthermore, during the early part of the Year, the Company bought back (and cancelled) approximately 331 million shares to enhance shareholder’s value.



Meanwhile, the management team has taken further steps to strengthen the balance sheet and capital structure of the Company, including a share placement exercise to raise approximately US\$60 million in September 2014. The US Federal Reserve Board has recently been indicating to the market on potential interest rate hike later in the year due to the strong recovery in the US economy. This move may result in tighter monetary conditions that can affect the availability and costs of funding and may dampen the real estate market sentiment. However, given the much strengthened balance sheet of the Company, the management team is confident that we are in a good position to benefit from any market volatility to acquire new projects.

Going forward, the management will continue to proactively manage and enhance the value of our commercial property portfolio for future exit, while also actively develop our residential properties in a timely manner. These will help to unlock the substantial value of our portfolio and bring tremendous value to our shareholders in the coming years. We will also prudently explore and assess business opportunities as and when they arise, with a view to creating additional value for the benefit of our shareholders.

Finally, I would like to express my heartfelt gratitude to my fellow directors, management and staff, whose hard work and dedication throughout the Year have contributed to the success of the Company.

Chung Cho Yee, Mico
Chairman

26 June 2015



Management Discussion and Analysis

"Dahongqiao", Shanghai

Through a combination of architects, interior designer, artists, and experts all over the world, together with bespoke life-style furnishing and interior decoration, COUTURE HOMES has set a new milestone for the definition of life-style living in Hong Kong, Macau and China. Currently, COUTURE HOMES owns over 1,000,000sq. ft. of prime residential properties in Hong Kong, Macau and Shanghai.



Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The fiscal year was particularly challenging due to the dampening sentiment from the developing Occupy Central Movement in Hong Kong, resulting in limited liquidity in the market on both the residential and commercial property fronts. The policies in China have also caused significant difficulties in China's property market. On the brighter side, the Group has ventured into a new growth market in Macau where we see good opportunities on both the commercial and residential fronts.

Despite these challenging operating environments, the Group has continued to deliver respectable results and profitability in such times and continued to well-position itself as a rising leader in real estate investment and development in Hong Kong and China. Furthermore, the Group has been capitalizing from these uncertain market conditions and utilizing its healthy balance sheet to acquire prime commercial and residential projects, with details in the following section, to further build up its land bank and accelerate the growth of the Group in the coming years.

COMMERCIAL PROPERTIES

Significant disposals completed during the period included the sale of the Golden Centre in Sham Shui Po for HK\$665 million. The Group also strata sold the 32 shops of the basement floor of the Ginza Plaza at the S. Domingos District in Macau for a total consideration of HK\$288 million. In addition, the 22nd floor of AXA Center in Wanchai was also sold at a consideration of HK\$221 million. These successful sales helped the Group to realize significant profit in the fiscal year.

On the acquisition side, the Group purchased 13 floors of the Henan Building at 90-92 Jaffe Road in Wanchai which have all been strata-sold subsequently, and completion of these sales will take place towards the end of 2015. Furthermore, the Group, via a jointly controlled entity, has acquired over 90% interest in another site in Wanchai with the Compulsory Sale process already begun.

The Group also partnered in a consortium with Billion Development and Project Management Limited and Sino Land Holdings Limited and won the government tender for the development of a commercial property site of over 40,000 sq.m. in Kowloon Bay for a consideration of HK\$3,038 million. The site will be developed into a brand new commercial building comprising of offices and retail shops in 2018.

In our new growth market in Macau, besides acquiring the basement floor of the Ginza Plaza, the Group also purchased two floors of the Broadway Centre at the Rua Do Campo in downtown Macau. The plan for Broadway Centre is to conduct lobby and facade refurbishment work with expected completion time in third quarter of 2015. 10 shops (together with 20 car-parking spaces) out of 50 shops had been sold at a total consideration of HK\$96.9 million, among which 1 shop together with 17 car-parking spaces had been completed in March 2015 and the completion of the remaining will be taken place during the third quarter of 2015.

We have also gone through significant work in terms of managing and upgrading our other existing commercial projects. For the newly rebranded J Plus Hotel by yoo in Causeway Bay, renovation work for the lobby and exterior facade has been completed with a brand new, trendy image featuring input from Philippe Starck's yoo designer team. Redevelopment work at our Shelley Street project is well underway with the new 22-storey commercial building in the heart of the SOHO area in Central set for completion in year 2017. The remaining floors of AXA Centre, namely 17th to 21st floors, are still occupied by AXA Insurance as its head office and we have recently signed a new lease for these floors with significant rental enhancement. Furthermore, the Platinum Building in Shanghai is well taken up by leading international corporations including McKinsey & Co. etc., and we expect decent rental reversion for various tenants upon expiration of their leases. Last but not least, the In Point Shopping Mall in Shanghai opposite to Swire Properties' Daizongli Project will be moving forward with the upgrade and revamp plan to enhance value.



COUTURES HOMES – RESIDENTIAL PROPERTY DEVELOPMENT

The Group acquired two residential land sites from government land tenders. One site is at Yan Ching Road in Tuen Mun for HK\$427 million. The plan is to develop the site into an upscale residential tower targeting the increasingly affluent homeowners in the locality, while also adding a strong retail element on the ground level at this dynamic neighbourhood in Tuen Mun. The other land site is at Fan Kam Road near the Fanling Golf Course for HK\$302 million. The plan is to develop the site into six super luxury villas with bespoke design and furnishing, targeting the ultra-high-net-worth families looking for lifestyle living near the golf course.

In addition, our life-style oriented project in Causeway Bay, yoo Residence, achieved tremendous pre-sales records, with over 130 out of the 144 units at approximately HK\$2 billion already sold with completion expected in third quarter of year 2015. The pricing achieved is at a significant premium to neighbouring projects by other developers. The strong response reinforces the market recognition of our team's strength in designing and delivering premium projects and helps to cement Couture Homes as the leading premium life-style residential development company in Asia.

The other residential development projects for Couture Homes, including the villa projects at Kau To Shan in the New Territories and Daihongqiao area in Shanghai are under vigorous construction schedule and we will soon commence marketing efforts of these villa units. The super luxury lifestyle development project at Jardine's Lookout has completed demolition of the old structure and the new residential tower is expected to be completed in 2017. Partnering with the prestigious Grosvenor Fund from the UK, this is expected to be one of the most iconic residential buildings in Asia Pacific upon its completion. Furthermore, we have completed the acquisition of the remaining interest in a residential building in Glenealy which is close to the Lan Kwai Fong area and will soon commence redevelopment of the site into a brand new iconic building at this premier address.

With these new projects on the horizon, we aim to continue the drive to have Couture Homes recognized by the market as a distinct and unique supplier of personalized home, satisfying the increasing needs of buyers who are looking for more than just a mass market apartment.

CORPORATE ACTIVITIES

The Group completed a placement exercise through Jefferies Hong Kong Limited and J.P. Morgan Securities (Asia Pacific) Limited to raise approximately US\$60 million on September 2014. The placement proceeds further strengthen the balance sheet of the Group and provide the funds for necessary acquisition of commercial and residential properties, especially for our new market in Macau, while also helping the Group to further enhance the institutional investorbase.

OUTLOOK

The global economy is undergoing steady recovery with signs of good improvements, especially in the US. The new Chinese administration has also implemented economic and monetary policies to continue a slower but steady growth of the economy. In addition, with the effect from the Occupy Central Movement slowly diminishing, we are seeing a strong reception in the sales from primary units in Hong Kong by various developers. These factors all allow CSI and Couture Homes to take advantage of the current market opportunities to continue the steady growth of the Group.

Corporate Governance Report

Prime Hotel in Jordan / Mongkok

Novotel Hotel Nathan Road is a modern, prime hotel located in Jordan which is one of the liveliest and entertaining areas in Kowloon. Conveniently positioned within Kowloon's business, dining, shopping and entertainment areas, the hotel is just minutes away from Jordan MTR station and other major attractions including the Temple Street Night Market and the Jade Market. The Sky100, Ladies' Market, Tsim Sha Tsui Star Ferry Clock Tower and other main shopping districts are just an easy walk or a short MTR ride away. CSI owns 50% interest in this property



Corporate Governance Report

The Company is committed to maintaining high standards of corporate governance and believing that good corporate governance practices are essential to the transparent operation of the Company and to its ability to protect the rights of its shareholders and enhance their value. Throughout the year the Company complied with the Companies Act in Bermuda, the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and all other relevant laws and regulations.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules during the year except for the deviation from Code A.2.1 regarding the separation of the role of chairman and chief executive, Code A.4.1 regarding the specific term on the appointment of non-executive directors and Code A.6.7 in relation to the Directors attending the general meeting of the Company. Details of the deviations are further described below in the relevant sections.

CODE FOR SECURITIES TRANSACTIONS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 of the Listing Rules relating to dealings in securities. Memorandum was sent to directors twice a year to draw their attention to the Model Code. The Company made specific enquiries to each director and had received their written confirmation of full compliance with the Model Code for the year ended 31 March 2015.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Company’s businesses, strategic decisions and performance. All directors pay sufficient time and attention to the affairs of the Company. Every member of the Board is fully aware of his responsibilities as a director of the Company under the applicable laws and regulations. Non-executive directors provide their skills and expertise and serve different board committees of the Company. The day-to-day execution of the Board’s policies and strategies is delegated to the Executive Board Committee which comprised of the executive directors and was formed with terms of reference adopted on 21 July 2005 and revised on 14 March 2011.

The Company provides appropriate cover on directors and officers liabilities insurance and the latest policy was renewed in May 2015.

Bye-laws 99(A) and 102(B) of the bye-laws of the Company (the “Bye-laws”) are amended by a special resolution passed on 25 August 2005 to the effect that all directors are subject to rotation at least once every three years. Additional and new directors filling up casual vacancy are subject to election in the next following general meeting.

Board Composition

As at the date of this report, the Board is comprised of five executive directors (i.e. Mr. Chung Cho Yee, Mico, Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Wong Chung Kwong and Mr. Fong Man Bun, Jimmy) and four independent non-executive directors (“INEDs”) (i.e. Dato’ Wong Sin Just, Dr. Lam Lee G., Mr. Cheng Yuk Wo and Dr. Lo Wing Yan, William). Pursuant to the requirement of Rules 3.10(2) and 3.10A of the Listing Rules, at least one-third of the Board are INEDs and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise. Biographies of all current directors are set out on pages 26 to 29 of this annual report. A list setting out the names of the Directors and their roles and functions is posted on the websites of the Company and the Stock Exchange.



BOARD OF DIRECTORS (Continued)

Board Composition (Continued)

Mr. Chung Cho Yee and Mr. Kan Sze Man are brothers-in-law. Save as disclosed above, there are no family or other material relationship among members of the Board.

The composition of the Board and their respective attendance in the general meetings, Board meetings and other committee meetings during the year are as follows:

Directors	Attendance/Number of meetings held during the year				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
Executive Directors					
Chung Cho Yee, Mico	4/4	N/A	2/2	1/1	1/1
Kan Sze Man	4/4	N/A	N/A	N/A	1/1
Chow Hou Man	4/4	N/A	N/A	N/A	1/1
Wong Chung Kwong	4/4	N/A	N/A	N/A	1/1
Fong Man Bun, Jimmy	4/4	N/A	N/A	N/A	1/1
Independent Non-Executive Directors					
Wong Sin Just	2/4	2/3	N/A	N/A	0/1
Lam Lee G.	4/4	3/3	2/2	1/1	1/1
Cheng Yuk Wo	3/4	3/3	2/2	1/1	1/1
Lo Wing Yan, William	4/4	3/3	N/A	N/A	1/1

Pursuant to Code A.6.7 of the CG Code, INEDs and other non-executive directors should attend the general meetings of the Company. An INED of the Company was unable to attend the annual general meeting of the Company held on 20 August 2014 due to his respective engagement.

Chairman and Chief Executive

Pursuant to Code A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Company does not have the position of chief executive officer. The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each department are overseen and monitored by designated responsible Executive Board Committee. The Board found that the current management had worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the 4 INEDs of the Company have contributed valuable views and proposals independently for the Board's deliberation and decisions.

BOARD OF DIRECTORS (Continued)

Independent Non-executive Directors

All INEDs of the Company have confirmed their independence and the Company consider each of them to be independent. On 25 June 2014, the Nomination Committee of the Board has conducted an annual review of the independence of all INEDs of the Company. According to the independence criteria as set out in Rule 3.13 of the Listing Rules, the Nomination Committee concluded that all the INEDs of the Company satisfied the Listing Rules requirement of independence.

Furthermore, according to Code A.4.3 of the CG Code, any further appointment of an INED in excess of nine years should be subject to a separate resolution to be approved by shareholders. Three INEDs of the Company have served on the Board as an INED for more than nine years. In accordance with Bye-law 99(A) of the Bye-laws, all directors are subject to retirement by rotation at least once every three years under the Bye-laws. The Company also sent the papers to shareholders of the Company accompanying that resolution included the reasons why the Board believed the retired INED is still independent and should be re-elected.

No specific term is imposed on the non-executive directors who are required to retire in accordance with the Bye-laws which is deviated from Code A.4.1 of the CG Code. However, all directors are subject to retirement by rotation at least once every three years under the Bye-laws.

Directors' Continuous Professional Development

Each newly appointed director received guideline on directors' duties and responsibilities upon his/her appointment as a director so as to ensure that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

As part of an ongoing process of director's training, the directors of the Company are updated on the latest developments regarding the Listing Rules and other applicable legal and regulatory requirements. They are provided with written materials from time to time to develop and refresh their knowledge and skills. During the year, all directors of the Company received regular updates on the Company's business and written materials describing changes to the Listing Rules and other relevant rules and regulations. The Company has received confirmation from all directors of their respective training records for the year ended 31 March 2015.

Board Diversity Policy

In order to facilitate its functions for the nomination of procedures and the process and criteria to select and recommend candidates for directorship of the Company, the Board adopted the Board Diversity Policy with measurable objectives on 30 August 2013. When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, age, experience, cultural, gender and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.



BOARD COMMITTEES

The Board had four Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee, for overseeing particular aspects of the Company's affairs. The four Board committees of the Company are established with defined written terms of reference and approved by the Board, which set out the Board committees' respective duties. The terms of reference of the above committees have been reviewed from time to time to cope with the latest amendments of the Listing Rules and the needs of the Company.

The members of the above committees had full access to board minutes, records, materials as well as the management and staff of the Company. The Company provides full support to the above committees and arranges for professional advisors to give incidental advice whenever necessary.

Audit Committee

The main role and function of the Audit Committee are to consider the application of financial reporting and internal control principles and to maintain an appropriate relationship with the external auditors of the Company. Currently the Audit Committee comprises four INEDs of the Company, namely, Dato' Wong Sin Just, Dr. Lam Lee G., Mr. Cheng Yuk Wo and Dr. Lo Wing Yan, William. The chairman of the Committee is Mr. Cheng Yuk Wo, who has professional accounting qualifications and expertise in financial management. On 30 August 2013, the Board revised the terms of reference of the Audit Committee to cover corporate governance functions. The committee's authority and duties are set out in written terms of reference that are posted on the websites of the Company and the Stock Exchange.

During the year, the Audit Committee held three meetings. Following Board practice, minutes of these meetings were circulated to all members for comment, approval and record as soon as practicable after each meeting. There was no disagreement between the Board and the Audit Committee regarding the selection and appointment of external auditors. The Audit Committee has reviewed the final results of the Company for the year ended 31 March 2014 and the interim results of the Company for the six months ended 30 September 2014; approving the remuneration and terms of engagement of the external auditors; reviewing the internal audit plan and approving the remuneration and terms of engagement of the external consultants; and discussed with the management and the Company's auditors the accounting policies and practices adopted, internal control and financial reporting matters of the year.

Remuneration Committee

The Remuneration Committee was established on 21 July 2005. Its revised written terms of reference, which deal clearly with its authority and duties for a formal and transparent procedure to fix the remuneration package for all directors, were adopted on 30 August 2013. The main role and function of the Remuneration Committee are to formulate reward packages for senior management and individual executive directors. The Committee will consult the Chairman of the Board on the adequacy of the corporate remuneration policy and individual reward package with particular reference to fairness, sufficiency of incentive element and effective application of company resources. The committee's authority and duties are set out in written terms of reference that are posted on the websites of the Company and the Stock Exchange.

Currently the Remuneration Committee comprises, two INEDs of the Company, Mr. Cheng Yuk Wo (the chairman of the Committee) and Dr. Lam Lee G., and one executive director, Mr. Chung Cho Yee, Mico. During the year, the Remuneration Committee held two meetings, in which it reviewed and discussed the remuneration policies and package of the directors and senior management of the Company.

BOARD COMMITTEES (Continued)

Remuneration Committee (Continued)

Details of emolument paid to the directors for the year 2015 are set out in the notes to the financial statement on page 79.

Nomination Committee

The Nomination Committee was established on 13 March 2012 with revised terms of reference adopted on 30 August 2013 which follow closely the requirements of the CG Code. The main role and function of the Nomination Committee are to review the structure, size and composition of the Board and the Board Diversity Policy; to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors; to identify, screen and recommend to the Board appropriate candidates to serve as directors of the Company; to assess of the independence of each INED. The committee's authority and duties are set out in written terms of reference that are posted on the websites of the Company and the Stock Exchange.

Currently the Nomination Committee comprises, two INEDs of the Company, Mr. Cheng Yuk Wo and Dr. Lam Lee G., and one executive director, Mr. Chung Cho Yee, Mico (the chairman of the Committee). During the year, the Nomination Committee held one meeting, in which it reviewed the structure, size, composition and diversity of the Board and assessed the independence of INEDs of the Company.

BOARD COMMITTEES (Continued)

Executive Committee

The Executive Board Committee, comprised of the executive directors, was formed on 21 June 2005 with revised terms of reference adopted on 14 March 2011. The main role and function of the Executive Committee are to manage the day-to-day operations of the Group's business and make investment and divestment decisions for and on behalf of the Group unless otherwise restricted by the terms of reference. In addition, the Executive Committee reviews the corporate and financial planning, investment and operation strategy of the Group as well as monitoring the progress of the carrying out of Board decisions by the management. The Committee reports its view and puts forward recommendations to the Board through the Chairman of the Board.

Currently the Executive Committee comprises five executive directors of the Company, namely, Mr. Chung Cho Yee, Mico (the chairman of the Committee), Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Wong Chung Kwong and Mr. Fong Man Bun, Jimmy.



CORPORATE GOVERNANCE FUNCTION

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

- (i) To develop and review the Group's policies and practices on corporate governance and make recommendations;
- (ii) To review and monitor the training and continuous professional development of directors and senior management;
- (iii) To review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements;
- (iv) To develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and directors of the Group; and
- (v) To review the Group's compliance with the code of corporate governance and disclosure requirements in the Corporate Governance Report.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company, who reports to the Chairman and assists the Board in ensuring effective information flow among Board members and that the Board policy and procedures including those on corporate governance matters are followed. The Company Secretary had complied with Rule 3.29 of the Listing Rules during the year under review.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The annual and interim results of the Company are published in a timely manner, within three months and two months respectively of the year end and the half year.

The responsibility of Directors in relation to the financial statements is set out below. It should be read in conjunction with, but distinguished from, the Independent Auditor's Report on page 37 which acknowledges the reporting responsibility of the Group's Auditor.

Annual Report and Accounts

The Directors acknowledge their responsibility for the preparation of the annual report and financial statements of the Company, ensuring that the financial statements give a true and fair presentation in accordance with generally accepted accounting standards in Hong Kong, the requirements of the Listing Rules and applicable laws as well as the integrity of the financial information so reported. Such responsibility is extended to cover not only the annual and interim reports but also announcements and other financial disclosures of the Company required under the Listing Rules.

Going Concern

The Directors, having made appropriate enquiries, are of the view that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate for the Group to adopt the going concern basis in preparing the financial statements.

INTERNAL CONTROL

The Board acknowledges its responsibility for the effectiveness of the Group's internal control and risk management system, which is designed to provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Group has in place an effective internal control system which encompasses sound control environment, appropriate segregation of duties, well-defined policies and procedures, close monitoring and is reviewed and enhanced by the management at regular intervals.

The Group is committed to maintaining and upholding good corporate governance practices and internal control system. The Group has engaged external consultants, CT Partners Consultants Limited, to review the effectiveness of the Group's internal control system on leasing and account receivable procedures, and make recommendations for improvement and strengthening of the internal control system. In respect of the reporting period, the Board considered the internal control system effective and adequate. No significant areas of concern which might affect shareholders were identified.

AUDITOR'S REMUNERATION

During the year ended 31 March 2015, the fee incurred for audit and non-audit services provided by the auditor to the Group is set out as follows:

Nature of Services	HK\$ million
Audit services	1.438
Other services	0.642
	2.080

SHAREHOLDERS' RIGHTS

1. Procedures by which shareholders can convene a special general meeting

Pursuant to the Bye-laws and the Companies Act 1981 of Bermuda (the "Act"), the Board shall, on the requisition in writing of the shareholders holding at the date of deposit of the requisition not less than one-tenth (10%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.



2. Procedures for Shareholders to Put Forward Proposals at a General Meeting

Pursuant to the Companies Act, either any number of the registered Shareholders holding not less than one-twentieth (5%) of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 of such registered Shareholders, can request the Company in writing to (a) give to Shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to Shareholders entitled to receive notice of the next general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The requisition signed by all the requisitionists may consist of several documents in like form, each signed by one or more of the requisitionists; and it must be deposited at the Registered Office with a sum reasonably sufficient to meet the Company's relevant expenses, not less than six weeks before the meeting in case of a requisition requiring notice of a resolution or not less than one week before the meeting in the case of any other requisition. Provided that if an AGM is called for a date six weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

SHAREHOLDERS' RIGHTS (Continued)

3. Procedures for shareholders to propose a person for election as a Director

Pursuant to the Bye-laws, if a shareholder, who is duly qualified to attend and vote at the general meeting convened to deal with appointment or election of director(s), wishes to propose a person (other than a retiring director and the shareholder himself/herself) for election as a director at that general meeting, such shareholder can deposit a notice in writing of the intention to propose that person for election as a director and a notice in writing by that person of his willingness to be elected at the Company's Registered Office or the Hong Kong Principal Office at least seven days before the date of the general meeting. The period for lodging such notice will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and no later than seven days prior to the date of such meeting. In order for the Company to inform all members of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by Rule 13.51(2) of the Listing Rules.

4. Procedures by which enquiries may be put to the Board

Shareholders may, at any time, direct enquiries to the Board. Such enquiries can be addressed to the Company Secretary in writing by mail to the Company's principal place of business in Hong Kong at 3108, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

On 13 March 2012, the Board adopted a Shareholders' Communication Policy reflecting mostly the current practices of the Company for communications with its Shareholders. Such policy aims at providing the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. This policy will be reviewed regularly to ensure its effectiveness and compliance with the prevailing regulatory and other requirements.

The annual general meeting provides a forum for Shareholders to exchange views with the Board. The Chairman of the Board as well as Chairmen of the Audit, Remuneration and Nomination Committees or, in their absence, other members of the respective committees, and where applicable, the independent board committee, are available to answer questions at the shareholders' meetings.

An explanation of the detailed procedures of conducting a poll will be provided to Shareholders at the commencement of the annual general meeting, to ensure that Shareholders attending such meeting are familiar with such procedures.

The Company's website at www.csigroup.hk offers timely access to investors regarding the Company's financial, corporate and other information.

During the year, there was no change to the Company's Memorandum of Association and Bye-laws. A copy of the latest consolidated version of the Memorandum of Association and Bye-laws is posted on the websites of the Company and the Stock Exchange.

Directors' Report



The directors present their annual report and the audited consolidated financial statements of the Company for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries, associates and joint ventures are set out in notes 43, 21 and 20, respectively to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

Details of the Group's results for the year are set out in the consolidated statement of profit or loss on page 39.

No interim dividend was paid to shareholders during the year. The directors now recommend the payment of a final dividend of 0.378 Hong Kong cents (2014: 1.14 Hong Kong cents) and a special dividend of 0.252 Hong Kong cents per share (2014: nil) to the shareholders on the register of members on 31 August 2015, amounting to approximately HK\$66.1 million.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 1 September 2015 to Friday, 4 September 2015, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend and the special dividend which, if approved, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 31 August 2015.

PROPERTY, PLANT AND EQUIPMENT

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 29 to the consolidated financial statements.

BORROWINGS

Details of bank borrowings of the Group are set out in note 28 to the consolidated financial statements. No interest was capitalised by the Group during the year.

DISTRIBUTABLE RESERVES OF THE COMPANY

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- a) it is, or would after payment be, unable to pay its liabilities as they become due; or
- b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium.

In the opinion of the directors, the Company's reserves available for distribution to shareholders as at 31 March 2015 including contributed surplus and accumulated profits amounted to approximately HK\$5,034,276,000 (2014: HK\$4,306,453,000).

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers comprised approximately 41.3% of the Group's total sales and the sales attributable to the Group's largest customer were approximately 29.6% of the Group's total sales.

MAJOR CUSTOMERS AND SUPPLIERS (Continued)

During the year, the aggregate purchases attributable to the Group's five largest suppliers comprised approximately 35.4% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 16.6% of the Group's total purchases.

Save as disclosed in Note 38 to the consolidated financial statements, at no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's five largest customers and suppliers.

DIRECTORS

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

Executive directors:

Mr. Chung Cho Yee, Mico (*Chairman*)
 Mr. Kan Sze Man
 Mr. Chow Hou Man
 Mr. Wong Chung Kwong
 Mr. Fong Man Bun, Jimmy

Independent non-executive directors:

Dr. Lam Lee G.
 Dato' Wong Sin Just
 Mr. Cheng Yuk Wo
 Dr. Lo Wing Yan, William

At the forthcoming annual general meeting, Mr. Chung Cho Yee, Mico, Mr. Chow Hou Man, Dato' Wong Sin Just and Mr. Cheng Yuk Wo will retire from office. While Dato' Wong Sin Just has decided to retire from the Board and therefore will not offer himself for re-election, all of the other Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The directors proposed for re-election at the forthcoming annual general meeting do not have any service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The terms of office of each non-executive director is the period up to the retirement by rotation in accordance with the Bye-laws.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

Chairman and Executive Director

Mr. Chung Cho Yee, Mico, aged 54, Chairman and Executive Director of the Company, joined the Company in 2004. He is a director of certain subsidiaries of the Group. He is also the Chairman of Executive Committee and Nomination Committee, and a member of Remuneration Committee of the Board. Mr. Chung graduated from University College, University of London in the United Kingdom, with a law degree in 1983 and qualified as a solicitor in Hong Kong in 1986. Mr. Chung is currently a non-executive director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust and an independent non-executive director of HKC (Holdings) Limited, the shares of both of which are listed on the Stock Exchange. Mr. Chung is the brother-in-law of Mr. Kan Sze Man, an executive director of the Company.



DIRECTORS AND SENIOR MANAGEMENT PROFILE (Continued)

Executive Director

Mr. Kan Sze Man, aged 43, joined the Company as Group General Counsel in 2001. He is a director of certain subsidiaries and associates of the Group and a member of Executive Committee of the Board. Mr. Kan is a qualified solicitor by profession. He graduated from Wadham College, Oxford University in the United Kingdom in 1993 and qualified as solicitor in Hong Kong in 1997. He has worked in the commercial department of a Hong Kong law firm and a U.K. City firm, until joining Hikari Tsushin International Limited (now known as China Oil and Gas Group Limited) as its senior vice president and legal counsel in early 2000. Mr. Kan is the brother-in-law of Mr. Chung Cho Yee, Mico, the executive Chairman of the Company and the controlling shareholder of the Company.

Mr. Chow Hou Man, aged 44, joined the Company as Group Chief Financial Officer in 2001. He is a director of certain subsidiaries and associates of the Group and a member of Executive Committee of the Board. Mr. Chow graduated from the Baptist University in Hong Kong and holds a Master of Business Administration degree from the Hong Kong Polytechnic University. He has over 20 years of financial experience in various companies listed in Hong Kong and overseas and an international firm of certified public accountants. He is a member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Mr. Wong Chung Kwong, aged 64, joined the Company in 2004 as General Manager of the Group Property Division and is responsible for the property related investments of the Group. He is also a director of certain subsidiaries and associates of the Group and a member of Executive Committee of the Board. Mr. Wong has been working in the local and mainland real estate markets for about 40 years and has solid experience in properties related projects such as sales and marketing, acquisitions, repositioning and asset management. Before joining the Group, Mr. Wong had worked in property development and management companies in Mainland China and Hong Kong.

Mr. Fong Man Bun, Jimmy, aged 50, joined the Company in 2011 and is a Managing Director of Couture Homes Limited, a wholly-owned subsidiary of the Company. He is also a director of certain subsidiaries of the Group and a member of Executive Committee of the Board. Mr. Fong is mainly responsible for identifying and advising on residential development and investment for both acquisition and disposal planning of the Group. Mr. Fong has over 25 years' solid experience in luxury residential real estate project development and investment and has in-depth knowledge of the property market. He worked as a Director of Savills Hong Kong Limited (formerly known as First Pacific Davis) since 1993. Mr. Fong has worked in Shanghai, PRC in the 90's and also in the real estate department of Jones Lang Wotton (now known as Jones Lang LaSalle) in 1989.

DIRECTORS AND SENIOR MANAGEMENT PROFILE (Continued)

Independent Non-Executive Director

Dr. Lam Lee G., aged 55, joined the Company in 2001. He is a member of Audit Committee, Remuneration Committee and Nomination Committee of the Board. Dr. Lam has international experience in general management, management consulting, corporate governance, direct investment, investment banking and fund management across the telecommunications/media/technology (TMT), consumer/healthcare, infrastructure/real estates, energy/resources and financial services sectors. He serves as an independent or non-executive director of several publicly listed companies and investment funds in the Asia Pacific region. Having served as a Part-time Member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region for two terms and as a Member of the Legal Aid Services Council of Hong Kong, Dr. Lam is a Member of the Jilin Province Committee (and formerly a Specially-invited Member of the Zhejiang Province Committee) of the Chinese People's Political Consultative Conference (CPPCC), a Vice Chairman of Liaoning Chinese Overseas Friendship Association, a Member of the New Business Committee of the Financial Services Development Council (FSDC), a Member of the Derivatives Market Consultative Panel of Hong Kong Exchanges and Clearing Limited (HKEx), a Member of the Hong Kong Institute of Bankers, a Member of the World Presidents' Organization (WPO), a Member of the Chief Executives Organization (CEO), a Fellow of the Hong Kong Institute of Directors, a Fellow of the Hong Kong Institute of Arbitrators, an Accredited Mediator of the Centre for Effective Dispute Resolution (CEDR), a Member of the General Council of the Chamber of Hong Kong Listed Companies, a Vice President of the Hong Kong Real Property Federation, a founding Board Member and the Honorary Treasurer of the Hong Kong-Vietnam Chamber of Commerce, a Member of the Hong Kong-Thailand Business Council, a founding member of Hong Kong-Korea Business Council, a Board Member of the Australian Chamber of Commerce in Hong Kong and Macau, Chairman of Monte Jade Science and Technology Association of

Hong Kong, a Member of the Court of City University of Hong Kong, and a visiting professor (in the subjects of corporate governance and investment banking) at the School of Economics & Management of Tsinghua University in Beijing and an adjunct professor at the Department of Management in the Chinese University of Hong Kong. A former member of the Hong Kong Bar, Dr. Lam is a Solicitor of the High Court of Hong Kong and an Honorary Fellow of CPA Australia.

Dr. Lam is an independent non-executive director of each of Imagi International Holdings Limited, Mei Ah Entertainment Group Limited, Vongroup Limited, Glorious Sun Enterprises Limited, and Mingyuan Medicare Development Company Limited and a non-executive director of Sunwah Kingsway Capital Holdings Limited, Heng Fai Enterprises Limited and China LNG Group Limited, the shares of all of which are listed on the Stock Exchange. He is a lead independent non-executive director of each of Asia-Pacific Strategic Investments Limited, Rowsley Limited and Top Global Limited, the shares of all of which are listed on the Singapore Exchange. Dr. Lam is also an independent director of Sunwah International Limited, the shares of which are listed on the Toronto Stock Exchange, an independent non-executive director of Vietnam Equity Holding and Vietnam Property Holding, the shares of which are listed on the Stuttgart Stock Exchange and an independent non-executive director of Coalbank Limited, the shares of which are listed on the Australian Securities Exchange.

Dr. Lam was an independent non-executive director of China Oceanwide Holdings Limited from September 2004 to December 2014, Far East Holdings International Limited from September 2004 to October 2014, Hutchison Harbour Ring Limited from September 2004 to December 2014, Ruifeng Petroleum Chemical Holdings Limited from July 2014 to March 2015, the shares of all of which are listed on the Stock Exchange and an independent non-executive director of Next-Generation Satellite Communications Limited from January 2009 to August 2014, the shares of which are listed on the Singapore Exchange.



DIRECTORS AND SENIOR MANAGEMENT PROFILE (Continued)

Independent Non-Executive Director

Dato' Wong Sin Just, aged 49, joined the Company in 2001. He is a member of Audit Committee of the Board. Dato' Wong possesses over 20 years of accounting, investment banking and venture capital experience. He held senior positions with a number of premier international investment banks prior to joining the Company. Dato' Wong holds a Bachelor degree in Engineering (First Class Honours) from Imperial College, University of London and is an associate of the Institute of Chartered Accountants, England and Wales.

Dato' Wong is currently the non-executive chairman of Westminster Travel Limited, the shares of which are listed on the Singapore Stock Exchange Limited.

Mr. Cheng Yuk Wo, aged 54, joined the Company in 2002. He is Chairman of Audit Committee and Remuneration Committee, and a member of Nomination Committee of the Board. Mr. Cheng is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Institute of Chartered Accountants of Ontario, Canada. He is a co-founder of a Hong Kong merchant banking firm and is the proprietor of a certified public accountant practice in Hong Kong. Mr. Cheng obtained a Master of Science (Economics) degree in Accounting and Finance from the London School of Economics, England and a Bachelor of Arts (Honours) degree in Accounting from the University of Kent, England. Mr. Cheng had worked at Coopers and Lybrand (now known as PricewaterhouseCoopers) in London and with Swiss Bank Corporation (now known as UBS AG) in Toronto.

Mr. Cheng is an independent non-executive director of C.P. Lotus Corporation, Chong Hing Bank Limited, Goldbond Group Holdings Limited, HKC (Holdings) Limited, Imagi International Holdings Limited, CPMC Holdings Limited, Top Spring International Holdings Limited, Liu Chong Hing Investment Limited and Chai Tai Enterprises International Limited, the shares of all of which are listed on the Stock Exchange.

Dr. Lo Wing Yan, William, aged 54, joined the Group in 2014. He obtained a BSc (Hons) degree in Biochemistry and a MSc degree in Neurochemistry from University of Kent at Canterbury and Institute of Psychiatry, London University, respectively. Dr. Lo also obtained an MPhil degree in Molecular Pharmacology and a PhD degree in Genetic Engineering/Neuroscience, both from Cambridge University, UK. Dr. Lo was also a Bye-Fellow of Downing College, the University of Cambridge. In 1999, he was appointed as a Justice of the Peace (J.P.) by the government of Hong Kong. In 2003, he was appointed as a Member of Shantou Committee of the Chinese People's Political Consultative Conference. Dr. Lo is currently the Vice-Chairman of South China Media Group. He is also a governor of an independent school, the ISF Academy, as well as the Chairman of Junior Achievement Hong Kong.

Dr. Lo is an independent non-executive director of International Housewares Retail Company Limited, Jingrui Holdings Limited, SITC International Holdings Company Limited, Varitronix International Limited and Television Broadcasts Limited, the shares of all of which are listed on the Stock Exchange. Also, Dr. Lo is an independent non-executive director of Nam Tai Property, Inc., the shares of which are listed on the New York Stock Exchange and E2-Capital Holdings Limited, the shares of which are listed on the Singapore Stock Exchange. Dr. Lo was a non-executive director of South China Land Limited up to March 2014, the shares of which are listed on the Hong Kong Stock Exchange and an independent non-executive director of LZYE Group plc, up to November 2013, the shares of which are listed on the London Stock Exchange.

DIRECTORS AND SENIOR MANAGEMENT PROFILE (Continued)

Senior Management

Hong Kong

Mr. Soo Wai Man, Raymond, joined the Group in 2013 and is Managing Director – Project Development. He graduated from the University of Sheffield, United Kingdom in 1989. Mr. Soo is a registered architect since 1994 and has over 20 years' experience in real estate developments in various countries such as Hong Kong, Macau, Mainland China, Philippines and United Kingdom. He previously worked for some major property developers such as Cheung Kong Holdings Limited and Kerry Properties Limited. Mr. Soo has a wide range of project management experience and has led project teams to complete various world class developments ranging from commercial offices, shopping centers to large scale residential developments. Mr. Soo provides strong leadership to the project team and produces quality project developments with the highest standard.

Mr. Lee Kwan Yee, Herrick, joined the Group in 2013 and is Head of Commercial Property Division. He is responsible for all commercial property related investments of the Group. Mr. Lee has over 25 years of experience in real estate investments with various types of projects. Mr. Lee was an Executive Director of the Henry Group Holdings Limited, a director of Colliers International in Hong Kong and worked for a number of international surveying firms before joining the Group. Mr. Lee is a member of the Royal Institute of Chartered Surveyors and the Hong Kong Institute of Surveyors. Mr. Lee has specialized skills for retail properties repositioning and asset enhancement by close relationships with reputable chain-store retail operators.

Shanghai

Ms. Dong Yan, Beryl, joined the Group in 2006. Ms. Dong was the deputy general manager of the Shanghai Real Estate Co. Ltd. Group, a large real estate developer in Shanghai for over 10 years and sat on the board of several of its real estate development and project companies. In this capacity, Ms. Dong oversaw development phase master planning and design work, as well as market positioning and sales activities. Before she joined the Group, she was a vice president of H&Q Asia Pacific. Ms. Dong received a post-graduate diploma on urban planning and inner city renewal course from Institute of Housing and Urban Development Studies, Rotterdam, Netherlands in 1993 and a management master degree from Norwegian School of Management (BI), and an EMBA from Antai School of Management, Jiao Tong University.



DIRECTORS' INTERESTS IN SHARES

Interests and short positions of the Directors in the Company and its associated corporations

As at 31 March 2015, the interests and short positions of the Directors and the chief executive of the Company in shares, underlying shares or debentures of the Company or any its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") which were required to be notified to the Company and The

Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to Section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company and the Stock Exchange:

Long positions in shares:

Name of Director	Nature of interests	Company/name of associated corporation	Number of shares held (Note 1)	Derivative interests	Approximate percentage of total shareholding (%)
Chung Cho Yee, Mico ("Mr. Chung") (Note 2)	Beneficial owner	The Company	4,611,412,062 (L)		43.97
	Interest of controlled corporation	The Company	4,608,367,062 (L)	-	43.94
Kan Sze Man	Beneficial owner	The Company	23,790,500 (L)		0.23
				-	-

Notes:

- (1) The letter "L" denotes a person's long position in such securities.
- (2) Mr. Chung is the beneficial owner of 4,611,412,062 shares in the Company (being the aggregate of personal interest of Mr. Chung of 3,045,000 shares and the corporate interest held by Earnest Equity Limited ("Earnest Equity") of 4,608,367,062). Earnest Equity is a wholly-owned subsidiary of Digisino Assets Limited ("Digisino"). The entire issued share capital of Digisino is held by Mr. Chung and thus both Digisino and Earnest Equity are corporations wholly-owned and controlled by him. Therefore, Mr. Chung is deemed to be interested in any shares or equity derivatives held by Earnest Equity or Digisino.

DIRECTORS' INTERESTS IN SHARES (Continued)

Interests and short positions of the Directors in the Company and its associated corporations (Continued)

Save as disclosed above, as at 31 March 2015, none of the Directors and chief executive of the Company had any interest in any securities of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of listed companies as set out in the Listing Rules to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year, was the Company or its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2015, according to the register kept by the Company pursuant to Section 336 of SFO, and so far as is known to any Directors or the Company, the following persons, in addition to those interests disclosed above in respect of the Directors, had an interest or short position in shares and underlying shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO:

Long position

Name	Capacity	Number of shares	Derivative interests	Approximate shareholding percentage (%)
Value Partners Group Limited	Investment Manager	630,840,000	–	6.01
FIL Limited	Investment Manager	559,292,014	–	5.33

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.



CONNECTED TRANSACTION

On 10 April 2015, Excess Gain Company Limited, a subsidiary of the Company, entered into a provisional agreement with Apex Mark International Limited, which is wholly-owned by Mr. Fong Man Bun, Jimmy ("Mr. Fong"), an executive director of the Company, for the sale of a portion of the 14th Floor (to be designated as Unit 08), Henan Building, Nos. 90 & 92 Jaffe Road & Nos. 15-19 Luard Road, Hong Kong for a cash consideration of HK\$4,950,176.00 (the "Disposal"). The terms of the Disposal were arrived at after arm's length negotiations between the parties and made in the ordinary and usual course of business of the Group, as part of its effort to dispose of the entire building after completion of the refurbishment and upgrading works.

As Mr. Fong is an executive director of the Company and hence a connected person of the Company, the Disposal therefore constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

The highest of the applicable percentage ratios in respect of the Disposal calculated under Chapter 14 of the Listing Rules exceeds the de minimis thresholds under Rule 14A.76 (1) but all of them were still less than 5% under Rule 14A.76(2) (a). Accordingly, the Disposal is subject to the notification and announcement requirements (which have been complied with) but exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

FINANCIAL ASSISTANCE AND GUARANTEE TO AFFILIATED COMPANIES

The Group had provided financial assistance to, and guarantee for, affiliated companies in the aggregate amount of HK\$5,311,565,000, which represented approximately 42.3% of the Group's total assets value as at 31 March 2015.

As at 31 March 2015, the advances and guarantees made by the Group to its joint ventures and associates are as follows:

	Advances HK\$'000	Guarantees HK\$'000
Buzz Concepts International Holdings Limited	3,820	–
Chater Capital Limited	119,475	486,942
Cyrus Point Limited	610,450	–
Eagle Wonder Limited	582,386	690,000
Fame Allied Limited	60,807	55,246
Get Wisdom Limited	570,717	447,500
Hillcharm Limited	194,675	425,000
Solent Ventures Limited	120,000	235,750
Star Trail Limited	–	21,000
Vastness Investment Limited (<i>Note</i>)	53,000	312,500
Vital Triumph Limited	155,549	141,750
Wealth Explorer Holdings Limited	24,998	–
	2,495,877	2,815,688

In accordance with the requirement under Rule 13.22 of the Listing Rules, the pro forma combined balance sheet of those affiliated companies and the Group's attributable interests in those affiliated companies based on their latest financial statements available are presented below:

	Combined balance sheet	Group's attributable interests
	HK\$'000	HK\$'000
Non-current assets	3,879,777	1,937,618
Current assets	9,795,570	4,834,112
Current liabilities	(5,642,156)	(2,758,788)
Non-current liabilities	(5,782,705)	(2,910,387)
	2,250,486	1,102,555

Note:

The amount represents a counter-indemnity in favor of the other joint venture partner executed pursuant to which the Group undertakes to indemnify the other joint venture partner 50% of the liabilities arising from bank loan facilities granted by a bank amounting to approximately HK\$625 million.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set by the board of directors on the basis of their merit, qualifications and competence with reference to the prevailing market terms. In addition to salaries, discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and the individual employee.

The emoluments of the directors of the Company are determined by the Remuneration Committee having regard to the Company's operating results, individual performance and comparable market statistics.

SHARE OPTIONS SCHEME

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in note 39 to the consolidated financial statements.



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

During the year, the Company repurchased a total of 331,080,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$94,332,500. All the repurchased shares were subsequently cancelled. The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share of the Company. Details of the repurchases are as follows:

Month, Year	Number of share repurchased	Purchase price		Aggregate consideration paid
		Highest	Lowest	(before expenses)
		HK\$	HK\$	HK\$
April, 2014	42,000,000	0.280	0.270	11,577,000
May, 2014	207,050,000	0.280	0.275	57,018,750
July, 2014	46,390,000	0.315	0.290	14,164,650
August, 2014	35,640,000	0.330	0.320	11,572,100
	331,080,000			94,332,500

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE

The Company is obliged to comply with the requirements for continuing listing on the Stock Exchange and is committed to practice high standard of corporate governance in its daily management and operations. The Company follows and applies the principles of the Code on Corporate Governance Practices in Appendix 14 to the Listing Rules in the year under review with exception of few deviations. Detailed information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in pages 14 to 24 of this Annual Report.

CHARITABLE DONATIONS

During the year, the Group made charitable donations amounting to HK\$390,000.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as required under the Listing Rules throughout the year ended 31 March 2015.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years is set out on page 138 of the annual report.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the consolidated financial statements for the year ended 31 March 2015.

AUDITORS

A resolution will be submitted to the annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

CHUNG CHO YEE, MICO

CHAIRMAN

26 June 2015

Independent Auditor's Report



Deloitte. 德勤

TO THE MEMBERS OF CSI PROPERTIES LIMITED

(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of CSI Properties Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 39 to 137, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS’ RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26 June 2015

Consolidated Statement of Profit or Loss



For the year ended 31 March 2015

	NOTES	2015 HK\$'000	2014 HK\$'000
Revenue	5	745,611	2,578,071
Cost of sales/services		(385,167)	(1,638,518)
Gross profit		360,444	939,553
Income and gains (losses) from investments	7	47,581	90,885
Other income	8	72,217	62,359
Other gains and losses	9	1,147	21,287
Administrative expenses		(152,307)	(178,518)
Finance costs	10	(122,089)	(124,802)
Share of results of joint ventures		16,631	53,114
Share of results of associates		57,737	7,424
Profit before taxation		281,361	871,302
Income tax expense	11	(16,308)	(52,040)
Profit for the year	12	265,053	819,262
Attributable to:			
Owners of the Company		262,936	815,489
Non-controlling interests		2,117	3,773
		265,053	819,262
Earnings per share (HK cents)	16		
Basic		2.65	8.57
Diluted		2.65	8.57

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2015

	2015 HK\$'000	2014 HK\$'000
Profit for the year	265,053	819,262
Other comprehensive income (expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	521	7,458
Share of exchange differences of joint ventures	(3,545)	12,818
Change in fair value of available-for-sale investments	(409)	4,843
Reclassification of investment revaluation reserve upon derecognition of available-for-sale investments	(11,677)	–
	(15,110)	25,119
Total comprehensive income for the year	249,943	844,381
Total comprehensive income attributable to:		
Owners of the Company	247,826	840,608
Non-controlling interests	2,117	3,773
	249,943	844,381

Consolidated Statement of Financial Position



At 31 March 2015

	NOTES	2015 HK\$'000	2014 HK\$'000
Non-Current Assets			
Property, plant and equipment	17	664,818	660,211
Available-for-sale investments	18	50,033	24,569
Club memberships		11,385	6,860
Interests in joint ventures	20	1,653,996	1,517,088
Amounts due from joint ventures	20	1,937,397	1,701,726
Interests in associates	21	17,567	116,897
Amount due from an associate	21	18,947	–
Other investments	22	14,546	–
		4,368,689	4,027,351
Current Assets			
Trade and other receivables	23	117,595	143,692
Deposit paid for acquisition of properties held for sale		–	10,896
Properties held for sale	24	5,556,593	3,973,587
Investments held for trading	25	1,231,378	1,825,264
Available-for-sale investments	18	–	36,043
Conversion options embedded in convertible notes	18	–	31,252
Taxation recoverable		7,703	4,322
Cash held by securities brokers	26	5,340	3,993
Bank balances and cash	26	1,274,443	1,790,628
		8,193,052	7,819,677
Current Liabilities			
Other payables and accruals	27	120,089	100,813
Taxation payable		138,854	160,290
Amount due to a joint venture	20	169	432
Amounts due to associates	21	10,218	14,097
Amounts due to non-controlling shareholders of subsidiaries	38(b)	91,178	25,355
Bank borrowings – due within one year	28	710,204	802,395
		1,070,712	1,103,382
Net Current Assets			
		7,122,340	6,716,295
		11,491,029	10,743,646

At 31 March 2015

Consolidated Statement of Financial Position

	<i>NOTES</i>	2015 HK\$'000	2014 HK\$'000
Capital and Reserves			
Share capital	<i>29</i>	83,896	76,145
Reserves		8,180,824	7,697,367
Equity attributable to owners of the Company		8,264,720	7,773,512
Non-controlling interests		2,066	4,141
Total Equity		8,266,786	7,777,653
Non-Current Liabilities			
Guaranteed notes	<i>30</i>	1,170,000	1,170,000
Bank borrowings – due after one year	<i>28</i>	2,045,713	1,788,250
Deferred tax liabilities	<i>31</i>	8,530	7,743
		3,224,243	2,965,993
		11,491,029	10,743,646

The consolidated financial statements on pages 39 to 137 were approved and authorised for issue by the Board of Directors on 26 June 2015 and are signed on its behalf by:

Chung Cho Yee, Mico
DIRECTOR

Chow Hou Man
DIRECTOR

Consolidated Statement of Changes in Equity



For the year ended 31 March 2015

	Attributable to owners of the Company							Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000 (Note a)	Translation reserve HK\$'000	Investment revaluation reserve HK\$'000	Accumulated profits HK\$'000			
At 1 April 2013	76,145	1,619,636	371	276,058	61,925	6,834	5,023,285	7,064,254	20,848	7,085,102
Profit for the year	-	-	-	-	-	-	815,489	815,489	3,773	819,262
Exchange differences arising on translation of foreign operations	-	-	-	-	7,458	-	-	7,458	-	7,458
Share of exchange differences of joint ventures	-	-	-	-	12,818	-	-	12,818	-	12,818
Increase in fair value of available-for-sale investments recognised directly in equity	-	-	-	-	-	4,843	-	4,843	-	4,843
Total comprehensive income for the year	-	-	-	-	20,276	4,843	815,489	840,608	3,773	844,381
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(20,480)	(20,480)
Dividends recognised as distribution (note 15)	-	-	-	-	-	-	(131,350)	(131,350)	-	(131,350)
At 31 March 2014	76,145	1,619,636	371	276,058	82,201	11,677	5,707,424	7,773,512	4,141	7,777,653
Profit for the year	-	-	-	-	-	-	262,936	262,936	2,117	265,053
Exchange differences arising on translation of foreign operations	-	-	-	-	521	-	-	521	-	521
Share of exchange differences of joint ventures	-	-	-	-	(3,545)	-	-	(3,545)	-	(3,545)
Decrease in fair value of available-for-sale investments recognised directly in equity	-	-	-	-	-	(409)	-	(409)	-	(409)
Reclassified to profit and loss on derecognition of available-for-sale investments	-	-	-	-	-	(11,677)	-	(11,677)	-	(11,677)
Total comprehensive income for the year	-	-	-	-	(3,024)	(12,086)	262,936	247,826	2,117	249,943
Placing of shares (note 29(i))	10,400	432,499	-	-	-	-	-	442,899	-	442,899
Share repurchases (note 29(ii))	(2,649)	-	2,649	(91,683)	-	-	(2,649)	(94,332)	-	(94,332)
Expenses related to shares repurchased and cancelled	-	-	-	(453)	-	-	-	(453)	-	(453)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(4,192)	(4,192)
Dividends recognised as distribution (note 15)	-	-	-	-	-	-	(104,732)	(104,732)	-	(104,732)
At 31 March 2015	83,896	2,052,135	3,020	183,922	79,177	(409)	5,862,979	8,264,720	2,066	8,266,786

Note:

- (a) The contributed surplus of the Group represents the amount arising from capital reorganisation carried out by the Company during the year ended 31 March 2003.

Consolidated Statement of Cash Flows

For the year ended 31 March 2015

	2015 HK\$'000	2014 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	281,361	871,302
Adjustments for:		
Finance costs	122,089	124,802
Depreciation of property, plant and equipment	35,876	55,442
Gain on disposal of property, plant and equipment	(285)	(15,483)
Gain on derecognition of investments in convertible notes, net	(1,575)	(500)
Gain on disposal of joint ventures	–	(5,693)
Income from amortisation of financial guarantee contracts	(1,328)	(1,808)
Decrease in fair value of investments held for trading	86,420	56,190
Increase in fair value of conversion options embedded in convertible notes	–	(16,272)
Interest income	(11,075)	(16,823)
Impairment loss on properties held for sale	36,341	31,668
Share of results of joint ventures	(16,631)	(53,114)
Share of results of associates	(57,737)	(7,424)
Operating cash flow before movements in working capital	473,456	1,022,287
Decrease (increase) in investments held for trading	564,659	(1,190,732)
Decrease in other payables and accruals	(158,828)	(187,945)
Increase in properties held for sale	(888,919)	(173,725)
Increase in available-for-sale investments	(25,873)	(19,564)
Increase in deposit paid for acquisition of properties held for sale	–	(10,896)
Decrease in derivative financial instruments	–	(1,134)
Decrease in trade and other receivables	4,342	6,793
(Increase) decrease in cash held by securities brokers	(1,347)	16,199
Net cash used in operations	(32,510)	(538,717)
Hong Kong Profits Tax paid	(40,368)	(43,902)
PRC Enterprise Income Tax paid	–	(46,266)
Interest paid	(122,089)	(124,802)
NET CASH USED IN OPERATING ACTIVITIES	(194,967)	(753,687)



For the year ended 31 March 2015

	<i>NOTE</i>	2015 HK\$'000	2014 HK\$'000
INVESTING ACTIVITIES			
Advances to joint ventures		(357,408)	(340,684)
Purchases of property, plant and equipment		(6,483)	(48,304)
Investments in associates		(2,642)	(2,320)
(Advance to) repayment from an associate		(24,998)	1,040
Proceeds from disposal of available-for-sale investments		–	4,200
Dividends received from associates		165,280	9,384
Dividend received from a joint venture		50,000	–
Interest received		11,075	16,823
Decrease in loan receivables		22,667	18,040
Proceeds on disposal of property, plant and equipment		285	19,000
Proceeds from disposal of joint ventures		–	23,582
Net cash outflow on acquisition of subsidiaries	32	(573,230)	–
Investment/acquisition of joint ventures		(52,567)	–
Purchase of a club membership		(4,525)	–
Purchase of wine investments		(14,546)	–
NET CASH USED IN INVESTING ACTIVITIES		(787,092)	(299,239)
FINANCING ACTIVITIES			
Repayments of bank borrowings		(925,889)	(1,406,321)
Dividends paid		(108,924)	(151,830)
Repayments to associates		(3,879)	(1,703)
Decrease in amount due to a joint venture		(263)	(19,535)
Advances from non-controlling shareholders of subsidiaries		65,823	25,355
New bank borrowings raised		1,090,892	1,285,539
Net proceeds from placing of shares		442,899	–
Payment on repurchase of shares and related expenses		(94,785)	–
NET CASH FROM (USED IN) FINANCING ACTIVITIES		465,874	(268,495)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(516,185)	(1,321,421)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		1,790,628	3,112,049
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		1,274,443	1,790,628

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

For the year ended 31 March 2015

1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” in the annual report. The directors of the Company considers that Earnest Equity Limited, a private company incorporated in the British Virgin Islands (“BVI”), is its immediate holding company while Digisino Assets Limited, also a private company incorporated in the BVI, is its ultimate holding company. Its ultimate controlling party is Mr. Chung Cho Yee, Mico, a director and Chief Executive of the Company.

The Company is an investment holding company. The activities of its principal subsidiaries, joint ventures and associates are set out in notes 43, 20 and 21 respectively.

The consolidated financial statements are presented in Hong Kong dollars (HK\$), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs and the new Interpretation that are mandatorily effective for the current year

The Group has applied for the first time in the current year the following amendments to HKFRSs and a new Interpretation issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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

* IFRIC represents the IFRS Interpretations Committee

The application of the new and amendments to HKFRSs and the new Interpretation in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



For the year ended 31 March 2015

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

New and revised HKFRSs in issue but not yet effective

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

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

¹ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

⁴ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

⁵ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application permitted.

HKFRS 9 “Financial Instruments”

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

For the year ended 31 March 2015

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 9 “*Financial Instruments*” (Continued)

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 “*Financial Instruments: Recognition and Measurement*” are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.



For the year ended 31 March 2015

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 9 “*Financial Instruments*” (Continued)

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

The directors of the Company anticipate based on the Group’s consolidated financial statements as at 31 March 2015, the adoption of HKFRS 9 in the future will not affect the classification and measurement of the Group’s consolidated financial statements.

HKFRS 15 “*Revenue from Contracts with Customers*”

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “*Revenue*”, HKAS 11 “*Construction Contracts*” and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

For the year ended 31 March 2015

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

HKFRS 15 “Revenue from Contracts with Customers” (Continued)

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a potential impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company do not anticipate that the application of the other new and revised standards, amendments and interpretations will have a material impact on the consolidated financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.



For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.



For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion there of, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.



For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates and joint ventures (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from sale of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included as receipt in advance for sales of properties held for sale under current liabilities in the consolidated statement of financial position.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Rental income, including rental invoiced in advance from properties let under operating leases, is recognised on a straight-line basis over the term of the relevant leases.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

Property, plant and equipment

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Properties held for sale

Properties held for sale are stated in the consolidated statement of financial position at the lower of cost and net realisable value on an individual property basis. Cost includes the cost of the properties and other direct attributable expenses. Net realisable value is calculated at the actual or estimated selling price less the estimated costs necessary to make the sales.

If an item of properties held for sale is transferred to property, plant and equipment because its use has been changed, evidenced by the commencement of owner-occupation of the relevant property, the carrying amount of the properties held for sale at the date of transfer is recognised as the cost of the property, plant and equipment.

Properties under development for sale under current assets

Properties under development for sale under current assets are properties held for future sale in the ordinary course of business and are stated at the lower of cost and net realisable value. Cost includes the cost of property interests, development expenditure and other direct attributable expenses.

Upon completion, the properties are transferred to completed properties held for sale. Net realisable value takes into accounts the price ultimately expected to be realised, less the estimated costs necessary to make the sale and the anticipated cost to completion.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group as lessee

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

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

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating lease in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as prepaid lease payments in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Club memberships

Club memberships with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Gains or losses arising from derecognition of club memberships are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are reclassified as at FVTPL, when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gain or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets and is included in income and gains (losses) from investments line item. Fair value is determined in the manner described in note 41.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

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

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy in respect of impairment loss on financial assets below).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, amount(s) due from joint ventures, an associate, cash held by securities brokers and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.



For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

For certain categories of financial asset, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and loan receivable, where the carrying amount is reduced through the use of an allowance account. When a trade receivable or a loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account, changes in the carrying amount of the allowance account are recognised in profit or loss.

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

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

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

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entity are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.



For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL on initial recognition.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the income and gains (losses) from investments line item. Fair value is determined in the manner described in note 41.

Other financial liabilities

Other financial liabilities including other payables, amount(s) due to a joint venture, associates, non-controlling shareholders of subsidiaries, guaranteed notes and bank borrowings are subsequently measured at amortised cost using the effective interest method.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Financial guarantee contracts

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

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated at FVTPL, are subsequently measured at the higher of:

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

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derecognition

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

Provisions

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

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement benefits costs

Payments to defined contribution retirement benefits plans/state-managed retirement benefits schemes/the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.



For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).



For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Share-based payment arrangements

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment arrangements (Continued)

Share-based payment transactions of the Company (Continued)

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in equity (share option reserve) will be transferred to retained earnings.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis.

Key sources of estimation uncertainty

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

(i) Estimated impairments on properties held for sale and deposit paid for acquisition of properties held for sale

Management reviews the recoverability of the Group's property interests held for sale and deposits paid for acquisition of such properties interests with aggregate carrying amount of HK\$5,556,593,000 (2014: HK\$3,984,483,000) with reference to the current market environment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. Impairment for estimated irrecoverable amounts is recognised in profit and loss when there is objective evidence that the asset is impaired.

In determining whether impairment on the properties and the deposits is required, the Group takes into consideration the current market environment, the estimated market value of the properties held and to be acquired and/or the estimated net sale proceeds it expects to receive on disposals of the properties. If the market environment/circumstances changes significantly, resulting in a decrease in the recoverable amount of these property interests held and/or the deposits paid for acquisition of such properties, additional impairment loss may be required.

During the year ended 31 March 2015, impairment loss on properties held for sale amounted to approximately HK\$36,341,000 (2014: HK\$31,668,000) has been recognised in the consolidated statement of profit or loss.



For the year ended 31 March 2015

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

(ii) Fair value of derivative financial instruments

During the year ended 31 March 2014, conversion options embedded in convertible notes of HK\$31,252,000 are carried in the consolidated statement of financial position at fair value, as disclosed in notes 18. The best evidence of fair value is quoted prices in an active market, where quoted prices are not available for a particular financial instrument, the Group uses valuation techniques that include unobservable inputs as the basis for assessing the fair value of conversion options embedded in convertible notes. The use of methodologies, models and assumptions in pricing and valuing these financial instruments is subjective and requires varying degrees of judgment by counterparty entities/financial institutions, which may result in significantly different fair values and results.

5. REVENUE

Revenue represents the aggregate of the net amounts received and receivable from third parties for the year. An analysis of the Group's revenue for the year is as follows:

	2015 HK\$'000	2014 HK\$'000
Rental income and hotel operation (<i>Note</i>)	202,641	207,656
Sales of properties held for sale	542,970	2,370,415
	745,611	2,578,071

Note: This mainly comprises of rental income from properties.

6. SEGMENT INFORMATION

The Group's operating segments, identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM") in order to allocate resources to the segments and to assess its performance, are summarised as follows:

- (a) property holding segment, which engages in the investment and trading of properties and hotel operation;
- (b) strategic investment segment, which engages in property holding through strategic alliances with the joint venture partners of the joint ventures and associates; and
- (c) securities investment segment, which engages in the securities trading and investment.

For the year ended 31 March 2015

6. SEGMENT INFORMATION (Continued)**Segment revenues and results**

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

	Property holding HK\$'000	Strategic investment HK\$'000	Securities investment HK\$'000	Consolidated HK\$'000
<i>For the year ended 31 March 2015</i>				
Gross proceeds	745,611	–	1,069,349	1,814,960
EXTERNAL REVENUE				
Rental income and hotel operation	202,641	–	–	202,641
Sales of properties held for sale	542,970	–	–	542,970
Revenue of the Group	745,611	–	–	745,611
Interest income and dividend income	–	–	132,426	132,426
Share of results of joint ventures (<i>Note ii</i>)	–	16,631	–	16,631
Share of results of associates (<i>Note ii</i>)	–	57,737	–	57,737
Segment revenue	745,611	74,368	132,426	952,405
RESULTS				
Segment profit	305,873	81,079	40,733	427,685
Unallocated other income				65,506
Other gains and losses				1,147
Central administration costs				(90,888)
Finance costs				(122,089)
Profit before taxation				281,361

Notes:

- (i) The directors of the Company are not aware of any transactions between the operating segments during the year.
- (ii) Share of results of associates and joint ventures mainly represent share of the operating profits of these entities from their businesses of property development and trading.



For the year ended 31 March 2015

6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

	Property holding HK\$'000	Strategic investment HK\$'000	Securities investment HK\$'000	Consolidated HK\$'000
<i>For the year ended 31 March 2014</i>				
Gross proceeds	2,578,071	–	683,527	3,261,598
EXTERNAL REVENUE				
Rental income and hotel operation	207,656	–	–	207,656
Sales of properties held for sale	2,370,415	–	–	2,370,415
Revenue of the Group	2,578,071	–	–	2,578,071
Interest income and dividend income	–	–	130,303	130,303
Gain on disposal of joint ventures	–	5,693	–	5,693
Share of results of joint ventures (<i>Note ii</i>)	–	53,114	–	53,114
Share of results of associates (<i>Note ii</i>)	–	7,424	–	7,424
Segment revenue	2,578,071	66,231	130,303	2,774,605
RESULTS				
Segment profit	857,044	71,755	82,788	1,011,587
Unallocated other income				56,945
Other gains and losses				15,483
Central administration costs				(87,911)
Finance costs				(124,802)
Profit before taxation				871,302

Notes:

- (i) The directors of the Company are not aware of any transactions between the operating segments during the year.
- (ii) Share of results of associates and joint ventures mainly represent share of the operating profits of these entities from their businesses of property development and trading.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment, interest income, dividend income, fair value change of investments, gain on disposal of joint ventures and share of results of joint ventures and associates, without allocation of certain items of other income (primarily bank interest income) and of other gains and losses, central administrative costs, finance costs and income tax expenses. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

For the year ended 31 March 2015

6. SEGMENT INFORMATION (Continued)**Segment assets and liabilities**

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

	2015 HK\$'000	2014 HK\$'000
Segment assets		
Property holding	6,026,754	4,512,463
Strategic investment	3,627,907	3,331,073
Securities investment	1,311,742	1,957,308
Total segment assets	10,966,403	9,800,844
Property, plant and equipment	202,805	186,454
Cash held by securities brokers	5,340	3,993
Bank balances and cash	1,274,443	1,790,628
Other unallocated assets	112,750	65,109
Consolidated assets	12,561,741	11,847,028
Segment liabilities		
Property holding	202,131	111,650
Strategic investment	10,387	14,528
Securities investment	7,625	4,994
Total segment liabilities	220,143	131,172
Guaranteed notes	1,170,000	1,170,000
Bank borrowings	2,755,917	2,590,645
Taxation payable	138,854	160,290
Other unallocated liabilities	10,041	17,268
Consolidated liabilities	4,294,955	4,069,375

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

- all assets are allocated to operating segments other than certain property, plant and equipment, taxation recoverable, certain other receivables, cash held by securities brokers and bank balances and cash; and
- all liabilities are allocated to operating segments other than accruals and other payables of the head office, taxation payable, guaranteed notes, bank borrowings and deferred tax liabilities.



For the year ended 31 March 2015

6. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 March 2015

	Property holding HK\$'000	Strategic investment HK\$'000	Securities investment HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or segment assets and liabilities:						
Interests in joint ventures	-	1,653,996	-	1,653,996	-	1,653,996
Amounts due from joint ventures	-	1,937,397	-	1,937,397	-	1,937,397
Interests in associates	-	17,567	-	17,567	-	17,567
Amount due from an associate	-	18,947	-	18,947	-	18,947
Net decrease in fair value of investments held for trading	-	-	86,420	86,420	-	86,420
Gain on derecognition of investments in convertible notes (included in available-for-sale investments)	-	-	1,575	1,575	-	1,575
Depreciation and amortisation	15,550	-	-	15,550	20,326	35,876
Impairment loss on properties held for sale	36,341	-	-	36,341	-	36,341

For the year ended 31 March 2014

	Property holding HK\$'000	Strategic investment HK\$'000	Securities investment HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or segment assets and liabilities:						
Interests in joint ventures	-	1,517,088	-	1,517,088	-	1,517,088
Amounts due from joint ventures	-	1,701,726	-	1,701,726	-	1,701,726
Interests in associates	-	116,897	-	116,897	-	116,897
Net decrease in fair value of investments held for trading	-	-	56,190	56,190	-	56,190
Gain on derecognition of investments in convertible notes (included in available-for-sale investments)	-	-	500	500	-	500
Depreciation and amortisation	36,462	-	-	36,462	18,980	55,442
Impairment loss on properties held for sale	31,668	-	-	31,668	-	31,668
Gain on disposal of joint ventures	-	5,693	-	5,693	-	5,693

Geographical information

The Group's operations in property holding, strategic investment and securities investment are mainly located in Hong Kong, the People's Republic of China (the "PRC") and Macau.

The following table provides an analysis of the Group's revenue and non-current assets by geographical location.

Revenue from property rentals and sales of properties held for sale are allocated based on the geographical location of the property interests.

Non-current assets are allocated by geographical location of the assets.

For the year ended 31 March 2015

6. SEGMENT INFORMATION (Continued)**Geographical information (Continued)**

	Revenue from external customers		Non-current assets <i>(Note)</i>	
	Year ended 31 March			
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Hong Kong	368,273	2,517,150	1,836,276	1,794,023
PRC	55,230	60,921	500,105	500,173
Macau	322,108	–	–	–
	745,611	2,578,071	2,336,381	2,294,196

Note: Non-current assets exclude financial instruments and deposits.

Information about major tenants and buyers of properties

Revenue from customers, who are buyers of properties held for sale, which individually accounted for more than 10% of the consolidated revenue from external customers are detailed as below.

	2015 HK\$'000	2014 HK\$'000
Buyer A	221,000	N/A ¹
Buyer B	N/A ¹	668,000
Buyer C	N/A ¹	440,800
Buyer D	N/A ¹	283,565
	221,000	1,392,365

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group for the relevant year.

Revenue by type of income

The relevant information is set out in note 5.



For the year ended 31 March 2015

Notes to the Consolidated Financial Statements

7. INCOME AND GAINS (LOSSES) FROM INVESTMENTS

	2015 HK\$'000	2014 HK\$'000
Interest income from		
– investments held for trading	128,556	123,052
– available-for-sale investments	983	2,458
Dividend income from investments held for trading	2,887	4,793
(Decrease) increase in fair values of		
– investments held for trading	(86,420)	(56,190)
– conversion options embedded in convertible notes	–	16,272
Gain on derecognition of investments in convertible notes (<i>note 18</i>)	1,575	500
	47,581	90,885

The following is the analysis of the investment income and gains from respective financial instruments:

	2015 HK\$'000	2014 HK\$'000
– investments held for trading	45,023	71,655
– available-for-sale investments	2,558	2,958
– conversion options embedded in convertible notes	–	16,272
	47,581	90,885

8. OTHER INCOME

	2015 HK\$'000	2014 HK\$'000
Bank interest income	11,075	16,823
Loan interest income	6,011	4,534
Interest income from amount due from a joint venture	33,202	30,041
Amortisation of financial guarantee contracts	1,328	1,808
Assets management income	6,711	3,716
Others	13,890	5,437
	72,217	62,359

For the year ended 31 March 2015

9. OTHER GAINS AND LOSSES

	2015 HK\$'000	2014 HK\$'000
Other gains and losses comprise:		
Gain on disposal of property, plant and equipment	285	15,483
Net exchange gain	1,031	111
Gain on disposal of joint ventures (<i>Note i</i>)	–	5,693
Other sundry losses	(169)	–
	1,147	21,287

Note:

- (i) The gain on disposal of joint ventures during the year ended 31 March 2014 represented the disposal of the Group's 50% interest in Clever Keen Limited at a consideration of HK\$30,000,000.

10. FINANCE COSTS

	2015 HK\$'000	2014 HK\$'000
Interests on:		
Bank borrowings wholly repayable within five years	44,349	36,052
Bank borrowings not wholly repayable within five years but contain a repayment on demand clause in the loan agreement	543	1,629
Bank borrowings not wholly repayable within five years	17,479	19,559
Guaranteed notes	76,050	76,050
Total borrowing costs	138,421	133,290
Less: Amounts capitalised in the cost of qualifying assets	(16,332)	(8,488)
	122,089	124,802



For the year ended 31 March 2015

11. INCOME TAX EXPENSE

	2015 HK\$'000	2014 HK\$'000
The charge (credit) comprises:		
Hong Kong Profits Tax		
– Current year	11,123	45,206
– Underprovision in prior years	4,398	3,329
PRC Enterprise Income Tax		
– Underprovision in prior years	–	4,466
	15,521	53,001
Deferred taxation (<i>note 31</i>)	787	(961)
	16,308	52,040

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

According to the Macau Complementary Tax Law, complementary tax is imposed on a progressive rate scale ranging from 3% to 9% for taxable profits below or equal to Macau Pataca (“MOP”) 300,000 and 12% for taxable profits over MOP300,000. Taxable profits below MOP32,000 are exempt from tax.

Taxation arising in other jurisdiction is calculated at the rate prevailing in the relevant jurisdictions.

The tax charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss follows:

	2015 HK\$'000	2014 HK\$'000
Profit before taxation	281,361	871,302
Taxation at Hong Kong Profits Tax rate of 16.5%	46,425	143,765
Tax effect of expenses not deductible for tax purpose	76,888	16,283
Tax effect of income not taxable for tax purpose	(106,703)	(113,419)
Tax effect of share of results of joint ventures	(2,744)	(8,764)
Tax effect of share of results of associates	(9,527)	(1,225)
Tax effect of tax losses not recognised	10,104	13,771
Utilisation of tax loss previously not recognised	(2,178)	(6,166)
Underprovision in prior years	4,398	7,795
Effect of different tax rates of group entities operating in other jurisdictions	(355)	–
Income tax expense for the year	16,308	52,040

For the year ended 31 March 2015

12. PROFIT FOR THE YEAR

	2015 HK\$'000	2014 HK\$'000
Profit for the year has been arrived at after charging:		
Directors' remuneration (<i>note 13</i>):		
Fees	600	450
Salaries and other benefits	20,218	19,152
Performance-related incentive bonus	11,271	25,857
Contributions to retirement benefits schemes	661	752
	32,750	46,211
Other staff costs:		
Salaries and other benefits	24,077	30,118
Performance-related incentive bonus	8,194	8,169
Contributions to retirement benefits schemes	2,673	2,277
	34,944	40,564
Total staff costs	67,694	86,775
Auditor's remuneration	1,438	1,344
Depreciation of property, plant and equipment	35,876	55,442
Gain on disposal of property, plant and equipment	285	15,483
Impairment loss on properties held for sale	36,341	31,668
Cost of properties held for sale recognised as an expense	307,331	1,523,718



For the year ended 31 March 2015

13. DIRECTORS' REMUNERATION

The emoluments paid or payable to each of nine (2014: eight) directors were as follows:

For the year ended 31 March 2015

	Mr. Chung Cho Yee, Mico HK\$'000	Mr. Kan Sze Man HK\$'000	Mr. Chow Hou Man HK\$'000	Mr. Wong Chung Kwong HK\$'000	Mr. Fong Man Bun, Jimmy HK\$'000	Dr. Lam Lee G. HK\$'000	Dato' Wong Sin Just HK\$'000	Mr. Cheng Yuk Wo HK\$'000	Dr. Lo Wing Yan, William [#] HK\$'000	Total HK\$'000
Directors' remuneration										
Fees	-	-	-	-	-	150	150	150	150	600
Salaries and other benefits	10,616	2,763	2,581	1,561	2,697	-	-	-	-	20,218
Performance-related incentive bonus (Note)	8,000	1,000	900	371	1,000	-	-	-	-	11,271
Contributions to retirement benefits schemes	17	188	174	97	185	-	-	-	-	661
	18,633	3,951	3,655	2,029	3,882	150	150	150	150	32,750

[#] Dr. Lo Wing Yan, William was appointed on 1 April 2014.

For the year ended 31 March 2014

	Mr. Chung Cho Yee, Mico HK\$'000	Mr. Kan Sze Man HK\$'000	Mr. Chow Hou Man HK\$'000	Mr. Wong Chung Kwong HK\$'000	Mr. Fong Man Bun, Jimmy HK\$'000	Dr. Lam Lee G. HK\$'000	Dato' Wong Sin Just HK\$'000	Mr. Cheng Yuk Wo HK\$'000	Total HK\$'000
Directors' remuneration									
Fees	-	-	-	-	-	150	150	150	450
Salaries and other benefits	10,275	2,542	2,357	1,448	2,530	-	-	-	19,152
Performance-related incentive bonus (Note)	20,000	1,667	1,500	600	2,090	-	-	-	25,857
Contributions to retirement benefits schemes	15	211	193	102	231	-	-	-	752
	30,290	4,420	4,050	2,150	4,851	150	150	150	46,211

Note: Performance-related incentive bonus is recommended by the Remuneration Committee and is approved by the board of directors, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company has not appointed Chief Executive Officer, and the role and function of the Chief Executive Officer has been performed by the executive Board Committee collectively.

No directors waived any emoluments during both years.

During both years, no emoluments were paid by the Group to any director as an inducement to join or upon joining the Group or as compensation for loss of office.

For the year ended 31 March 2015

14. EMPLOYEES' REMUNERATION

Of the five individuals with the highest emoluments in the Group four (2014: four) were directors and the chief executive of the Company whose emoluments are included in note 13 above. The emoluments of the remaining one (2014: one) individual were as follows:

	2015 HK\$'000	2014 HK\$'000
Salaries and other benefits	1,940	1,830
Performance-related incentive bonus (<i>Note</i>)	576	900
Contributions to retirement benefits schemes	126	137
	2,642	2,867

Their emoluments were within the following bands:

	2015 Number of employee	2014 Number of employee
HK\$2,500,001 to HK\$3,000,000	1	1

Note: Performance-related incentive bonus is recommended by the Remuneration Committee and is approved by the board of directors, having regard to the Group's operating results, individual performance and comparable market statistics.

15. DIVIDENDS

	2015 HK\$'000	2014 HK\$'000
Dividend recognised as distribution during the year		
– Final dividend of HK1.14 cents per share in respect of financial year ended 31 March 2014 (2014: Final dividend of HK1.38 cents per share in respect of financial year ended 31 March 2013)	104,732	131,350
Dividend proposed after the end of the reporting period		
– Final dividend of HK0.378 cents per share (2014: Final dividend of HK1.14 cents per share)	39,641	104,732
– Special dividend of HK0.252 cents per share (2014: Special dividend of nil per share)	26,427	–



For the year ended 31 March 2015

16. EARNINGS PER SHARE

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

	2015 HK\$'000	2014 HK\$'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share: (profit for the year attributable to owners of the Company)	262,936	815,489
	2015 Number of shares	2014 Number of shares
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share (in thousands)	9,908,854	9,518,120

There were no potential ordinary shares outstanding as at end of both reporting periods.

For the year ended 31 March 2015

17. PROPERTY, PLANT AND EQUIPMENT

	Hotel property HK\$'000	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Vessel HK\$'000	Total HK\$'000
COST							
At 1 April 2013	575,000	157,539	13,168	1,243	3,738	30,344	781,032
Additions	-	-	3,624	143	-	44,537	48,304
Disposal	-	-	-	-	-	(30,144)	(30,144)
At 31 March 2014	575,000	157,539	16,792	1,386	3,738	44,737	799,192
Additions	-	912	3,509	244	1,818	-	6,483
Transfer	-	34,000	-	-	-	-	34,000
Disposal	-	-	-	-	(924)	-	(924)
At 31 March 2015	575,000	192,451	20,301	1,630	4,632	44,737	838,751
DEPRECIATION							
At 1 April 2013	68,272	12,320	3,677	685	2,906	22,306	110,166
Provided for the year	35,396	7,426	3,409	146	832	8,233	55,442
Eliminated on disposal	-	-	-	-	-	(26,627)	(26,627)
At 31 March 2014	103,668	19,746	7,086	831	3,738	3,912	138,981
Provided for the year	13,863	8,345	4,051	147	563	8,907	35,876
Eliminated on disposal	-	-	-	-	(924)	-	(924)
At 31 March 2015	117,531	28,091	11,137	978	3,377	12,819	173,933
CARRYING VALUES							
At 31 March 2015	457,469	164,360	9,164	652	1,255	31,918	664,818
At 31 March 2014	471,332	137,793	9,706	555	-	40,825	660,211

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Hotel property	2.78% to 50%
Land and buildings	Over the shorter of the terms of the relevant lease of the relevant land on which buildings are erected, or 5%
Leasehold improvements	20%
Furniture, fixtures and office equipment	20%
Motor vehicles	33%
Vessel	20%

The Group's hotel property and buildings comprise properties erected on land held under medium-term leases in Hong Kong.

Certain of the above property, plant and equipment is pledged to secure the general banking facilities granted to the Group. Details are set out in note 35.



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18. AVAILABLE-FOR-SALE INVESTMENTS/CONVERSION OPTIONS EMBEDDED IN CONVERTIBLE NOTES

	2015 HK\$'000	2014 HK\$'000
Available-for-sale investments comprises:		
Unlisted equity security, at cost (<i>Note i</i>)	5,005	5,005
Unlisted equity securities, at fair value (<i>Note ii</i>)	45,028	19,564
Unlisted debt securities, at fair value (<i>Note iii</i>)	–	36,043
	50,033	60,612
Analysed for reporting purposes as:		
Non-Current	50,033	24,569
Current	–	36,043
	50,033	60,612
Convertible options embedded in convertible notes, at fair value (<i>Note iv</i>)	–	31,252

Notes:

(i) Unlisted equity security, at cost

Included in the unlisted equity security, the carrying value of HK\$5,005,000 (2014: HK\$5,005,000) represents a 8.27% (2014: 8.27%) interest in MC Founder Limited (“MC Founder”). MC Founder is incorporated in Hong Kong and engaged in the trading of mobile phones.

The unlisted equity security is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimate is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

(ii) Unlisted equity securities, at fair value

Included in the unlisted equity securities, the carrying value of HK\$37,932,000 (2014: HK\$19,245,000) represents a 5.25% (2014: 5.25%) interest in an investee engaged in holding of properties interest located in the PRC, which the Group further invested HK\$18,468,000 during the current year.

Included in the unlisted equity securities, the carrying value of HK\$6,062,000 (2014: HK\$nil) represents a 4.83% (2014: nil) interest in an investee engaged in provision of financial services in the PRC, which the Group invested during the current year.

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18. AVAILABLE-FOR-SALE INVESTMENTS/CONVERSION OPTIONS EMBEDDED IN CONVERTIBLE NOTES (Continued)

Notes: (Continued)

(iii) Unlisted debt securities/convertible options embedded in convertible notes

As at 31 March 2014, the unlisted debt securities ("Asia Orient CB") represent the fair value of debt elements of the convertible notes issued by Asia Orient Holdings Limited that was independent third party of the Group, whose shares are listed on the Stock Exchange. The Asia Orient CB with a principal amount of HK\$38,000,000 carries interest at 6.5% per annum with maturity on 14 October 2014 at redemption amount of 100% of the principal amount.

During the year ended 31 March 2015, the Group converted all Asia Orient CB into shares of Asia Orient Holdings Limited at exercise price of HK\$1.1 per share. All converted shares have been disposed of and a profit of HK\$1,575,000 was recognised to profit or loss during the year.

(iv) Convertible options embedded in convertible notes, at fair value

The Group has designated the debt elements of the convertible notes as available-for-sale investments on initial recognition.

As at 31 March 2014, the fair value of debt element was calculated based on the present value of contractually determined stream of future cash flows discounted at the required yield, which was determined with reference to the credit rating of the convertible note issuers and remaining time to maturity.

Conversion options embedded in convertible notes as at 31 March 2014 was measured at fair value using the binomial option pricing model.

The fair value of each of the debt and conversion option component of the convertible notes on initial recognition and at the end of each reporting period were determined by the directors of the Company with reference to the valuation performed by Asset Appraisal Limited, firm of independent valuer not connected with the Group.

As mentioned in note (iii) above, the unlisted debt securities were disposed of during the year, the relevant convertible option embedded in convertible notes have also been derecognised.

19. LOAN RECEIVABLES

	2015 HK\$'000	2014 HK\$'000
The Group's variable rate loan receivables are repayable as follows:		
Within one year	–	72,667
Less: Amount due within one year (included in other receivables (note 23))	–	(72,667)
	–	–

The Group offers loans to buyers of properties sold by the Group and the repayment terms of the loans are specified in the loan agreements.



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19. LOAN RECEIVABLES (Continued)

The Group's loan receivables are denominated in Hong Kong dollars, the functional currency of the relevant group entity, and carry interest rates (which are the contractual interest rates) at prime rate minus a fixed margin per annum. The Group has a second mortgage over the property acquired by the purchaser. The effective interest rate of the loan receivables is 4.00% per annum during the year ended 31 March 2014. The receivable is to be settled within 1 year by instalments and a lump-sum at maturity.

During the year ended 31 March 2014, the non-current portion of the long-term loan receivables are due within one year, and these amounts are reclassified to current portion of loan receivables which are included in trade and other receivables.

20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES

	2015 HK\$'000	2014 HK\$'000
Costs of unlisted investments in joint ventures	860,616	858,049
Share of post-acquisition profits, net of dividend received	297,168	237,103
Exchange difference arising on translation	44,950	44,032
Deemed capital contribution – financial guarantee contracts	8,034	8,516
Deemed capital contribution – interest-free loans (<i>Note i</i>)	443,228	369,388
	1,653,996	1,517,088
Amounts due from joint ventures included in non-current assets (<i>Note i</i>)	1,937,397	1,701,726
Amount due to a joint venture included in current liabilities (<i>Note ii</i>)	169	432

Notes:

- (i) Included in the amounts due from joint ventures are principal amounts of HK\$505,330,000 (2014: HK\$482,530,000), which are unsecured, bear interest at prime rate plus 1% per annum and repayable after one year. The remaining amounts with principal of HK\$1,888,493,000 (2014: HK\$1,587,088,000) are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of the directors, settlement is neither planned nor likely to occur in the foreseeable future. The directors consider that the amounts form part of the net investments in the joint ventures. At the end of the reporting period, the carrying amounts of such non-interest bearing portion of HK\$1,445,265,000 (2014: HK\$1,217,700,000) is determined based on the present value of future cash flows discounted using an effective interest rate of 5.7% (2014: 5.7%). It is expected that the amounts will be repayable in 5 years. The corresponding adjustment in relation to the imputed interests on the non-interest bearing amounts due from joint ventures is recognised against the interests in the joint ventures. All the amounts are not expected to be repaid within one year and are therefore classified as non-current.

In addition, included in the amounts due from joint ventures are the share of loss of joint ventures of HK\$85,793,000 (2014: HK\$42,358,000) representing share of the loss in excess of the cost of investment and interest income from amounts due from joint ventures of HK\$77,056,000 (2014: HK\$43,855,000).

- (ii) The amounts are unsecured, non-interest bearing and repayable on demand.

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20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

As at 31 March 2015 and 2014, the Group had interests in the following significant joint ventures:

Name of entity	Form of entity	Place of incorporation	Principal place of operation	Class of share held	Proportion of nominal value of issued capital held by the Group (Note i)		Proportion of voting power held		Principal activities
					2015	2014	2015	2014	
Chater Capital Limited and its subsidiaries	Incorporated	British Virgin Islands ("BVI")	PRC	Ordinary	50%	50%	50% (Note ii)	50% (Note ii)	Property development
Cyrus Point Limited and its subsidiaries	Incorporated	BVI	Hong Kong	Ordinary	50%	50%	50% (Note ii)	50% (Note ii)	Hotel operation and property holding
Vastness Investment Limited and its subsidiaries	Incorporated	BVI	Hong Kong	Ordinary	50%	50%	50% (Note ii)	50% (Note ii)	Property development
Eagle Wonder Limited and its subsidiaries	Incorporated	BVI	Hong Kong	Ordinary	60%	60%	60% (Note ii)	60% (Note ii)	Property development
Get Wisdom Limited and its subsidiaries	Incorporated	BVI	PRC	Ordinary	50%	50%	50% (Note ii)	50% (Note ii)	Property holding
Hillcharm Limited and its subsidiaries	Incorporated	BVI	Hong Kong	Ordinary	50%	–	50% (Note ii)	–	Property holding

Notes:

- (i) All the interests shown are held indirectly by the Group.
- (ii) Regarding these joint ventures, the Group has entered into agreements with the joint venture partners in respect of the operations and control of these entities. Based on the legal form and terms of the contractual arrangements, the investment in these entities are treated as joint venture because major decisions require consent of both parties.

The above table lists the joint ventures of the group which, in the opinion of the directors of the Company, principally affected the results of the year or form a substantial portion of the net assets of the group. To give details of other joint ventures would, in the opinion of the directors of the Company, result in particulars of excessive length.



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20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with HKFRSs adjusted by the Group for equity accounting purposes.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

Chater Capital Limited

	2015 HK\$'000	2014 HK\$'000
Current assets	2,242,967	1,602,054
Non-current assets	426	704
Current liabilities	(849,320)	(87,444)
Non-current liabilities	(365,775)	(483,185)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	242,136	116,579
Current financial liabilities (excluding trade and other payables and provisions)	(14,561)	(14,669)
Non-current financial liabilities (excluding trade and other payables and provisions)	(365,775)	(483,185)

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20.INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)**Summarised financial information of material joint ventures (Continued)****Chater Capital Limited (Continued)**

Current assets mainly comprise of property held for sale under development of HK\$2,018,382,000 (2014: HK\$1,498,293,000). Current liabilities mainly comprise of bank loan of HK\$594,390,000 (2014: HK\$nil). Non-current liabilities mainly comprise of bank loan of HK\$365,775,000 (2014: HK\$483,185,000).

	2015 HK\$'000	2014 HK\$'000
Revenue	–	–
(Loss) profit from continuing operations	(5,109)	2,809
Post-tax loss from discontinued operations	–	–
(Loss) profit for the year	(5,109)	2,809
Other comprehensive income for the year	1,278	18,979
Total comprehensive (expense) income for the year	(3,831)	21,788
Dividends received from the joint venture during the year	–	–
The above (loss) profit for the year include the following:		
Depreciation and amortisation	385	381
Interest income	71	47
Interest expense	–	–
Income tax expense	–	–



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Notes to the Consolidated Financial Statements

20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Chater Capital Limited (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2015 HK\$'000	2014 HK\$'000
Net assets of the joint venture	1,028,298	1,032,129
Proportion of the Group's ownership interest in the joint venture	50%	50%
Deemed capital contribution – financial guarantee contracts	891	4,574
Deemed capital contribution – interest-free loans	31,076	12,071
Carrying amount of the Group's interest in the joint venture	546,116	532,709

Cyrus Point Limited

	2015 HK\$'000	2014 HK\$'000
Current assets	170,943	209,390
Non-current assets	2,401,856	2,400,047
Current liabilities	(31,401)	(32,107)
Non-current liabilities	(2,452,294)	(2,452,286)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	139,150	176,613
Current financial liabilities (excluding trade and other payables and provisions)	(8,443)	(6,488)
Non-current financial liabilities (excluding trade and other payables and provisions)	(2,313,256)	(2,413,249)

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20.INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)**Summarised financial information of material joint ventures (Continued)****Cyrus Point Limited (Continued)**

Non-current assets mainly comprise of hotel property of HK\$2,368,769,000 (2014: HK\$2,368,741,000). Non-current liabilities mainly comprise of amount due to shareholders of HK\$1,120,900,000 (2014: HK\$1,220,900,000) and bank loan of HK\$1,184,000,000 (2014: HK\$1,184,000,000).

	2015 HK\$'000	2014 HK\$'000
Revenue	231,891	243,931
Profit from continuing operations	64,027	73,405
Post-tax profit from discontinued operations	–	–
Profit for the year	64,027	73,405
Other comprehensive income for the year	–	–
Total comprehensive income for the year	64,027	73,405
Dividends received from the joint venture during the year	50,000	–
	2015 HK\$'000	2014 HK\$'000
The above profit for the year include the following:		
Depreciation and amortisation	420	167
Interest income	19	18
Interest expense	36,969	36,791
Income tax expense	16,644	14,854



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Notes to the Consolidated Financial Statements

20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Cyrus Point Limited (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2015 HK\$'000	2014 HK\$'000
Net assets of the joint venture	89,104	125,044
Proportion of the Group's ownership interest in the joint venture	50%	50%
Deemed capital contribution – interest-free loans	121,404	121,404
Carrying amount of the Group's interest in the joint venture	165,956	183,926

Vastness Investment Limited

	2015 HK\$'000	2014 HK\$'000
Current assets	1,671,360	1,489,285
Non-current assets	15,113	19,590
Current liabilities	(1,013,067)	(397,348)
Non-current liabilities	–	(418,779)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	1,923	4,414
Current financial liabilities (excluding trade and other payables and provisions)	(588,375)	(76,000)
Non-current financial liabilities (excluding trade and other payables and provisions)	–	(418,779)

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20.INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)**Summarised financial information of material joint ventures (Continued)****Vastness Investment Limited (Continued)**

Current assets mainly comprise of property held for sale of HK\$1,292,332,000 (2014: HK\$1,129,428,000). Current liabilities mainly comprise of bank loan of HK\$482,375,000 (2014: HK\$nil). Non-current financial liabilities mainly comprise of bank loan of HK\$nil (2014: HK\$418,779,000).

	2015 HK\$'000	2014 HK\$'000
Revenue	–	–
Loss from continuing operations	(19,341)	(17,448)
Post-tax loss from discontinued operations	–	–
Loss for the year	(19,341)	(17,448)
Other comprehensive expense for the year	–	–
Total comprehensive expense for the year	(19,341)	(17,448)
Dividends received from the joint venture during the year	–	–
	2015 HK\$'000	2014 HK\$'000
The above loss for the year include the following:		
Depreciation and amortisation	9,952	11,201
Interest income	2,970	785
Interest expense	–	–
Income tax expense	–	–



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Notes to the Consolidated Financial Statements

20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Vastness Investment Limited (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2015 HK\$'000	2014 HK\$'000
Net assets of the joint venture	673,406	692,748
Proportion of the Group's ownership interest in the joint venture	50%	50%
Deemed capital contribution – interest-free loans	12,830	9,199
Carrying amount of the Group's interest in the joint venture	349,533	355,573

Eagle Wonder Limited

	2015 HK\$'000	2014 HK\$'000
Current assets	1,550,152	1,510,883
Non-current assets	–	–
Current liabilities	(1,090,707)	(701,651)
Non-current liabilities	(582,386)	(877,308)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	11,205	3,364
Current financial liabilities (excluding trade and other payables and provisions)	(1,088,357)	(700,000)
Non-current financial liabilities (excluding trade and other payables and provisions)	(582,386)	(877,308)

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20.INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)**Summarised financial information of material joint ventures (Continued)****Eagle Wonder Limited (Continued)**

Current assets mainly comprise of property held for sale under development of HK\$1,538,945,000 (2014: HK\$1,507,519,000). Current liabilities mainly comprise of bank loan of HK\$700,100,000 (2014: HK\$700,000,000). Non-current liabilities mainly comprise of shareholders' loan of HK\$582,386,000 (2014: HK\$877,308,000).

	2015 HK\$'000	2014 HK\$'000
Revenue	–	3,855
Loss from continuing operations	(54,865)	(48,667)
Post-tax loss from discontinued operations	–	–
Loss for the year	(54,865)	(48,667)
Other comprehensive expense for the year	–	–
Total comprehensive expense for the year	(54,865)	(48,667)
Dividends received from the joint venture during the year	–	–
	2015 HK\$'000	2014 HK\$'000
The above loss for the year include the following:		
Depreciation and amortisation	–	–
Interest income	–	–
Interest expense	55,336	50,068
Income tax expense	–	–



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20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Eagle Wonder Limited (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2015 HK\$'000	2014 HK\$'000
Net liabilities of the joint venture	(122,941)	(68,076)
Proportion of the Group's ownership interest in the joint venture	60%	60%
Deemed capital contribution – financial guarantee contracts	2,760	1,260
Share of net liabilities by amount due from the joint venture	73,765	40,846
Carrying amount of the Group's interest in the joint venture	2,760	1,260

Get Wisdom Limited

	2015 HK\$'000	2014 HK\$'000
Current assets	2,796,323	2,772,994
Non-current assets	100	88
Current liabilities	(1,336,791)	(2,353,526)
Non-current liabilities	(963,310)	–
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	450,186	430,289
Current financial liabilities (excluding trade and other payables and provisions)	(1,301,496)	(2,318,705)
Non-current financial liabilities (excluding trade and other payables and provisions)	(963,310)	–

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20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Get Wisdom Limited (Continued)

Current assets mainly comprise of property held for sale of HK\$2,336,719,000 (2014: HK\$2,333,890,000). Current liabilities mainly comprise of bank loan of HK\$121,062,000 (2014: HK\$959,343,000). Non-current liabilities mainly comprise of bank loan of HK\$963,310,000 (2014: HK\$nil).

	2015 HK\$'000	2014 HK\$'000
Revenue	182,408	174,427
Profit from continuing operations	76,209	105,748
Post-tax profit from discontinued operations	–	–
Profit for the year	76,209	105,748
Other comprehensive income for the year	559	6,657
Total comprehensive income for the year	76,768	112,405
Dividends received from the joint venture during the year	–	–
	2015 HK\$'000	2014 HK\$'000
The above profit for the year include the following:		
Depreciation and amortisation	16	14
Interest income	8,420	7,369
Interest expense	37,966	41,235
Income tax expense	26,936	25,550



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Notes to the Consolidated Financial Statements

20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Get Wisdom Limited (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2015 HK\$'000	2014 HK\$'000
Net assets of the joint venture	496,322	419,556
Proportion of the Group's ownership interest in the joint venture	50%	50%
Deemed capital contribution – financial guarantee contracts	1,343	2,048
Deemed capital contribution – interest-free loans	148,444	171,853
Carrying amount of the Group's interest in the joint venture	397,948	383,679

Hillcharm Limited

	2015 HK\$'000
Current assets	6,394
Non-current assets	669,792
Current liabilities	(394,393)
Non-current liabilities	(280,671)
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	2,475
Current financial liabilities (excluding trade and other payables and provisions)	(389,350)
Non-current financial liabilities (excluding trade and other payables and provisions)	(280,671)

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20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)**Summarised financial information of material joint ventures (Continued)****Hillcharm Limited (Continued)**

Non-current assets mainly comprise of property held for sale of HK\$669,792,000 (2014: HK\$nil). Current liabilities mainly comprise of amount due to shareholders of HK\$389,350,000 (2014: HK\$nil). Non-current liabilities mainly comprise of bank loan of HK\$280,671,000 (2014: HK\$nil).

	2015 HK\$'000
Revenue	1,919
Profit from continuing operations	1,122
Post-tax profit from discontinued operations	–
Profit for the year	1,122
Other comprehensive income for the year	–
Total comprehensive income for the year	1,122
Dividends received from the joint venture during the year	–
	2015 HK\$'000
The above profit for the year include the following:	
Depreciation and amortisation	–
Interest income	–
Interest expense	–
Income tax expense	226



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Notes to the Consolidated Financial Statements

20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued) Hillcharm Limited (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2015 HK\$'000
Net assets of the joint venture	1,122
Proportion of the Group's ownership interest in the joint venture	50%
Deemed capital contribution – financial guarantee contracts	1,700
Deemed capital contribution – interest-free loans	47,126
Carrying amount of the Group's interest in the joint venture	49,387

Aggregate information of joint ventures that are not individually material

	2015 HK\$'000	2014 HK\$'000
The Group's share of (loss) profit from continuing operations	(8,904)	57
The Group's share of post-tax profit (loss) from discontinued operations	–	–
The Group's share of other comprehensive expense	(4,464)	–
The Group's share of total comprehensive (expense) income	(13,368)	57

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20. INTERESTS IN JOINT VENTURES/AMOUNTS DUE FROM (TO) JOINT VENTURES (Continued)**Summarised financial information of material joint ventures (Continued)****Unrecognised share of losses of joint ventures**

	2015 HK\$'000	2014 HK\$'000
The unrecognised share of losses of joint ventures for the year	(2,097)	1,493
	2015 HK\$'000	2014 HK\$'000
Cumulative unrecognised share of losses of joint ventures	–	2,097

Significant restriction

There are no significant restrictions on the liability of the joint venture to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group.

21. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES

	2015 HK\$'000	2014 HK\$'000
Costs of unlisted investments in associates	10,247	109,056
Share of post-acquisition profits and other comprehensive income, net of dividend received	1,269	7,361
Deemed capital contribution – financial guarantee contracts	–	480
Deemed capital contribution – interest-free loans	6,051	–
	17,567	116,897
Amount due from an associate included in non-current assets (<i>Note i</i>)	18,947	–
Amounts due to associates included in current liabilities (<i>Notes ii</i>)	10,218	14,097

Notes:

- (i) The amounts are unsecured, non-interest bearing and repayable on demand. In the opinion of the directors, settlement is neither planned nor likely to occur in the foreseeable future. The directors considered that the amounts as at the end of the reporting period form part of the net investments in the relevant associates. Accordingly, the amounts were classified as non-current. The directors of the Company consider that the carrying amounts of these balances approximates to their fair values.
- (ii) The amounts are unsecured, non-interest bearing and repayable on demand.



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Notes to the Consolidated Financial Statements

21. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES (Continued)

At 31 March 2014 and 2015, the Group had interests in the following associates:

Name of entity	Form of entity	Place of incorporation	Principal place of operation	Class of shares held	Proportion of nominal value of issued share capital held indirectly by the Group		Proportion of voting power held		Principal activities
					2015	2014	2015	2014	
Expert Dragon Limited ("Expert Dragon") <i>(Note)</i>	Incorporated	BVI	Hong Kong	Ordinary	40%	40%	33%	33%	Property holding
Trend Rainbow Limited ("Trend Rainbow")	Incorporated	Hong Kong	Hong Kong	Ordinary	40%	40%	40%	40%	Property holding
Wealth Explorer Holdings Limited ("Wealth Explorer")	Incorporated	BVI	Hong Kong	Ordinary	20%	–	20%	–	Property holding

Note: Expert Dragon has three shareholders and each shareholder has power to appoint a director to the board of directors, which decisions on operating and financing activities require a majority in number of the directors. Accordingly, Expert Dragon is treated as an associate of the Group.

Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs adjusted by the Group for equity accounting purposes.

All of these associates are accounted for using the equity method in these consolidated financial statements.

Expert Dragon

	2015 HK\$'000	2014 HK\$'000
Current assets	25,615	507,333
Non-current assets	–	–
Current liabilities	(2)	(18,400)
Non-current liabilities	–	(207,600)

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21. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

Expert Dragon (Continued)

Current assets mainly comprise of property held for sale of HK\$nil (2014: HK\$504,089,000). Non-current financial liabilities mainly comprise of bank loan of HK\$nil (2014: HK\$207,600,000).

	2015 HK\$'000	2014 HK\$'000
Revenue	7,286	16,068
Profit for the year	149,343	6,487
Other comprehensive income for the year	–	–
Total comprehensive income for the year	149,343	6,487
Dividends received from the associate during the year	161,200	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2015 HK\$'000	2014 HK\$'000
Net assets of the associate	25,613	281,333
Proportion of the Group's ownership interest in the associate	40%	40%
Deemed capital contribution – Financial guarantee contracts	–	480
Carrying amount of the Group's interest in the associate	10,245	113,013



For the year ended 31 March 2015

Notes to the Consolidated Financial Statements

21. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

Trend Rainbow

	2015 HK\$'000	2014 HK\$'000
Current assets	135	7,259
Non-current assets	3,113	5,156
Current liabilities	(73)	(2,705)
Non-current liabilities	–	–

Current assets mainly comprise of amounts due from shareholders of HK\$nil (2014: HK\$7,193,000). Current liabilities mainly comprise of amount due to an associate of HK\$nil (2014: HK\$2,700,000).

	2015 HK\$'000	2014 HK\$'000
Revenue	3,657	12,080
Profit for the year	3,647	12,074
Other comprehensive income for the year	–	–
Total comprehensive income for the year	3,647	12,074
Dividends received from the associate during the year	4,080	9,384

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2015 HK\$'000	2014 HK\$'000
Net assets of the associate	3,175	9,710
Proportion of the Group's ownership interest in the associate	40%	40%
Carrying amount of the Group's interest in the associate	1,270	3,884

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21. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

Wealth Explorer

	2015 HK\$'000
Current assets	–
Non-current assets	125,000
Current liabilities	(5)
Non-current liabilities	(124,992)

Non-current assets mainly comprise of deposit paid for acquisition of subsidiary of HK\$125,000,000. Non-current liabilities mainly comprise of amount due to shareholders of HK\$124,992,000.

	2015 HK\$'000
Revenue	–
Loss for the year	(5)
Other comprehensive expense for the year	–
Total comprehensive expense for the year	(5)
Dividends received from the associate during the year	–



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21. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM (TO) ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

Wealth Explorer (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2015 HK\$'000
Net assets of the associate	3
Proportion of the Group's ownership interest in the associate	20%
Deemed capital contribution – interest-free loans	6,051
Carrying amount of the Group's interest in the associate	6,052

Significant restriction

There are no significant restrictions on the ability of the associates of transfer funds to the Group in the form of cash dividends, or to repay or advance made by the Group.

For the year ended 31 March 2015

22. OTHER INVESTMENTS

	2015 HK\$'000	2014 HK\$'000
Wine investments, at cost (<i>Note</i>)	14,546	–

Note: Wine investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

23. TRADE AND OTHER RECEIVABLES

The Group allows its trade customers with a credit period normally ranging from 30 days to 90 days. The aged analysis of the trade receivables, presented based on the invoice date, which approximated the revenue recognition date, at the end of the reporting period is as follows:

	2015 HK\$'000	2014 HK\$'000
Trade receivables:		
0 – 30 days	910	1,620
31 – 90 days	5,095	5,072
Loan receivables – due within one year (<i>note 19</i>)	6,005	6,692
Prepayments and deposits	–	72,667
Other receivables	22,879	14,603
	88,711	49,730
	117,595	143,692

Before accepting new customers, the Group will assess and understand the potential customer's credit quality.

The entire trade receivable balance was neither past due nor impaired and had no default record based on historical information.



For the year ended 31 March 2015

24. PROPERTIES HELD FOR SALE

	2015 HK\$'000	2014 HK\$'000
The Group's carrying amounts of properties held for sale, stated at cost, comprise:		
– Completed properties	3,690,646	3,074,139
– Property under development	1,865,947	899,448
	5,556,593	3,973,587

In the opinion of the directors, all properties held for sale are expected to be realised in the business cycle of two to four years.

Certain of the above properties held for sale are pledged to secure the general facilities granted to the Group. Details are set out in note 35.

25. INVESTMENTS HELD FOR TRADING

Investments held for trading, at fair values, comprise:

	2015 HK\$'000	2014 HK\$'000
Listed equity securities (<i>Note i</i>)	43,199	64,510
Unlisted mutual funds (<i>Note ii</i>)	11,700	–
	54,899	64,510
Listed debt securities (<i>Note iii</i>)	1,176,479	1,760,754
	1,231,378	1,825,264
Total and reported as:		
Listed		
Hong Kong	472,869	473,246
Elsewhere	746,809	1,352,018
Unlisted	11,700	–
	1,231,378	1,825,264

For the year ended 31 March 2015

25. INVESTMENTS HELD FOR TRADING (Continued)

Notes:

- (i) The fair value was based on the quoted prices of the respective securities in active markets for identical assets.
- (ii) Unlisted mutual funds represent units in investment funds managed by financial institutions. The underlying assets of the funds comprise unlisted bonds issued by government, central banks, banks and corporate entities in Asia.

The Group has the right to redeem such investment units at the redemption price provided by the investment fund managers on a regular basis. The fair value of the investment fund was determined based on redemption price provided by the investment fund managers, which was determined with reference to the value of the underlying assets of the funds.

- (iii) The listed debt securities at 31 March 2015 represent bonds with fixed interest of 2.7% to 11.75% (2014: 4.75% to 13.00%) per annum. The maturity dates of the listed debt securities range from 1 April 2015 to 9 March 2020 (2014: 29 April 2015 to 5 February 2020). Their fair values are determined based on quoted market bid prices available from the market.

Certain of the listed debt securities is pledged to secure the general banking facilities granted to the Group. Details are set out in note 35.

26. CASH HELD BY SECURITIES BROKERS/BANK BALANCES AND CASH

Cash held by securities brokers are short term deposits which carry variable interest rate ranged from 0.025% to 0.15% (2014: 0.025% to 0.15%) per annum.

The amounts of Group's cash held by securities brokers denominated in a currency other than the functional currencies of the relevant group entities are set out below:

	2015 HK\$'000	2014 HK\$'000
United States dollars ("USD")	1,303	2,782

Bank balances and cash comprises bank balances and cash and short-term bank deposits with an original maturity of three months or less. The bank balances carry variable interest rates ranging from 0.01% to 4.3% (2014: 0.01% to 1.75%) per annum.

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

	2015 HK\$'000	2014 HK\$'000
Renminbi ("RMB")	23,068	1,574
USD	103,805	337,811
Euro ("EUR")	1,646	2,061
	128,519	341,446



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Notes to the Consolidated Financial Statements

27. OTHER PAYABLES AND ACCRUALS

The following is the breakdown of other payables and accruals at the end of the reporting period:

	2015 HK\$'000	2014 HK\$'000
Rental and related deposits received	52,433	47,085
Receipt in advance for sales of properties held for sale	11,137	–
Other tax payables	2,050	5,404
Other payables	6,761	5,838
Accruals	47,708	42,486
	120,089	100,813

28. BANK BORROWINGS

	2015 HK\$'000	2014 HK\$'000
The Group's secured borrowings are repayable as follows:		
Within one year	418,996	670,179
More than one year, but not exceeding two years	673,379	303,636
More than two years, but not exceeding three years	336,798	508,573
More than three years, but not exceeding four years	134,907	236,732
More than four years, but not exceeding five years	288,568	107,054
More than five years	612,061	632,255
	2,464,709	2,458,429
The Group's secured borrowings that contain a repayment on demand clause in the loan agreements:		
Repayable within one year	6,431	29,709
Not repayable within one year	284,777	102,507
	291,208	132,216
	2,755,917	2,590,645
Less: Amount due within one year or contain a repayment on demand clause in the loan agreement shown under current liabilities	(710,204)	(802,395)
	2,045,713	1,788,250

For the year ended 31 March 2015

28. BANK BORROWINGS (Continued)

The secured bank borrowings were secured by certain of the Group's property, plant and equipment, properties held for sale and investments held for trading. The carrying amount of the assets pledged are disclosed in note 35.

All amounts of the Group's bank borrowings are denominated in the functional currency of the relevant group entity.

The bank borrowings carried floating rate interests, of which borrowings amounting to HK\$2,542,557,000 (2014: HK\$2,358,629,000) bear interest at Hong Kong Interbank Offer Rate ("HIBOR") plus 0.55% to 2.95% (2014: HIBOR plus 0.50% to 2.95%) per annum and borrowings amounting to HK\$213,360,000 (2014: HK\$232,016,000) bear interest at the quoted lending rate of People's Bank of China minus a fixed margin for both years. At 31 March 2015, the effective interest rates ranged from 0.64% to 6.49% (2014: 0.65% to 5.99%) per annum, which are also equal to contracted interest rates for bank borrowings.

29. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK0.8 cent each		
Authorised:		
At 1 April 2013, 31 March 2014 and 2015	22,500,000,000	180,000
Issued and fully paid:		
At 1 April 2013 and 31 March 2014	9,518,119,676	76,145
Placing of shares (<i>Note i</i>)	1,300,000,000	10,400
Share repurchases (<i>Note ii</i>)	(331,080,000)	(2,649)
At 31 March 2015	10,487,039,676	83,896

Notes:

- (i) On 25 September 2014, the Company completed a placing of 1,300,000,000 shares at a subscription price of HK\$0.35 per placing share. Details of the placing are set out in the Company's announcement dated 16 September 2014.



For the year ended 31 March 2015

29. SHARE CAPITAL (Continued)

Notes: (Continued)

- (ii) During the year ended 31 March 2015, the Company repurchased 331,080,000 of its own shares through the HKSE. The above shares were cancelled upon repurchase and the total amount paid to acquire these cancelled shares of HK\$94,332,000 was deducted from equity holder's equity. The details are as follows:

Month of repurchase	Number of ordinary shares repurchased and cancelled	Price per share		Aggregate price paid HK\$'000
		Highest	Lowest	
		HK\$	HK\$	
April 2014	42,000,000	0.280	0.270	11,577
May 2014	207,050,000	0.280	0.275	57,018
July 2014	46,390,000	0.315	0.290	14,165
August 2014	35,640,000	0.330	0.320	11,572
	331,080,000			94,332

All the shares issued by the Company during the year ended 31 March 2015 rank pari passu with the then existing ordinary shares in all respects.

30. GUARANTEED NOTES

On 9 January 2013, a wholly-owned subsidiary of the Company, Estate Sky Limited, issued guaranteed notes, of which the Company is the guarantor, in the aggregate principal amount of US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) at an interest rate of 6.5% per annum, payable semi-annually in arrears. The guaranteed notes will be matured on 16 January 2018.

31. DEFERRED TAXATION

The following are the major deferred tax liabilities (assets) recognised and movements thereon during the current and prior year:

	Accelerated tax depreciation HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 April 2013	9,800	(1,096)	8,704
Credit to consolidated statement of profit or loss for the year	(792)	(169)	(961)
At 31 March 2014	9,008	(1,265)	7,743
Charge (credit) to consolidated statement of profit or loss for the year	1,102	(315)	787
At 31 March 2015	10,110	(1,580)	8,530

For the year ended 31 March 2015

31. DEFERRED TAXATION (Continued)

As at 31 March 2015, the Group had unused tax losses of approximately HK\$146,823,000 (2014: HK\$128,372,000) available for offset against future profits of which certain of these tax losses have not yet been agreed with the tax authority. A deferred tax asset has been recognised in respect of tax loss of HK\$9,576,000 (2014: HK\$7,666,000). No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK\$137,247,000 (2014: HK\$120,706,000) due to unpredictability of future profits streams. Such tax losses can be carried forward indefinitely.

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. For financial reporting purposes, the deferred tax balances are analysed as deferred tax liabilities.

32. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

- (i) During the year ended 31 March 2015, the Group completed the acquisition of the entire interest of Smart Event Trading Limited (“Smart Event”) through two wholly owned subsidiaries for a consideration of HK\$179,835,000. This transaction has been accounted for as an acquisition of assets as the acquisition does not meet the definition of a business combination.
- (ii) During the year ended 31 March 2015, the Group completed the acquisition of the entire interest of Excess Gain Company Limited (“Excess Gain”) through a wholly owned subsidiary for a consideration of HK\$328,334,000. This transaction has been accounted for as an acquisition of assets as the acquisition does not meet the definition of a business combination.
- (iii) During the year ended 31 March 2015, the Group completed the acquisition of the entire interest of Hin Kuok Investment and Development Real Estate Limited (“Hin Kuok”) through two subsidiaries for a consideration of HK\$52,658,000. This transaction has been accounted for as an acquisition of assets as the acquisition does not meet the definition of a business combination.
- (iv) During the year ended 31 March 2015, the Group completed the acquisition of the entire interest of Wui Tak Investment Limited (“Wui Tak”) through two subsidiaries for a consideration of HK\$52,658,000. This transaction has been accounted for as an acquisition of assets as the acquisition does not meet the definition of a business combination.



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Notes to the Consolidated Financial Statements

32. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

(iv) (Continued)

The net assets acquired in the transaction are as follow:

	Smart Event HK\$'000	Excess Gain HK\$'000	Hin Kuok HK\$'000	Wui Tak HK\$'000	Total HK\$'000
Net assets acquired:					
Properties held for sales	197,744	330,000	112,500	112,500	752,744
Other receivables	–	910	–	–	910
Bank balances and cash	40,225	30	–	–	40,255
Shareholder's loan	(73,579)	–	–	–	(73,579)
Other payables	(58,134)	(2,576)	(17,772)	(17,772)	(96,254)
Taxation payable	–	(30)	–	–	(30)
	106,256	328,334	94,728	94,728	624,046
Assignment of shareholder's loan (<i>Note a</i>)	73,579	–	–	–	73,579
Deposits received for sales of properties to the third party (<i>Note b</i>)	–	–	(6,965)	(6,965)	(13,930)
Contributed by non-controlling interests	–	–	(35,105)	(35,105)	(70,210)
	179,835	328,334	52,658	52,658	613,485
Total consideration satisfied by:					
Cash paid	179,835	328,334	52,658	52,658	613,485
Net cash outflow arising on acquisition:					
Cash consideration paid	(179,835)	(328,334)	(52,658)	(52,658)	(613,485)
Bank balances and cash	40,225	30	–	–	40,255
	(139,610)	(328,304)	(52,658)	(52,658)	(573,230)

Notes:

- (a) As part of the acquisition arrangement, the consideration paid by the Group included an amount of HK\$73,579,000 as consideration for the assignment of the shareholder's loan to Smart Event.
- (b) As part of the acquisition arrangement, the consideration paid by the Group included an amount of HK\$6,965,000 as consideration for the deposits received for sale of properties to third party.

For the year ended 31 March 2015

33. DISPOSAL OF ASSETS THROUGH DISPOSAL OF SUBSIDIARIES**For the year ended 31 March 2015**

During the year ended 31 March 2015, the Group disposed of, to an independent third party, the entire interest in Affluent Wheel Limited (“the disposed subsidiary”) for a cash consideration of HK\$221,000,000. Since the disposed subsidiary was principally engaged in the business of property held for sale, which represented its single predominant asset, the Group is principally selling, and the buyer is principally acquiring, the property held for sale. Accordingly, the Group had accounted for the disposal of the disposed subsidiary in the consolidated statement of profit or loss as disposal of the underlying property held for sale. The consideration allocated to the sale of properties were regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets attributable to the disposed subsidiary on the date of disposal were as follows:

	HK\$'000
Net assets disposed of:	
Properties held for sale	67,220
Gain on disposal of a subsidiary	153,780
Gross cash consideration	221,000
Transaction cost for disposal of a subsidiary	(67,220)
Total consideration satisfied by cash and net cash inflow arising from disposal	153,780
Gain on disposal of a subsidiary is included in the consolidated statement of profit or loss as follows:	
Revenue	221,000
Cost of sales	(67,220)
	153,780



For the year ended 31 March 2015

33. DISPOSAL OF ASSETS THROUGH DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 March 2014

During the year ended 31 March 2014, the Group disposed of, to an independent third party, the entire interest in Ample Thrive Global Limited, Ample Faith Developments Limited and Amorita Holdings Limited ("the disposed subsidiaries") for a cash consideration of HK\$283,565,000. Since the disposed subsidiaries were principally engaged in the business of property held for sale, which represented their single predominant asset, the Group is principally selling, and the buyer is principally acquiring, the property held for sale. Accordingly, the Group had accounted for the disposal of the disposed subsidiaries in the consolidated statement of profit or loss as disposal of the underlying property held for sale. The consideration allocated to the sale of properties were regarded as revenue generated from sales of properties held for sale by the Group.

The amounts of the assets attributable to the disposed subsidiaries on the date of disposal were as follows:

	HK\$'000
Net assets disposed of:	
Properties held for sale	267,005
Gain on disposal of subsidiaries	16,560
Gross cash consideration	283,565
Transaction cost for disposal of subsidiaries	(3,731)
Total consideration satisfied by cash and net cash inflow arising from disposal	279,834
Gain on disposal of subsidiaries is included in the consolidated statement of profit or loss as follows:	
Revenue	283,565
Cost of sales	(267,005)
	16,560

For the year ended 31 March 2015

34. CONTINGENT LIABILITIES

	2015 HK\$'000	2014 HK\$'000
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	2,503,188	1,723,709
An associate	–	96,000
	2,503,188	1,819,709
and utilised by:		
Joint ventures	1,929,676	1,173,308
An associate	–	88,800
	1,929,676	1,262,108

In addition, as at 31 March 2015, the other joint venture partner of a joint venture of which the Group held as to 50% of the issued share capital, provided corporate guarantees to the full amount for loan facilities granted by a bank to the relevant joint venture amounting to approximately HK\$625 million (2014: HK\$625 million). The banking facilities utilised by the relevant joint venture amounted to approximately HK\$482 million (2014: HK\$419 million) at the end of the reporting period. A counter-indemnity in favour of the other joint venture partner is executed pursuant to which the Group undertakes to indemnify the other joint venture partner 50% of the liabilities arising from the above loan facilities.

The directors assessed the risk of default of the joint ventures and the associates at the end of the reporting period and consider the risk to be insignificant and it is unlikely that any guaranteed amount will be claimed by the counterparties. Included in other payables and accruals represents deferred income in respect of financial guarantee contracts given to joint ventures amounted to HK\$6,689,000 (2014: HK\$5,772,000).



For the year ended 31 March 2015

35. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

	2015 HK\$'000	2014 HK\$'000
Property, plant and equipment	606,966	593,739
Properties held for sale	5,172,481	3,708,517
Investments held for trading	37,870	300,517
	5,817,317	4,602,773

36. OPERATING LEASE AND CAPITAL COMMITMENTS

(a) Operating lease commitments

The Group as lessee

During the year, the Group incurred HK\$1,621,000 (2014: HK\$1,207,000) minimum lease payments in respect of office premises.

At 31 March 2015, the Group had outstanding commitments for the following future lease payments under non-cancellable operating leases:

	2015 HK\$'000	2014 HK\$'000
Within one year	1,193	1,290
In second to fifth years inclusive	1,193	–
	2,386	1,290

For the year ended 31 March 2015

36. OPERATING LEASE AND CAPITAL COMMITMENTS (Continued)**(a) Operating lease commitments (Continued)****The Group as lessor**

Property rental income earned during the year was HK\$202,641,000 (2014: HK\$207,656,000). Certain of the properties, which are classified as properties held for sale, have committed tenants for the next two to five years (2014: two to eight years).

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2015 HK\$'000	2014 HK\$'000
Within one year	136,044	139,012
In the second to fifth years inclusive	132,945	80,299
Over five years	–	7,012
	268,989	226,323

For certain properties, the Group has assigned to the banks all its right, title and benefit as lessor of relevant properties and amount receivable from lessees for certain banking facilities granted to the Group.

37. RETIREMENT BENEFIT SCHEMES

The Group participates in a Mandatory Provident Fund Scheme (“MPF Scheme”) established under the Mandatory Provident Fund Ordinance in December 2000. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. 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. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contributions are available to reduce the contributions payables in the future years.

The employees employed by the operations in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC operations are required to contribute a certain percentage of payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make specified contributions.

The retirement benefit scheme contributions relating to the MPF Scheme and state-managed retirement benefit schemes charged to the consolidated statement of profit or loss of HK\$3,334,000 (2014: HK\$3,029,000) represent contributions paid and payable to the scheme by the Group at rates specified in the rules of the schemes.



For the year ended 31 March 2015

38. RELATED PARTY DISCLOSURES

(a) During the year, the Group entered into the following transactions with related parties:

		2015 HK\$'000	2014 HK\$'000
Joint ventures	Asset management income	6,711	3,716
Joint venture	Interest income	33,202	30,041

(b) The amounts due to non-controlling shareholders of subsidiaries are unsecured, non-interest bearing and repayable on demand. Details of the amounts due from (to) joint ventures and associates are set out in the consolidated statement of financial position and on notes 20 and 21.

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

		2015 HK\$'000	2014 HK\$'000
	Short-term benefits	34,005	47,739
	Post-employment benefits	787	889
		34,792	48,628

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

39. SHARE OPTION SCHEMES

2012 Scheme

On 16 August 2012, the Company adopted a share option scheme (the "2012 Scheme"), for the primary purpose of providing incentives to directors and eligible employees. The 2012 Scheme will be expired on 15 August 2022. Under the 2012 Scheme, the board of directors of the Company may grant options to eligible employees, including executive directors of the Company and its subsidiaries, non-executive directors, any consultant, adviser or agent engaged by the Company and its subsidiaries and any vendor, supplier of goods or services or customer of the Company and its subsidiaries to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the 2012 Scheme is not permitted to exceed 10% of the shares of the Company in issue at 16 August 2012 unless the Company obtains a fresh approval from its shareholders. The number of shares in respect of which options may be granted to any individual is not permitted to exceed 1% of the number of shares in issue unless the Company obtains a fresh approval from its shareholders.

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39. SHARE OPTION SCHEMES (Continued)

2012 Scheme (Continued)

Options granted must be taken up within 60 days of the date of grant, upon payment of HK\$1 per grant. Options may be exercised at any time during the specific exercise period as determined by the board of directors. In each grant of options, the board of directors may at their discretion determine the specific exercise period. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the Company's shares for the five business days immediately preceding the date of grant, and (iii) the nominal value of the Company's shares.

As at 31 March 2014 and 2015, none of the share options had been granted.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all share option schemes of the Company is not permitted to exceed 30% of the shares of the Company in issue from time to time. No share option may be granted under any share option scheme of the Company if such limit is exceeded.

40. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the bank borrowings disclosed in note 28, net of cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital, various reserves and accumulated profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendation of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.



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41. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 HK\$'000	2014 HK\$'000
Financial assets		
<i>Financial assets at fair value through profit or loss</i>		
Investments held for trading	1,231,378	1,825,264
Conversion options embedded in convertible notes	–	31,252
	1,231,378	1,856,516
<i>Loans and receivables</i>		
Trade and other receivables	94,716	129,089
Amounts due from joint ventures	1,937,397	1,701,726
Amount due from an associate	18,947	–
Cash held by securities brokers	5,340	3,993
Bank balances and cash	1,274,443	1,790,628
	3,330,843	3,625,436
<i>Available-for-sale financial assets</i>		
Available-for-sale investments	50,033	60,612
Financial liabilities		
<i>At amortised cost</i>		
Other payables	52,334	47,135
Amount due to a joint venture	169	432
Amounts due to associates	10,218	14,097
Amounts due to non-controlling shareholders of subsidiaries	91,178	25,355
Guaranteed notes	1,170,000	1,170,000
Bank borrowings	2,755,917	2,590,645
	4,079,816	3,847,664

(b) Financial risk management objectives and policies

The Group's management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and equity and other price risk), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

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41. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies (Continued)****Market risks***(i) Foreign currency risk management*

The Group operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars, the functional currency of relevant group entities.

The Group is mainly exposed to foreign currency risk in relation to RMB, USD and EUR arising from foreign currency bank balances and cash, and cash held by securities brokers as set out in note 26.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
RMB	23,068	1,574	–	–
USD	105,109	340,593	1,170,000	1,170,000
EUR	1,646	2,061	–	–

Sensitivity analyses for foreign currency risk

The following table details the Group's sensitivity to a 5% (2014: 5%) increase and decrease in the functional currency of each group entity against the above foreign currencies. 5% (2014: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items other than the items denominated in USD as the directors consider that the Group's exposure to USD is insignificant on the ground that HKD is pegged to USD, and adjusts their translation at the year end for a 5% (2014: 5%) change in foreign currency rate. A positive number below indicates an increase in profit where the above foreign currencies strengthen by 5% (2014: 5%) against the functional currency of each group entity. For a 5% (2014: 5%) weakening of the above foreign currencies against the functional currency of each group entity, there would be an equal and opposite impact on the profit and the balance below would be opposite.

	2015 HK\$'000	2014 HK\$'000
Profit for the year	1,032	152

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk as the year end exposure does not reflect the exposure during the year.



For the year ended 31 March 2015

41. FINANCIAL INSTRUMENTS (Continued)

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

Market risks (Continued)

(ii) Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to available-for-sale investments, amounts due from (to) joint ventures, associates, non-controlling shareholders of subsidiaries, investments held for trading and guaranteed notes issued by the Company as set out in notes 18, 20, 21, 38(b), 25 and 30 respectively.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances, cash held by securities brokers, and bank borrowings as set out in notes 26 and 28 respectively. It is the Group's policy to keep its borrowings (other than guaranteed notes issued) at floating rate of interests so as to minimise the fair value interest rate risk.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's Hong Kong dollars denominated borrowings and interest rate determined by the People's Bank of China arising from the Group's RMB denominated borrowings.

Sensitivity analyses for cash flow interest rate risk

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable rate cash held by securities brokers, bank balances and bank borrowings, the analysis is prepared assuming the amounts outstanding at the end of the reporting period were outstanding for the whole year. An increase or decrease of 10 basis points (2014: 10 basis points) for cash held by securities brokers and bank balances and 50 basis points (2014: 50 basis points) for bank borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

For cash held by securities brokers and bank balances, if interest rates had been 10 basis points (2014: 10 basis points) basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2015 would increase/decrease by HK\$1,069,000 (2014: HK\$1,499,000).

For bank borrowings, if interest rates had been 50 basis points (2014: 50 basis points) basis points higher/lower and all variables were held constant, the Group's post-tax profit for the year ended 31 March 2015 would decrease/increase by HK\$11,506,000 (2014: HK\$10,816,000).

In management's opinion, the sensitivity analysis is unrepresentative of inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

For the year ended 31 March 2015

41. FINANCIAL INSTRUMENTS (Continued)

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

Market risks (Continued)

(iii) Equity and other price risks management

The Group is exposed to equity and other price risks through its investments in investments held for trading. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity and other price risks are mainly concentrated on listed equity securities, listed debt securities and unlisted mutual funds quoted in the open markets. The management considers that there is no significant equity and other price risks through available-for-sale investments. In addition, the Group has appointed a special team to monitor the price risks and will consider hedging the risk exposure should the need arise.

Sensitivity analyses

The sensitivity analyses below have been determined based on the exposure to equity and other price risks at the end of reporting period. In management's opinion, the sensitivity analysis is unrepresentative of inherent equity and other price risks as the year end exposure does not reflect the exposure during the year.

If the prices of the respective listed equity securities and unlisted mutual funds had been 5% (2014: 5%) higher/lower, profit for the year ended 31 March 2015 would increase/decrease by HK\$2,292,000 (2014: increase/decrease by HK\$2,693,000) as a result of the changes in fair value of equity securities mutual funds held by the Group.

If the prices of the respective debt securities had been 5% (2014: 5%) higher/lower, profit for the year ended 31 March 2015 would increase/decrease by HK\$49,118,000 (2014: increase/decrease by HK\$73,511,000) as a result of the changes in fair value of debt securities.

The Group's sensitivity to equity and other price risks has decreased during the year mainly due to the decrease in investments held for trading.

Credit risk management

As at 31 March 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to corporate guarantee issued by the Group as disclosed in note 34.



For the year ended 31 March 2015

Notes to the Consolidated Financial Statements

41. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk management (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and debt instrument at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks and financial institutions with good reputations.

The credit risk on investments in listed debt securities is limited because majority of the counterparties are corporations with good reputations.

The credit quality of the listed debt securities as set out in note 25, determined by external credit-ratings assigned by Moody's and analysed by percentages of the fair value of the debt instruments in each grade of credit-ratings over the total fair value of the listed debt securities at the end of the reporting period, is as follows:

	2015 %	2014 %
Ba1	15.5	6.5
Ba2	21.1	17.7
Ba3	13.7	27.2
B1 to Caal	19.3	32.9
Unrated	30.4	15.7
	100.0	100.0

Significant concentration of credit risk

The Group does not have significant concentration of credit risk on investment in listed debt securities as counterparties are diversified.

As at 31 March 2014, the Group has concentration of credit risk on its investment in convertible notes (included in available-for-sale investments and conversion options embedded in convertible notes) as the entire amount of the convertible notes are issued by one independent third party. The management of the Group considers that the credit risk on investments in these convertible notes is limited as they were issued by reputable companies whose shares are listed on the Stock Exchange.

For the year ended 31 March 2015

41. FINANCIAL INSTRUMENTS (Continued)

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

Credit risk management (Continued)

Significant concentration of credit risk (Continued)

The Group also has concentration of credit risk as 87% (2014: 96%) of the amounts due from joint ventures are due from five (2014: five) joint ventures. The joint ventures are private companies and mainly located in the PRC. In order to minimise the credit risk, the management of the Group has monitored the repayment ability of the joint ventures continuously. The counterparties of the entire amounts due from joint ventures that are repayable on demand had no default record based on historical information.

The Group's geographical concentration of credit risk is mainly in Hong Kong, which accounted for approximately 90% of the Group's total recognised financial assets as at 31 March 2015 and 2014.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures the compliance with loan covenants.

Liquidity tables

In addition, the following tables detail the Group's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual cash flows of the financial assets including interest that will be earned on those assets. The inclusion of information on these non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

For non-derivative financial liabilities, the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise the rights.



For the year ended 31 March 2015

41. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk management (Continued)

Liquidity tables (Continued)

The amounts included below for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates different to those estimates of interest rates determined at the end of the reporting period.

	Weighted average interest rate %	On demand HK\$'000	1 – 3 months HK\$'000	3 months to 1 year HK\$'000	1 – 2 years HK\$'000	2 – 5 years HK\$'000	More than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount at 31 March 2015 HK\$'000
31 March 2015									
<i>Non-derivative financial assets</i>									
Available-for-sale investments	-	50,033	-	-	-	-	-	50,033	50,033
Investments held for trading	-	1,231,378	-	-	-	-	-	1,231,378	1,231,378
Trade and other receivables	-	94,716	-	-	-	-	-	94,716	94,716
Amounts due from joint ventures	-	1,937,397	-	-	-	-	-	1,937,397	1,937,397
Amount due from an associate	-	18,947	-	-	-	-	-	18,947	18,947
Cash held by securities brokers	-	5,340	-	-	-	-	-	5,340	5,340
Bank balances and cash	0.65	1,274,443	-	-	-	-	-	1,274,443	1,274,443
		4,612,254	-	-	-	-	-	4,612,254	4,612,254
<i>Non-derivative financial liabilities</i>									
Other payables	-	52,334	-	-	-	-	-	52,334	52,334
Amount due to a joint venture	-	169	-	-	-	-	-	169	169
Amounts due to associates	-	10,218	-	-	-	-	-	10,218	10,218
Amounts due to non-controlling shareholders of subsidiaries	-	91,178	-	-	-	-	-	91,178	91,178
Guaranteed notes	6.5	-	9,506	38,025	76,050	1,398,150	-	1,521,731	1,170,000
Bank borrowings	2.4	291,208	7,242	447,965	721,468	857,051	683,999	3,008,933	2,755,917
		445,107	16,748	485,990	797,518	2,255,201	683,999	4,684,563	4,079,816
Financial guarantee contracts (Note)	-	-	860,233	8,676	69,600	990,767	-	1,929,276	7,313

For the year ended 31 March 2015

41. FINANCIAL INSTRUMENTS (Continued)**(b) Financial risk management objectives and policies (Continued)****Liquidity risk management (Continued)***Liquidity tables (Continued)*

	Weighted average interest rate %	On demand HK\$'000	1 – 3 months HK\$'000	3 months to 1 year HK\$'000	1 – 2 years HK\$'000	2 – 5 years HK\$'000	More than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount at 31 March 2014 HK\$'000
31 March 2014									
<i>Non-derivative financial assets</i>									
Available-for-sale investments	-	60,612	-	-	-	-	-	60,612	60,612
Investments held for trading	-	1,825,264	-	-	-	-	-	1,825,264	1,825,264
Conversion options embedded in convertible notes	-	31,252	-	-	-	-	-	31,252	31,252
Trade and other receivables	-	129,089	-	-	-	-	-	129,089	129,089
Amounts due from joint ventures	-	1,701,726	-	-	-	-	-	1,701,726	1,701,726
Cash held by securities brokers	-	3,993	-	-	-	-	-	3,993	3,993
Bank balances and cash	0.78	1,790,628	-	-	-	-	-	1,790,628	1,790,628
		5,542,564	-	-	-	-	-	5,542,564	5,542,564
<i>Non-derivative financial liabilities</i>									
Other payables	-	47,135	-	-	-	-	-	47,135	47,135
Amounts due to joint ventures	-	432	-	-	-	-	-	432	432
Amounts due to associates	-	14,097	-	-	-	-	-	14,097	14,097
Amount due to non-controlling shareholder of a subsidiary	-	25,355	-	-	-	-	-	25,355	25,355
Guaranteed notes	6.5	-	9,506	38,025	76,050	1,398,150	-	1,521,731	1,170,000
Bank borrowings	2.0	132,216	6,085	694,517	339,044	940,545	694,848	2,807,255	2,590,645
		219,235	15,591	732,542	415,094	2,338,695	694,848	4,416,005	3,847,664
Financial guarantee contracts (Note)	-	-	2,130	326,640	632,280	190,598	110,460	1,262,108	5,772

Note: The amount is categorised based on contractual term of repayment of the relevant underlying financial guarantee contracts guaranteed by the Group.



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41. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk management (Continued)

Liquidity tables (Continued)

Bank loans with a repayment on demand clause are included in the “on demand” time band in the above maturity analysis. As at 31 March 2015 and 31 March 2014, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$291,208,000 and HK\$132,216,000 respectively. Taking into account the Group’s financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repayable, together with interest, in accordance with the scheduled repayment dates set out in the loan agreements as follows:

	1 – 3 months HK\$'000	3 months to 1 year HK\$'000	1 – 2 years HK\$'000	2 – 5 years HK\$'000	More than 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amounts HK\$'000
31 March 2015	855	9,854	13,258	254,548	44,303	322,818	291,208
31 March 2014	327	31,018	9,548	28,923	73,128	142,944	132,216

The amounts included above for financial guarantee contracts are the maximum amounts the Group be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amount included above for variable rate bank borrowings is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value measurements recognised in the consolidated statement of financial position

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

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41. FINANCIAL INSTRUMENTS (Continued)**(c) Fair value measurements recognised in the consolidated statement of financial position (Continued)****Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant Unobservable inputs	Relationship of unobservable inputs to fair value
	31.3.2015	31.3.2014				
1) Held-for-trading non-derivative financial assets classified as investments held for trading in the statement of financial position	Listed equity securities in: – Hong Kong: HK\$43,199,000	Listed equity securities in: – Hong Kong: HK\$64,510,000	Level 1	Quoted bid prices in an active market	N/A	N/A
	Listed debt securities in: – Hong Kong: HK\$429,670,000	Listed debt securities in: – Hong Kong: HK\$89,876,000				
	– Elsewhere: HK\$746,809,000	– Elsewhere: HK\$1,670,878,000				
	Unlisted mutual funds HK\$11,700,000		Level 3	Redemption price provided by the investment fund managers	Value of the underlying assets of the funds	The higher the redemption price, the higher the fair value
2) Unlisted equity securities classified as available-for-sale investments in the consolidated statement of financial position	HK\$45,028,000	HK\$19,564,000	Level 3	Redemption price provided by the investment fund managers	Value of the underlying assets of the funds	The higher the redemption price, the higher the fair value
3) Unlisted debt securities classified as available-for-sale investments in the consolidated statement of financial position	–	HK\$36,043,000	Level 3	Discounted cash flow, future cash flows by discount rate	Discount rate determined by reference to the list bonds in similar rating	The higher the discount rate, the lower the fair value
4) Conversion option classified as conversion options embedded in convertible notes in the consolidated statement of financial position	–	HK\$31,252,000	Level 3	Binomial Free Pricing Model	Volatility determined by the annualised standard deviation of the continuously compounded rates of return on the daily average adjusted share price	The higher the volatility rate, the lower the fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.



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41. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements recognised in the consolidated statement of financial position (Continued)

In addition, the Group's investment in unlisted equity interest classified as available-for-sale investments of approximately HK\$5,005,000 is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

	2015			Total HK\$'000
	Level 1	Level 2	Level 3	
	measurements HK\$'000	measurements HK\$'000	measurements HK\$'000	
Financial assets				
<i>Investments held for trading</i>				
– Listed equity securities	43,199	–	–	43,199
– Unlisted mutual funds	–	–	11,700	11,700
– Listed debt securities	1,176,479	–	–	1,176,479
	1,219,678	–	11,700	1,231,378
<i>Available-for-sale investments</i>				
– Unlisted equity securities	–	–	45,028	45,028
	1,219,678	–	56,728	1,276,406

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41. FINANCIAL INSTRUMENTS (Continued)**(c) Fair value measurements recognised in the consolidated statement of financial position (Continued)**

	Level 1 measurements HK\$'000	Level 2 measurements HK\$'000	2014	
			Level 3 measurements HK\$'000	Total HK\$'000
Financial assets				
<i>Investments held for trading</i>				
– Listed equity securities	64,510	–	–	64,510
– Listed debt securities	1,760,754	–	–	1,760,754
	1,825,264	–	–	1,825,264
<i>Available-for-sale investments/conversion options in convertible notes</i>				
– Unlisted equity securities	–	–	19,564	19,564
– Unlisted debt securities	–	–	36,043	36,043
– Conversion options embedded in convertible notes	–	–	31,252	31,252
	–	–	86,859	86,859
	1,825,264	–	86,859	1,912,123

There were no transfers between Level 1 measurements and Level 2 measurements in the current year.



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41. FINANCIAL INSTRUMENTS (Continued)**(d) Reconciliation of Level 3 measurements of financial assets**

	Unlisted equity securities (included in available- for-sale investments) HK\$'000	Unlisted mutual funds investments held for trading) HK\$'000	Unlisted debt securities (included in available- for-sale investments) HK\$'000	Conversion options embedded in convertible notes HK\$'000	Total HK\$'000
At 1 April 2013	–	–	34,900	14,980	49,880
Addition	19,564	–	–	–	19,564
Disposal	–	–	(3,700)	–	(3,700)
Net increase in fair value recognised directly in equity	–	–	4,843	–	4,843
Net increase in fair value recognised in profit or loss (included in income and gains from investments)	–	–	–	16,272	16,272
At 31 March 2014	19,564	–	36,043	31,252	86,859
Additions	25,873	11,700	–	–	37,573
Disposal	–	–	(36,043)	(31,252)	(67,295)
Net decrease in fair value recognised directly in equity	(409)	–	–	–	(409)
At 31 March 2015	45,028	11,700	–	–	56,728

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Notes to the Consolidated Financial Statements

42. INFORMATION OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information of the statement of financial position of the Company as at 31 March 2015 and 2014:

	2015 HK\$'000	2014 HK\$'000
Investments in subsidiaries	474,821	397,378
Amounts due from subsidiaries	6,525,883	5,361,726
Other assets	189,100	262,688
Liabilities	(16,477)	(19,187)
	7,173,327	6,002,605
Share capital	83,896	76,145
Reserves (<i>Note</i>)	7,089,431	5,926,460
	7,173,327	6,002,605

Note:

Reserves

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
At 1 April 2013	1,619,636	371	338,410	3,186,106	5,144,523
Profit and other comprehensive income for the year	-	-	-	913,287	913,287
Dividend recognised as distribution	-	-	-	(131,350)	(131,350)
At 31 March 2014	1,619,636	371	338,410	3,968,043	5,926,460
Profit and other comprehensive income for the year	-	-	-	927,340	927,340
Placing of shares	432,499	-	-	-	432,499
Share repurchases	-	2,649	(91,683)	(2,649)	(91,683)
Expenses related to shares repurchased and cancelled	-	-	(453)	-	(453)
Dividend recognised as distribution	-	-	-	(104,732)	(104,732)
At 31 March 2015	2,052,135	3,020	246,274	4,788,002	7,089,431



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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the principal subsidiaries at 31 March 2015 and 2014 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company				Principal activities
			Directly		Indirectly		
			2015 %	2014 %	2015 %	2014 %	
Able Market Limited	Hong Kong	HK\$1	-	-	100	100	Property development
Absolute Keen Limited	Hong Kong	HK\$1	-	-	100	100	Property development
Apex Harvest Limited	Hong Kong	HK\$100	-	-	92	92	Property development
Capital Delight Limited	Hong Kong	HK\$1	-	-	100	100	Property holding and leasing of property
Capital Strategic Property (Shanghai) Limited (<i>Note ii</i>)	PRC	Registered and paid-up capital RMB300,000,000	-	-	100	100	Property holding and leasing of property
Century Unicorn Limited	Hong Kong	HK\$1	-	-	100	100	Property holding and leasing of property
CH Property Services Limited	Hong Kong	HK\$1	-	-	100	100	Provision of property management service
Clear Luck Group Limited	BVI	US\$1	-	-	100	100	Property holding
Couture Homes Limited	BVI	US\$1	100	100	-	-	Investment holding
CSI Financial Holdings Limited	Hong Kong	HK\$100	100	100	-	-	Sales of securities and investment holding
CSI Property Services Limited	Hong Kong	HK\$2	100	100	-	-	Provision of property management service
Digital Option Limited	BVI	US\$1	-	-	100	100	Property holding and leasing of property
Eagle Shore Limited	BVI	US\$1	-	-	100	100	Sales of securities and investing holding

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company				Principal activities
			Directly		Indirectly		
			2015 %	2014 %	2015 %	2014 %	
Earn Centre Limited	Hong Kong	HK\$2	-	-	100	100	Property holding and leasing of property
Estate Sky Limited	BVI	US\$1	100	100	-	-	Bond issuer
Ever Novel Limited	Hong Kong	HK\$1	-	-	100	100	Property holding
Excess Gain Company Limited (Note iii)	Hong Kong	HK\$1,000,000	-	-	100	-	Property holding and leasing of property
Fortress Jet Limited	Hong Kong	HK\$1	-	-	100	100	Property holding and leasing of property
Geotalent Limited	BVI	US\$1	-	-	100	100	Property holding and leasing of property
Golden United Limited	Hong Kong	HK\$1	-	-	100	100	Property holding and leasing of property
Growth Safe Limited	Hong Kong	HK\$1	-	-	100	100	Property holding and leasing of property
High Land Management Services Limited (formerly named "Premium Management Services Limited")	Hong Kong	HK\$1	-	-	92	92	Management services
High Supreme Limited	BVI	US\$1	-	-	100	100	Property holding and leasing of property
Hoyden Holdings Limited (Note i)	BVI	US\$1	-	-	100	-	Property development
Hin Kuok Investment and Development Real Estate Limited (Note iii)	Macau	MOP300,000	-	-	60	-	Property holding and leasing of property
ICC Financial Limited	Hong Kong	HK\$1	-	-	100	100	Money lender
Mark Well Investment Limited	Hong Kong	HK\$100	100	100	-	-	Sale of securities and investment holding



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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital held by the Company				Principal activities
			Directly		Indirectly		
			2015 %	2014 %	2015 %	2014 %	
Million Base Properties Limited	Hong Kong	HK\$2	-	-	100	100	Property holding and leasing of property
Million Basis Property Limited	BVI	US\$1	-	-	100	100	Property holding and leasing of property
Modern Value Limited	BVI	US\$1	-	-	100	100	Property holding and leasing of property
Smart Charm Holdings Limited	Hong Kong	HK\$1	-	-	100	100	Hotel operation
Smart Future Holdings Limited	Hong Kong	HK\$1	-	-	100	100	Property holding and leasing of property
Smart Kept Limited	BVI	US\$1	-	-	100	100	Property holding and leasing of property
Smart Tide Limited	Hong Kong	HK\$1	-	-	100	100	Property holding
Trinity Value Limited	Hong Kong	HK\$1	-	-	100	100	Property holding and leasing of property
Well Clever International Limited	BVI	US\$1	-	-	100	100	Sale of securities and investment holding
Wui Tak Investment Limited (<i>Note iii</i>)	Macau	MOP80,000	-	-	60	-	Property holding and leasing of property

Notes:

- (i) These companies were incorporated during the year ended 31 March 2015.
- (ii) Capital Strategic Property (Shanghai) Limited is a wholly foreign owned enterprise established in the PRC.
- (iii) These companies were acquired during the year ended 31 March 2015.

None of the subsidiaries had issued any debt securities at the end of the year except for Estate Sky Limited which has issued HK\$1,170 million of guaranteed note, in which the Group has HK\$1,170 million interest.

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

Financial Summary

Summary of the consolidated results and of the assets and liabilities of the Group for each of the five years ended 31 March 2015 is set out below:

(A) RESULTS

	Year ended 31 March				2015 HK\$'000
	2011 HK\$'000	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	
Revenue	2,745,292	3,217,891	1,162,379	2,578,071	745,611
Profit before taxation	940,417	1,886,813	985,540	871,302	281,361
Income tax expense					
– Current tax and deferred tax	(84,106)	(118,511)	(60,519)	(52,040)	(16,308)
Profit for the year	856,311	1,768,302	925,021	819,262	265,053
Attributable to:					
Owners of the Company	857,732	1,754,106	902,671	815,489	262,936
Non-controlling interests	(1,421)	14,196	22,350	3,773	2,117
	856,311	1,768,302	925,021	819,262	265,053

(B) ASSETS AND LIABILITIES

	At 31 March				2015 HK\$'000
	2011 HK\$'000	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	
Total assets	7,684,305	9,049,643	11,489,660	11,847,028	12,561,741
Total liabilities	3,447,491	3,077,272	4,404,558	4,069,375	4,294,955
	4,236,814	5,972,371	7,085,102	7,777,653	8,266,786
Equity attributable to					
Owners of the Company	4,237,535	5,958,888	7,064,254	7,773,512	8,264,720
Non-controlling interests	(721)	13,483	20,848	4,141	2,066
	4,236,814	5,972,371	7,085,102	7,777,653	8,266,786

Schedule of Properties Held by the Group



As at 31 March 2015

MAJOR PROPERTIES

Particulars of major properties held by the Group at 31 March 2015 are as follows:

PROPERTIES HELD FOR SALE

Location	Use	Group's interest	Approximate site area (sq.ft.)	Approximate gross floor area (sq.ft.)	Book cost (HK\$'000)
(i) Hong Kong					
G/F., Unit 1506-1507, 17/F-21/F & 69 Carparks, sky-sign on the roof top in AXA Centre, No. 151 Gloucester Road, Hong Kong	Commercial	100%	N/A	93,690	488,700
Nos. 23, 25 Ashley Road, Kowloon, Hong Kong	Commercial	100%	N/A	41,310	217,100
No. 27 Ashley Road, Kowloon, Hong Kong	Commercial	100%	N/A	22,588	152,400
Office Units 1006, 3102, 31/F., & 4 Carparks, 4/F., Bank of America Tower, No. 12 Harcourt Road, Hong Kong	Commercial	100%	N/A	8,930	188,100
No. 47 Barker Road, The Peak, Hong Kong	Residential	100%	N/A	4,230	324,700
Nos. 2-4 Shelley Street, Central, Hong Kong	Commercial/ Residential	100%	3,347	40,152	339,100
No.14 Pennington Street, Causeway Bay, Hong Kong	Commercial	100%	N/A	2,754	130,000
Shop 4, G/F., together with the Yard appurtenant thereto, Keswick Court, No.3 Keswick Street, Causeway Bay, Hong Kong	Commercial	100%	N/A	640	34,600
Shop 24, G/F., Duke Wellington House, No. 24 Wellington Street, Hong Kong	Commercial	100%	N/A	432	113,900
3-4 Glenealy, Central Hong Kong	Residential	100%	5,753	N/A	770,000

As at 31 March 2015

Schedule of Properties Held by the Group

MAJOR PROPERTIES (Continued)

PROPERTIES HELD FOR SALE (Continued)

Location	Use	Group's interest	Approximate site area (sq.ft.)	Approximate gross floor area (sq.ft.)	Book cost (HK\$'000)
(i) Hong Kong (Continued)					
Shatin Town Lot No. 562, Area 56A, Kan To, Sha Tin, N.T.	Residential	92%	N/A	50,376	766,900
12/F, Le Diamant, No. 703 & 705 Nathan Road, Kowloon	Commercial	100%	N/A	1,835	26,300
Tuen Mun Town Lot No. 513, Yan Ching Street, Area 10 Tuen Mun, N.T.	Residential	100%	12,637	N/A	435,000
Ground Floor and Yard, Nos. 35 – 49 Hong Keung Street, San Po Kong, Kowloon	Commercial	100%	N/A	5,823	144,000
11/F – 23/F, Carparks Nos. 1-10 on Basement, and Carparks Nos. 11 & 12 on Ground Floor, Henan Building, Nos. 90 & 92 Jaffe Roads, and Nos. 15, 17 & 19 Luard Road, Hong Kong	Commercial	100%	N/A	38,471	330,700
(ii) The PRC					
Nos. 168/169 Wujiang Road and No. 1 Lane 333 Shimenyi Road, Jingan District, Shanghai, PRC	Commercial	100%	N/A	11,375	651,000
(iii) Macau					
Em Macau, Rad Do Campo No 258, Broadway Centre 1º Andar C-AD, 2º Andar D-AD and various carparking spaces	Commercial	100%	N/A	10,583	202,500



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