COME SURE Group (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability) Stock Code: 00794

2015 ANNUAL REPORT

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. CHONG Kam Chau *(Chairman)*
Mr. CHONG Wa Pan *(Chief Executive Officer and President)*
Mr. CHONG Wa Ching
Mr. LUK Kwok Tung, Eric

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAU On Ta Yuen
Ms. TSUI Pui Man
Mr. LAW Tze Lun

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law:

Loong & Yeung
Suites 2001–2006, 20th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

As to Cayman Islands law:

Appleby
Suites 2206–19
Jardine House
1 Connaught Place
Central
Hong Kong

As to PRC law:

Guangdong Rongan Solicitors
Room 704, Block 1
Dongjiang Haoyuan
1 Longjing Road
Baoan District
Shenzhen, PRC

AUDITOR

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

VALUERS

Grant Sherman Appraisal Limited
Unit 1005, 10/F, AXA Centre
151 Gloucester Road
Wanchai
Hong Kong

REGISTERED OFFICE

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 8–10, 8th Floor
Cornell Centre
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Chai Wan
Hong Kong

COMPANY WEBSITE ADDRESS

www.comesure.com

COMPANY SECRETARY

Ms. NGAN Chui Wan, Judy

AUTHORISED REPRESENTATIVES

Mr. CHONG Wa Ching
Mr. LUK Kwok Tung, Eric

AUTHORISED PERSON TO ACCEPT SERVICE OF PROCESS AND NOTICE UNDER PART XI OF THE COMPANIES ORDINANCE

Mr. CHONG Wa Ching

MEMBERS OF AUDIT COMMITTEE

Mr. LAW Tze Lun *(Chairman)*
Mr. CHAU On Ta Yuen
Ms. TSUI Pui Man

CORPORATE INFORMATION

MEMBERS OF REMUNERATION COMMITTEE

Ms. TSUI Pui Man *(Chairman)*
Mr. CHAU On Ta Yuen
Mr. LAW Tze Lun
Mr. CHONG Wa Pan

MEMBERS OF NOMINATION COMMITTEE

Ms. TSUI Pui Man *(Chairman)*
Mr. CHAU On Ta Yuen
Mr. LAW Tze Lun
Mr. CHONG Wa Pan

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank Building
4–4A Dex Voeux Road Central
Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

DBS Bank (Hong Kong) Limited
G/F, The Center
99 Queen's Road Central
Central
Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Appleby (Trust) Cayman Ltd.
Clifton House
75 Fort Street
PO Box 190
Grand Cayman
KY1-1104
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

INVESTOR RELATION

iRregular Consulting Limited
RM 3603, 36/F, COSCO Tower
183 Queen's Road Central
Hong Kong

FINANCIAL SUMMARY

	Year ended 31 March				
Results	2011 HKD'000	2012 HKD'000	2013 HKD'000	2014 HKD'000	**2015 HKD'000**
Turnover	697,640	772,086	766,711	895,410	**916,802**
Cost of goods sold	(574,156)	(636,728)	(607,738)	(695,291)	**(714,365)**
Gross Profit	123,484	135,358	158,973	200,119	**202,437**
Other income	2,682	4,042	6,021	13,638	**18,589**
Other gains and losses	(1,674)	(2,226)	28,535	11,959	**20,085**
Selling expenses	(28,928)	(36,379)	(37,935)	(53,274)	**(47,607)**
Administrative expenses	(69,656)	(84,300)	(98,748)	(109,112)	**(118,100)**
Other operating expenses	(352)	(2,680)	(13,426)	(13,664)	**(6,141)**
Share-based payments	(7,928)	(466)	(167)	–	**–**
Profit from operations	17,628	13,349	43,253	49,666	**69,263**
Gain on bargain purchase	4,365	–	–	–	**–**
Finance costs	(2,377)	(3,139)	(7,189)	(9,004)	**(10,254)**
Profit before tax	19,616	10,210	36,064	40,662	**59,009**
Income tax expense	(3,613)	(2,732)	(19,233)	(6,620)	**(9,424)**
Profit for the year	16,003	7,478	16,831	34,042	**49,585**

	As at 31 March				
Assets and Liabilities	2011 HKD'000	2012 HKD'000	2013 HKD'000	2014 HKD'000	**2015 HKD'000**
Non-current assets	252,626	361,297	551,310	546,684	**608,906**
Current assets	424,472	568,935	535,162	720,743	**787,888**
Total assets	677,098	930,232	1,086,472	1,267,427	**1,396,794**
Non-current liabilities	(18,440)	(48,895)	(30,930)	(25,402)	**(21,282)**
Current liabilities	(188,567)	(339,040)	(472,003)	(623,098)	**(718,990)**
Total liabilities	(207,007)	(387,935)	(502,933)	(648,500)	**(740,272)**
Net assets	470,091	542,297	583,539	618,927	**656,522**
Equity attributable to the owners of the Company	451,195	526,556	568,414	606,706	**648,615**
Non-controlling interest	18,896	15,741	15,125	12,221	**7,907**
Total equity	470,091	542,297	583,539	618,927	**656,522**

EXPANSION WITH PRODUCTION ENHANCEMENT

Benefited from the market integration, strong demand growth in quality products and services is recognised with customers' raising expectations. Value-added service has distinguished Come Sure from other packaging suppliers. The Group will seize the opportunity to expand its market share as well as to secure more purchase orders from high-end customers by enhancing the value-added service and expanding the product mix continuously.

CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

On behalf of our board ("the Board") of directors of the Company (the "Directors"), I hereby present the annual results of Come Sure Group (Holdings) Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 March 2015 (the "Year"). On behalf of the Board, I would also like to express my heartfelt gratitude to all the shareholders of our Group (the "Shareholders") and friends from various communities for their support to the development of the Group.

OVERVIEW

During the Year, the government of the People's Republic of China (the "PRC" or "China") continued in implementing stringent environmental protection regulations within the paper packaging industry by phasing out the outdated production capacities rapidly. Meanwhile, despite the downturn in paper packaging industry as affected by the changes in traditional retail model, the steady demand growth for corrugated packaging products was sustained during the Year, with the changing pattern of market consumption and related logistic trend driven by the fast growing online shopping activities. To enhance the core strength constantly, the Group continues to leverage its advantages in diversified and quality product mix and stable production capacity.

INCREASED BUSINESS OPPORTUNITIES UNDER INDUSTRY TRANSFORMATION

Benefited from the market integration, strong demand growth in quality products and services is recognised with customers' raising expectations. In order to secure more purchase orders from high-end customers, high value-added services and products have always been the Group's focus in the recent years, such as structural packaging design and high compressive strength packaging products. With our continuing effort in the main business development and the business opportunities provided by the rising market demand, the Group successfully maintained the level of turnover and the gross profit during the Year.

ONGOING PRODUCTION ENHANCEMENT WITH PRUDENT COST MANAGEMENT

To cope with the increasing demand, the construction of the Group's new plant in Fujian ("Fujian plant") was completed as scheduled with the Group's continued close attention. Upon its expected production commencement in the year 2015/16, the capacity and production efficiency are expected to be significantly enhanced, supporting the Group's further business development. Also, we never cease our efforts in equipment upgrades in order to satisfy the rising demand for high value-added and quality products. In addition to production enhancement, we determine to improve the Group's profit by prudent cost approach. Attributed to our ongoing effort in production enhancement as well as consistent stringent internal fiscal control and efficient cost management, the Group's net profit for the Year significantly increased.

EXPANDS TO SOLAR CELLS BUSINESS FOR BROADEN PROSPECT

The Group always makes its best endeavors to business diversification. Since the completion of the acquisition of 20% of Xiamen Weihua Solar Limited (廈門惟華光能有限公司) ("Xiamen Weihua") in the beginning of the Year, the Group has paid close attention to Xiamen Weihua's business development. Xiamen Weihua mainly operates in Perovskite ("PVSK") solar cell, which is also known as ultra-thin film solar cell. Under the developing stage, Xiamen Weihua completed a medium-scale pilot production line for PVSK solar cells during the Year, which provides a sound foundation for future development. The threat of energy crisis is believed to unleash the great potential of the solar cell market development, and the Group is optimistic about the promising prospect of Xiamen Weihua.

CHAIRMAN'S STATEMENT

SOCIAL RESPONSIBILITY

To ensure the products are socially responsible with good quality and environmentally friendly, our products meet different environmental management standards, such as ISO9001, ISO14001 and QC08000:2005. The Group has been promoting eco-friendly packaging products for years and continuously committed to the green products development which meet the international standards, such as European Restrictions of Hazardous Substances (RoHS) and Waste Electrical and Electronic Equipment (WEEE).

PROSPECT

Despite the phasing out of the outdated production capacities in progress, the global corrugated packaging industry is expected to maintain its growth at approximately 4% p.a. during the years 2013–2016, as reported earlier by International Corrugated Case Association, with almost half of the demand growth for corrugated case contributed from the fast-developing PRC market. China is expected to keep its leading position in the global corrugated packaging industry at its scale and relatively rapid growth. Business opportunities to the Group are hence realised under the strong demand growth driven by the market integration, in particular in the high value-added products. We will constantly enhance the quality of our products and services to become more prominent in the industry. As ChinaPaper.Net forecasted, the gross value of the output from China packaging industry is expected to break RMB1.5 trillion in 2015.

To further expand the production capacity, construction of the Fujian Plant was completed as scheduled as mentioned before. The Group has commenced the production preparation work for the Fujian Plant and believes the surge in demand will be coped with further upon its production commences. We will continue in focusing on the Group's main business, with ongoing enhancement on the product and product mix, as well as high value-added services.

In addition, to explore the diversification possibilities, we successfully expanded to solar cell business through the investment in Xiamen Weihua. With the medium-scale production line for PVSK solar cells successfully completed during the Year, Xiamen Weihua has devoted its efforts in planning the future mass production. Being the fastest developing sector in energy exploitation field with high economic potential, the solar cell market has a broad prospect. We are optimistic with the Xiamen Weihua's business, and will pay close attention to its development to plan for the future moves in the industry, in order to strive for optimum return on investment.

ACKNOWLEDGEMENT

On behalf of all members of the Board, I would like to express my appreciation for the government officials, investors, banks, customers and business partners for their support and trust to the Group, as well as my heartfelt gratitude to the management and all the staff for the loyalty and contribution they have bestowed to the Group.

CHONG Kam Chau
Chairman

30 June 2015

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

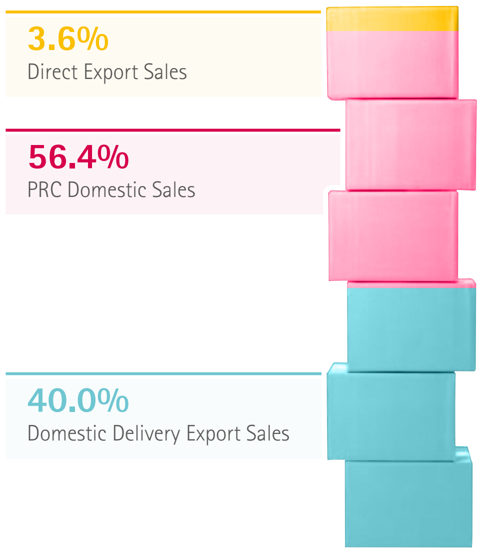
Driven by the online shopping and retail trend, the global demand in corrugated paper-board and corrugated paper packaging products increased during the Year, especially in some developing countries, such as PRC. The PRC Government further encouraged the use of environmental-friendly paper packaging products with high compressive strength by implementing various policies in the logistics industry; hence, being environmental-friendly with low recycling cost, corrugated paper packaging products remained competitive in the packaging industry. According to China Industry Information Net, the National Bureau of the PRC reported the annual production volume of corrugated cartons in the PRC reached 38.1 million tons as at 31 December 2014, representing an increase of approximately 6.38% as compared to the corresponding period in 2013. In addition, the increasingly stringent standards to protect the environment implemented by the PRC Government accelerated the abandonment of outdated production capacities and fostered industry consolidation, thus beneficial to market leaders pioneering with capacities and product upgrades.

BUSINESS REVIEW

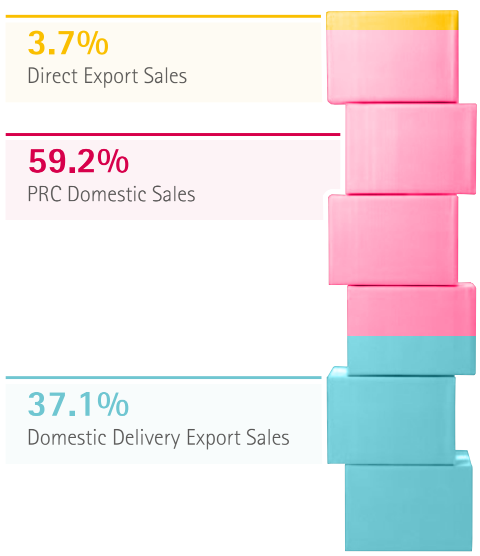
The Group kept pace with the accelerated elimination of outdated capacities in the industry, and became more prominent in structural packaging design and the businesses of high compressive strength packaging products. During the Year, the Group continued to focus on enhancing the quality of the high value-added products and expand the variety of high value-added services, enabling the Group to secure the orders from the high-end customers. In addition, with the high-quality offset printing business developed by the Group in the recent years, new customers who are willing to pay more for printed products with higher resolution were attracted. The Group coped with the increasing demand for high quality services and products, thus its revenue increased to approximately HK$916.8 million during the Year from HK$895.4 million for the corresponding period in 2014.

Meanwhile, in addition to the revenue as external performance, the Group's continuous efficient and stringent cost control contributed to maintaining the profit margin. The Group has been refining its internal corporate administration and credit control, as well as inventories and procurement management, in order to further consolidate its healthy financial status. During the Year, the Group managed to maintain the portion of the high value-added products sales and recorded a similar gross profit margin as the last financial year of approximately 22.1%.

Turnover Percentage by Market 2013/2014



Turnover Percentage by Market 2014/2015



MANAGEMENT DISCUSSION AND ANALYSIS

To satisfy the increasing market demand, the Group also proactively made efforts in effectively expanding the products mix and customer network. With optimistic expectation in heightening consumption, the Group has been working on production capacity enlargement. The construction of the Fujian Plant was completed as scheduled under the Group's close monitor throughout the Year. Upon the commencement of its operation, the enhancement in the Group's total production capacity is expected to facilitate the increase in demand and accelerate the Group's business development.

To expand the source of revenue, the Group continuously has made its best endeavors to business diversification. Being Optimistic on its potential in the solar cell industry, the 20% of equity interests in Xiamen Weihua was acquired at the beginning of the Year. Xiamen Weihua operates business in PVSK solar cell. Under the developing stage, Xiamen Weihua completed a medium-scale pilot production line during the Year, providing a sound foundation for future development.

RESULT OF OPERATION

	2015		2014	
	HK$'000	(%)	HK$'000	(%)
PRC domestic sales	542,926	59.2	505,406	56.4
Domestic delivery export sales	339,796	37.1	357,976	40.0
Direct export sales	34,080	3.7	32,028	3.6
Total Sales	916,802	100.0	895,410	100
Gross profit margin		22.1		22.3
Net profit margin		5.4		3.8

REVENUE

The revenue of the Group increased to approximately HK$916.8 million during the Year, from approximately HK$895.4 million for the year ended 31 March 2014.

Guangdong operation

By providing value-added services and quality corrugated paper packaging products, the Group met the high-end customers' needs continuously, especially in structural design and offset printing. The sales volume of corrugated paper packaging products was increased by 5.6% and the relative average selling price was slightly increased by 1.0% during the Year. Thus, the corresponding revenue from printed cartons and other paper-wares was increased by approximately 6.6% to approximately HK$751.4 million from HK$704.8 million for the last corresponding year. Therefore, the overall revenue generated from the Group's Guangdong operations increased accordingly to approximately HK$846.2 million during the Year.

Jiangxi operation

The Group's plant in Jiangxi commenced operation in 2010 and is under development. In order to secure more orders to utilise the production capacity, the Group has continued to explore the potential market in the surrounding area with experienced sales team. The revenue generated from the operations in Jiangxi was approximately HK$70.6 million during the Year (2014: approximately HK$85.4 million).

MANAGEMENT DISCUSSION AND ANALYSIS

GROSS PROFIT

With the Group's continuous effort in developing quality and high value-added products, as well as the prudent internal cost control, the Group managed to maintain the gross profit margin level during the Year despite the decrease in the revenue from Jiangxi operation. In accordance with the total revenue, the related cost of goods sold increased to approximately HK$714.4 million, as compared to approximately HK$695.3 million for the last corresponding year. The Group's gross profit for the Year increased slightly by 1.1% to HK$202.4 million with gross profit margin of 22.1% (2014: 22.3%).

Guangdong operation

Providing most of the high value-added products and services, such as structural design and offset printing, in the Group, the Guangdong operation continued to contribute most of the profit to the Group during the Year. The gross profit of the Guangdong operation increased from approximately HK$183.4 million for the last corresponding year to approximately HK$191.3 million for the Year, with the gross profit margin maintained stable, from 22.7% for the year ended 31 March 2014 to 22.6% for the Year.

Jiangxi operation

The gross profit and gross margin attributable to the operation in Jiangxi decreased from approximately HK$16.7 million and 19.5% for the last corresponding year to approximately HK$11.1 million and 15.7% for the Year. The capacity has not been fully reflected, and the Group has kept exploring business opportunities and promoting quality products in the surrounding area, and remains optimistic with the development of Jiangxi operation in long term.

SELLING AND ADMINISTRATIVE EXPENSES

The Group applied stringent cost control during the Year with efficient logistics management. Thus, despite the increase in sales order and rapid inflation in the PRC, the selling and distribution expenses decreased by 10.7%, from approximately HK$53.3 million for the last corresponding year to HK$47.6 million for the Year. Mainly attributable to the increase in salaries and allowances caused by the inflation, the administrative expenses increased from approximately HK$109.1 million for the last corresponding year to HK$118.1 million for the Year.

OTHER OPERATING EXPENSES

The other operating expenses decreased by approximately 55.1% during the Year to approximately HK$6.1 million, from approximately HK$13.7 million for the year ended 31 March 2014. The amount of the other operating expenses for the Year mainly includes the impairment of goodwill of approximately HK$2.8 million (2014: HK$8.7 million) and allowance for doubtful debts of approximately HK$3.1 million (2014: HK$0.9 million), and there was no impairment of intangible assets during the year (2014: HK$2.5 million).

FINANCE COSTS

During the Year, the finance cost increased due to the additional bank loans arranged mainly for the capital expenditure, as well as for the general working capital. The finance cost for the Year increased 14.4% to approximately HK$10.3 million from HK$9.0 million for the year ended 31 March 2014.

NET PROFIT AND DIVIDEND

Benefited from the Group's prudent cost management, the net profit attributable to the owners of the Company for the Year was approximately HK$53.9 million, representing an increase of approximately 44.9% over the amount of approximately HK$37.2 million in the last corresponding year, and the net profit margin for the Year increased to 5.4% from 3.8%. The basic earnings per share for the Year increased to HK14.89 cents, as compared to HK10.27 cents for the year ended 31 March 2014. The Board proposed a payment of final dividend of HK5.5 cents per ordinary share (the "Share") of the Company.

WORKING CAPITAL

	2015 Turnover Days	2014 Turnover Days
Trade and bills receivable	89	86
Trade and bills payable	68	64
Inventories	43	46
Cash conversion cycle*	64	68

* Trade and bills receivable turnover days + Inventories turnover days – Trade and bills payables turnover days

The trade and bills receivables as at 31 March 2015 decreased to approximately HK$220.7 million, from HK$227.1 million as at 31 March 2014. The trade and bills receivables turnover days were increased to 89 days, as compared to 86 days as at 31 March 2014.

With the effective funds management adopted by the Group, the trade and bill payables turnover days for the Year increased by 4 days to 68 days, as compared to 64 days for the last corresponding year, in accordance with the longer turnover period of trade and bill receivables. The trade and bills payables decreased to HK$127.2 million as at 31 March 2015, from HK$138.1 million as at 31 March 2014.

In order to minimise the holding risk, the Group continued the stringent inventories control, the level of inventory as at 31 March 2015 decreased by 7.3% to approximately HK$81.0 million from HK$87.4 million as at 31 March 2014. The turnover days for inventories were 43 days for the Year, decreased by 3 days as compared to 46 days for the last corresponding year.

The cash conversion cycle of the Group was reduced by 4 days to 64 days for the Year as compared to 68 days for the year ended 31 March 2014, proving that the operation efficiency enhanced and hence reduced the liquidity risk.

LIQUIDITY AND FINANCIAL RESOURCE

	2015	2014
Current ratio	1.1	1.2
Gear ratio	33.5%	29.9%

The working capital and funding required by the Group during the Year primarily came from its operating cash flows and bank borrowing continuously. In terms of the Group's available financial resources as at 31 March 2015, the bank balances and cash amounted to approximately HK$204.2 million (31 March 2014: approximately HK$174.9 million), excluding pledged deposit of approximately HK$175.2 million and the unused banking facilities amounted to HK$453.6 million as at 31 March 2015. The Group's cash and cash equivalents were mostly denominated in Hong Kong dollars and Renminbi.

The current ratio (current assets divided by current liabilities) as at 31 March 2015 was approximately 1.1 (31 March 2014: approximately 1.2). The current assets and current liabilities as at 31 March 2015 amounted to approximately HK$787.9 million and approximately HK$719.0 million, as compared to approximately HK$720.7 million and approximately HK$623.1 million as at 31 March 2014 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 March 2015, all the bank borrowings of the Group carried floating interest rates and were secured. For financing the capital expenditure and working capitals, the total outstanding bank borrowings and other borrowings increased from approximately HK$378.6 million as at 31 March 2014 to approximately HK$467.3 million as at 31 March 2015, of which approximately HK$365.0 million are repayable within one year and approximately HK$93.5 million are repayable more than one year to more than five years, whereas the other loans of approximately HK$8.8 million carried a fixed interest rate of 5% and are unsecured and repayable within one year. As at 31 March 2015, all the bank borrowings are denominated in Hong Kong dollars and other loans are denominated in Renminbi.

The gearing ratio (i.e. the total borrowings divided by total assets) of the Group as at 31 March 2015 increased to 33.5% from 29.9% as at 31 March 2014 due to the increase in the amount of borrowings. The Group kept monitoring the liquidity position closely while processing with sufficient cash and banking facilities to meet the working capital requirement, as well as to finance emerging investment opportunities.

FOREIGN EXCHANGE RISK

The Group is exposed to foreign currency risk as certain business transactions, assets and liabilities are denominated in currencies other than the functional currency of the respective member of the Group. As at 31 March 2015, the Group maintained USD3 million pivot forward contract and increased the Renminbi deposit during the Year to reduce the exchange risk of Renminbi. The Group will continue to closely monitor the foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

CHARGE OF ASSETS

As at 31 March 2015, the Group pledged certain assets including bank deposits, prepaid land lease payments, property, plant and equipment and investment properties with aggregate net book value of approximately HK$414.0 million (31 March 2014: approximately HK$353.0 million) to secure the banking facilities granted to the Group.

CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 31 March 2015, the Group's capital expenditure contracted but not provided for regarding to property, plant and equipment was approximately HK$22.4 million (31 March 2014: approximately HK$17.1 million).

As at 31 March 2015, the Group did not have any capital expenditure authorised but not contracted for (31 March 2014: Nil), nor any significant contingent liabilities (31 March 2014: Nil).

EMPLOYEES AND REMUNERATION

Competitive remuneration packages and relevant trainings were provided to the employees of the Group. Salaries are reviewed annually based on, among other things, working performance and the prevailing market conditions. The Group may also grant share options and discretionary bonuses to eligible employees based on his/her individual performance and the Group's results.

The total staff cost included the directors' emolument for the Year increased to approximately HK$149.8 million, as compared to HK$131.2 million for the last corresponding year. As at 31 March 2015, the Group employed 1,697 employees (31 March 2014: 1,713 employees).

The remuneration and the bonuses of the executive Directors and the members of the senior management of the Company had been reviewed and approved by the remuneration committee of the Company with reference, but not limited to his/her individual performance, the Group's results, his/her qualifications, competence and the prevailing market conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECT

During the Year, the new growth and change in consumption habits, brought by online shopping established favourable conditions for the Group's long-term development in corrugated paper-based packaging products. With a broader market to expand the customer network and the products mix, the Group, being one of the excellent market leaders with strong capacities, is optimistic to stand out from the industry continuously.

The stringent enforcement of environmental standards of green economy model further accelerates the efforts in phasing out the outdated capacities, and makes the consolidation in the paper packaging industry more visible. The Group will seize the opportunity to expand its market share, as well as to secure more orders from high-end customers, by enhancing the value-added service and expanding the products mix continuously. Value-added service, such as offset printing and structural design, differentiate the Group from other packaging suppliers which retained customers and improve its profit margin. In order to meet the customers' increasing expectations, as well as to reinforce its leading position, the Group will continue to upgrade its equipment to ensure high production capacities and qualities.

The Group's production capacity enhancement continues in order to cope with the increasing market demand. The construction of Fujian Plant is completed and its mass production is expected to commence in the year 2015/16. The Group's total production capacity will reach more than 500 million square metres of corrugated paper-board and more than 400 million pieces of corrugated paper packaging products upon the commencement of the mass production of Fujian Plant.

Strengthening the Group's leading position in the industry and maximising the long-term investment return to the shareholders are the ultimate goals of the Group. Thus, the Group will refine its internal control and corporate administration continuously, in order to maintain and improve the product quality management, customer service and equipment upgrades with prudent cost approach and inventory management.

The Group also committed in business diversification in order to maximise the returns to the shareholders. During the Year, the Group successfully expanded to solar cell business by acquiring 20% interest in Xiamen Weihua. In addition to the outstanding achievement of reaching the leading laboratory photoelectric conversion efficiency of PVSK solar cells of 19.3%, Xiamen Weihua has also completed the mid-scale pilot production line for PVSK solar cells during the Year, which has developed a solid foundation for mass production in later stage with the samples produced and data collected. Its business development is believed to be at a fast-paced with high potential outlook under the threat of the energy crisis. The Group will continue to pay close attention to its business development, in order to plan for the future development in the solar cell industry.

CORPORATE GOVERNANCE REPORT

The Board is committed to maintain appropriate corporate governance practices to enhance the accountability and transparency of the Company in order to protect its shareholders' interests and to ensure that the Company complies with the latest statutory requirements and professional standards.

The Company has complied with the code provisions set out in Corporate Governance Code (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the Year.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the standards for securities transactions by the Directors (including executive Directors and independent non-executive Directors).

All the members of the Board have confirmed, following specific enquires by the Company, that they had complied with the required standards set out in the Model Code throughout the Year.

THE BOARD

The Board is responsible for the overall management of the Company and the mission of the Board is to maximise the Shareholders' return and uplift the Company's long term value.

The Board has formulated the overall business strategies and management policies, and set up the corporate governance practices, internal control procedures and risk management to ensure a proper management of the Company. The Board has undertaken the corporate governance function as required under the Code. The terms of reference of the corporate governance as set out in the Code have been approved by the Board for adoption. During the Year, the Board had reviewed and discussed the corporate governance policy and the Shareholders' communication policy of the Group and was satisfied with the effectiveness of such policies.

The Company will provide sufficient resources to all Directors to discharge their duties; independent professional advice is available in appropriate circumstances at the Company's expenses upon reasonable request to the Board, and all Directors have access to the company secretary's advice with a view to ensuring that Board procedures, and all applicable rules and regulations are followed.

During the Year, the Company had arranged and maintained appropriate insurance cover on the Directors' liabilities in respect of legal actions against the Directors arising out of corporate activities.

Board Composition

As at 31 March 2015, the Board had 7 members which comprised of:

Four executive Directors, namely Mr. CHONG Kam Chau (Chairman), Mr. CHONG Wa Pan (Chief Executive Officer and President), Mr. CHONG Wa Ching and Mr. LUK Kwok Tung, Eric; and

Three independent non-executive Directors, namely Mr. CHAU On Ta Yuen, Ms. TSUI Pui Man and Mr. LAW Tze Lun.

The members of the Board have various experience and skills, and possess different professional knowledge which is necessary for the development of the Company. The brief biographical details of the Directors are set out in the section of "Directors and Senior Management" of this annual report.

THE BOARD (Continued)

Board Composition (Continued)

The roles of the chairman are separated from the chief executive officer. The chairman approves and monitors the Company's strategies and policies, and supervises the management of the Company. The senior management team is responsible for the day-to-day operations of the Group under the leadership of the chief executive officer of the Company.

Mr. CHONG Kam Chau, the chairman of the Board (the "Chairman"), is the father of Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam. Apart from that, there is no relationship (including financial, business, family or other material relationship) among members of the Board. In compliance with Rule 3.10 of the Listing Rules, the Board comprises three independent non-executive Directors which represents more than one-third of the Board. These independent non-executive Directors possess a broad range of expertise and experience in the areas of business management, legal, and accounting and finance matters. The current Board composition brings a strong independent element to the Board, which can effectively exercise independent judgment in making reasonable strategic decisions in different aspects.

The Company has received, from each of the independent non-executive Directors, an annual written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company also considers all independent non-executive Directors to be independent in accordance with the above-mentioned independence guidelines. Each independent non-executive Director has been re-appointed for a term of two years from 26 February 2015.

DELEGATION OF MANAGEMENT FUNCTIONS

With clear directions given, the Board has delegated the day-to-day management, administration and operations of the Company to the management. The responsibilities and authorities of each level of staff are clearly outlined in the Group's control policies, in case of any substantial transactions the management has to report back and obtain prior approval from the Board. The performances of the management are regularly assessed by the executive committee of the Company ("Executive Committee"), which consists of the executive Directors. In addition to the Executive Committee, the Board has established an audit committee ("Audit Committee"), a remuneration committee ("Remuneration Committee") and a nomination committee ("Nomination Committee") (collectively, the "Board Committees") and delegated various responsibilities to these committees as set out in their respective terms of reference. Further details of these committees are set out on page 18 to page 20 of this annual report.

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS

The Board is scheduled to meet regularly at least four times a year at approximately quarterly intervals. Directors may participate either in person or through other electronic means of communication (the practice of obtaining the Board's consent through the circulation of written resolution does not constitute a regular Board meeting). Ad-hoc meetings will also be convened if there is any events that raise the Board's concern.

During the Year, four Board meetings were held for reviewing the operating performance and latest market condition, considering and approving the overall strategies, approval of appointment & resignation of company secretary, and the annual/interim results of the Group for the Year and one general meeting (i.e. the annual general meeting of the Company held on 1 September 2014 ("2014 AGM")) was held. The composition and the attendance of individual Directors at these Board meetings and general meeting were as follows:

Directors	Number of Board meetings attended/eligible to attend	Number of general meeting attended/held
Executive Directors		
Mr. CHONG Kam Chau	4/4	1/1
Mr. CHONG Wa Pan	4/4	1/1
Mr. CHONG Wa Ching	4/4	1/1
Mr. LUK Kwok Tung, Eric	4/4	1/1
Independent Non-executive Directors		
Mr. CHAU On Ta Yuen	4/4	0/1
Ms. TSUI Pui Man	4/4	1/1
Mr. LAW Tze Lun	4/4	1/1

Directors are provided with timely updates on changes in laws and compliance issues and the business environment relevant to the Group. All members of the Board attended the trainings. Continuing training and professional development for Directors will be arranged when necessary. The Company also encourages its Directors to enrol in relevant professional development courses to continually update and further improve their relevant knowledge and skills. All Directors including Mr. CHONG Kam Chau, Mr. CHONG Wa Pan, Mr. CHONG Wa Ching, Mr. LUK Kwok Tung, Eric, Mr. CHAU On Ta Yuen, Ms. TSUI Pui Man and Mr. LAW Tze Lun, have participated in continuous professional development to develop and refresh their knowledge and skills and provided their training records for the Year to the Company.

The company secretary of the Company is responsible for preparing agenda for regular Board meetings and will despatch the agenda to all Directors at least 10 days in advance and that all Directors will have the opportunity within reasonable time to include matters in the agenda for regular Board meetings.

Notice for regular Board meetings will be sent to all Directors at least 14 days in advance to facilitate the attendance. For all other Board meetings, the agenda and notice will be despatched at least three days in advance. All Directors are entitled to have access to Board papers, minutes and related materials.

BOARD MEETINGS (Continued)

A duly appointed secretary is responsible for keeping the minutes of Board meetings and meetings of Board Committees, all minutes are open for inspection by any Director at a reasonable time on reasonable notice. All the minutes are kept in sufficient details, including matters considered by the Board, decisions reached and any concerns raised by Directors or dissenting views expressed. The draft minutes will be despatched to all Directors within five working days for their comment and the approved final version will be sent to all Directors within 15 working days for their record after the meetings.

If a Director has a material interest in a matter to be considered by the Board, a physical meeting will be held to discuss the matter instead of seeking Directors' written consent by way of circulation of written resolution. In accordance with the Company's articles of association, such Director who considered to be materially interested in the matter shall abstain from voting and not be counted in the quorum.

APPOINTMENT, RE-ELECTION AND REMOVAL

At each annual general meeting of the Company, at least one-third of the Directors for the time being will retire from office by rotation. However, if the number of directors is not a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring directors. The director who shall retire in each year will be those who have been longest in the office since their last re-election or appointment. Therefore, all Directors shall be subject to retirement at least once every three years.

The independent non-executive Directors were re-appointed for a term of two years from 26 February 2015, subject to re-election. Each of the Directors has entered into a service contract with the Company and may be terminated by either party by giving not less than three months' (for executive Director) or one month's (for independent non-executive Directors) prior written notice.

From time to time, the Board shall have the power to appoint any person as a director to fill a casual vacancy or as an additional director. Any directors so appointed shall then be eligible for re-election after the appointment at the next general meeting (for filling casual vacancy) or at the next following annual general meeting (for additional to the existing Board).

Any newly appointed director will receive an induction handbook to ensure that the director has a proper understanding of the operation and business of the Company and will be fully aware of the responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the Company.

The Nomination Committee reviews the Board structure, size and composition regularly to ensure that it has a balance of expertise, skills and experience necessary for the development of the Company. When vacancies on the Board exist, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process where necessary. Suitable candidates, who will be interviewed initially by an independent non-executive Director, will then be recommended to the Board and meet all the Directors.

The Nomination Committee will also make recommendations to the Board on relevant matters relating to the appointment, re-election and removal of directors. Mr. CHONG Kam Chau, Ms. TSUI Pui Man and Mr. LAW Tze Lun shall retire by rotation and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

The Company has formed four committees, the Audit Committee, Remuneration Committee, Nomination Committee and Executive Committee; all Board Committees are formed with specific written terms of reference setting out clearly the committees' authority and duties, the terms of reference of Audit Committee, Remuneration Committee and Nomination Committee are available on the Company's website. The Company has provided the Audit Committee, Remuneration Committee and Nomination Committee with sufficient resources to perform its duties, which may seek independent professional advice, at the Company's expenses, to perform their respective responsibilities.

AUDIT COMMITTEE

The Company has established an Audit Committee on 5 February 2009 in compliance with Rule 3.21 of the Listing Rules with written terms of reference revised on 27 March 2012 in compliance with the code provisions of the Code which took effect from 1 April 2012 and is available on the websites of the Stock Exchange and the Company. The main duties of the Audit Committee are to consider the relationship with external auditors, to review the consolidated financial statements of the Group, and to oversee the Group's financial reporting system and internal control procedures. The Audit Committee consists of three independent non-executive Directors, namely Mr. LAW Tze Lun, the chairman of the Audit Committee, Mr. CHAU On Ta Yuen and Ms. TSUI Pui Man.

None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The duties of the Audit Committee are set out in the terms of reference, which include, among others, the following:

(i) To monitor the integrity of the consolidated financial statements, annual reports and interim reports of the Company and to review any significant financial reporting judgments contained in them.

(ii) To monitor the independence and objectivity of the external auditors and the effectiveness of the audit process, make recommendations to the Board on appointment, re-appointment and removal, and to approve the remuneration and term of engagement of external auditors.

(iii) To review the effectiveness and adequacy of the financial control, internal control and risk management system, and to ensure the timely response from management towards the internal control findings and the management letter from external auditors.

During the Year, three meetings were held by the Audit Committee to consider the re-appointment of external auditors, their remuneration and terms of engagement and the financial reporting of the Company's annual and interim results. All committee members attended all the meetings.

The Audit Committee, together with the management and the external auditor, have reviewed the results announcement and the audited consolidated financial statements of the Group for the Year, the accounting principles and practices adopted and have discussed auditing, internal controls and financial reporting matters.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee on 5 February 2009 with written terms of reference which was revised on 27 March 2012 in compliance with the Code and is available on the websites of the Stock Exchange and the Company.

The Remuneration Committee is responsible for reviewing the remuneration structure and policy of the executive Directors and for fixing the remuneration packages for all Directors in order to retain or attract the competent personnel.

The Remuneration Committee comprises of three independent non-executive Directors, namely Ms. TSUI Pui Man, the chairman of the Remuneration Committee, Mr. CHAU On Ta Yuen and Mr. LAW Tze Lun, and one executive Director, Mr. CHONG Wa Pan, who is responsible for the human resource management of the Group.

The major duties of Remuneration Committee are as follows:

(i) To establish a transparent and fair procedure for developing policy on the remuneration of Directors and senior management.

(ii) To make recommendations to the Board on the remuneration packages of all executive Directors and senior management, including their respective terms of service agreements, the type and form and amount of remuneration, and make recommendations to the Board for the remuneration of non-executive Directors.

(iii) To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board.

(iv) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

(v) To prepare the Remuneration Committee report annually, and review the compliance of the Directors' remuneration disclosure in the Company's annual report.

(vi) To ensure that no Director or any of his associates is involved in deciding his own remuneration.

The remuneration of the Directors and senior management are determined with reference to the Group's operating results, individual performance, qualification and competence and the prevailing market conditions.

During the Year, one meeting was held by the Remuneration Committee to review and determine the remuneration of all executive Directors and senior management for the 2014/15 fiscal year and their performance-based remuneration and bonus with reference to corporate goals and objectives resolved by the Board. All committee members (except that Mr. CHONG Wa Pan abstained from voting on the part when reviewing and determining his salary) attended the meeting.

NOMINATION COMMITTEE

The Company established the Nomination Committee on 5 February 2009 with written terms of reference which was revised on 27 March 2012 in compliance with the Code and is available on the websites of the Stock Exchange and the Company. The committee consists of three independent non-executive Directors, namely Ms. TSUI Pui Man, the chairman of the Nomination Committee, Mr. CHAU On Ta Yuen, Mr. LAW Tze Lun and one executive Director, Mr. CHONG Wa Pan.

If any member of the Nomination Committee ("Nomination Committee Member") ceases to be a Director, he/she will cease to be a Nomination Committee Member automatically. The vacancy will be filled by appointment of new Nomination Committee Member by the Board. The majority of the Nomination Committee Members shall be independent non-executive Directors. The chairman of the Nomination Committee shall be appointed by the Board and shall be the chairman of the Board or an independent non-executive Director.

NOMINATION COMMITTEE(Continued)

The major duties of Nomination Committee are as follows:

(i) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) review the Company's board diversity policy and the progress on achieving the objectives set for implementing the said policy;

(iii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(iv) assess the independence of independent non-executive Directors; and

(v) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer.

During the Year, one meeting was held by the Nomination Committee to review the Board's composition, recommend the rotation of Directors and assess the independence of the independent non-executive Directors. All committee members attended the meeting.

EXECUTIVE COMMITTEE

The Company has set up an Executive Committee which determines the Group's strategies, reviews business performances and monitors the management's performance. As at 31 March 2015, the Executive Committee consists of four executive Directors, namely Mr. CHONG Kam Chau, Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. LUK Kwok Tung, Eric. Meetings are held regularly with the senior management to review the operation performance.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements which give a true and fair view of the state of the Group's affairs, results and cashflow for the year ended 31 March 2015.

In preparing the consolidated financial statements, supported by the finance department of the Group, the Directors have:

(i) reviewed the adoption of all applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;

(ii) selected suitable accounting policies and applied them on a consistent basis;

(iii) made judgment and estimates that are prudent, fair and reasonable; and

(iv) prepared the consolidated financial statements on a going concern basis.

The Board is also responsible for presenting a balanced, clear and understandable assessment in annual and interim reports, other inside information announcements and other financial disclosures of the Group required under the Listing Rules and other statutory requirements.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Board has received sufficient explanation and information from the management, which enabled the Board to make an informed assessment of the consolidated financial statements and other information before approval.

The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The Audit Committee reviews the letter from SHINEWING (HK) CPA Limited, the external auditor of the Company, confirming their independence, approves their appointment, discusses the scope of their audit and approves their fees.

SHINEWING (HK) CPA Limited has stated their reporting responsibilities in the independent auditor's report on the consolidated financial statements on page 37 to page 38 of this annual report.

For the year ended 31 March 2015, the fee paid and payable to SHINEWING (HK) CPA Limited in respect of audit and audited related services amounted to approximately HK$1.21 million. No non-audit services fee was paid/payable to SHINEWING (HK) CPA Limited during the Year.

The Audit Committee recommended the appointment and reappointment of SHINEWING (HK) CPA Limited for audit service.

SHINEWING (HK) CPA Limited had attended the 2014 AGM.

INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective internal control and risk management system to safeguard the Shareholders' investment and the Company's assets, to maintain proper accounting records, to enhance the integrity and reliability of financial information and to ensure the compliance with applicable laws and regulations.

Regarding to the procedures and internal control for the handling and dissemination of inside information, the Company is aware of its disclosure obligations under the Listing Rules and Part XIVA of the Securities and Futures Ordinance ("Inside Information Provisions"), and any information required to be disclosed under Rule 13.09 of the Listing Rules or any inside information required to be disclosed under the Inside Information Provisions should be announced immediately.

The Company's internal control and risk management system includes the following major components and practices:

(i) a clear organisational structure with appropriate division of responsibilities, delegated authority and reporting mechanism;

(ii) stringent policies and procedures for the employees' implementation, included senior management and Directors, regarding to any business operations exposed to significant or considerable risk level;

(iii) business plan and annual budget are prepared for each business section subject to the approval of the Executive Committee. In preparing the business plan and annual budget, the management for each business section shall evaluate the expected risk and report to the Board on any findings;

(iv) management reports are prepared on a monthly basis to compare with the forecasted results and the key performance indicators in enabling the quick response to variances and identified risks.

INTERNAL CONTROL (Continued)

The Company has appointed a legal adviser to assist the Board to review the compliance of the Listing Rules. In addition, a supervisor is appointed to oversee the compliance of PRC corporate laws and other regulations for the subsidiaries in the PRC.

The policies and procedures of the internal control and risk management system are designed to provide a reasonable assurance against material misstatement or loss, and to manage and minimise the risk of the Group's operation. During the Year, the Audit Committee and the Board have reviewed the effectiveness of the internal control system of the Group, covering all material controls, including financial and operation, and considered the policies and procedures of internal control and risk management system are effective and adequate and will conduct ongoing review on the effectiveness of the system.

COMPANY SECRETARY

Mr. HUNG Man Yuk, who has been appointed as the company secretary of the Company since 1 July 2010, has complied with Rule 3.29 of the Listing Rules in relation to the professional training requirements.

Mr. HUNG Man Yuk resigned as the company secretary of the Company with effect from 16 January 2015 due to his other personal commitments. Ms. NGAN Chui Wan, Judy has been appointed as the company secretary of the Company with effect from 16 January 2015. For further details, please refer to the announcement of the Company dated 16 January 2015.

COMMUNICATION WITH SHAREHOLDERS

The Directors acknowledge that they are entrusted to manage the Company on behalf of the Shareholders and they are responsible to the Shareholders for the operation and performance of the Company, therefore timely communication with Shareholders is indispensable for the Company to present the latest business development to them and obtain their opinions.

All Shareholders are encouraged to attend the general meetings of the Company to raise comments and exchange views with the Board. The Chairman and the chairpersons of the Board Committees, or the members of the Committees or their duly appointed delegates, will attend the meetings to answer questions at the meeting.

The Company will use a range of communication tools to ensure the Shareholders are kept well-informed including general meetings, annual reports, various notices, announcements and circulars. To promote effective communication, the Company maintains a website at www.comesure.com to post up-to-date information on the Group's latest business development, financial information and other relevant information for public access.

The annual general meeting of the Company will be held on 31 August 2015 ("AGM"). Details of the AGM and necessary information on issues to be considered in the AGM will be despatched to Shareholders of the Company at least 20 clear business days in advance in accordance with the Listing Rules.

SHAREHOLDERS' RIGHT

Procedures for convening an Extraordinary General Meeting and Putting Forward Proposals at General Meetings by Shareholders

The Board and the management of the Group endeavored to ensure all the Shareholders are treated equally and have their deserved rights. The Board has established the shareholders' communication policy to maintain an open and effective communication with the Shareholders and to update the Shareholders on relevant information on the Group's business in a timely manner.

To ensure the rights of all Shareholders, separate resolutions are proposed at the general meeting on each substantial issue, including but not limited to connected transactions, substantial acquisitions and election of individual Directors.

SHAREHOLDERS' RIGHT (Continued)

Procedures for convening an Extraordinary General Meeting and Putting Forward Proposals at General Meetings by Shareholders (Continued)

Extraordinary general meetings ("EGM") shall be convened on the requisition of one or more Shareholders holdings, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meeting. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition.

Any Shareholder may appoint a proxy or representative to attend the general meeting, and they are entitled to exercise the same voting rights in the meeting.

The convene and holding of general meetings and information distribution to Shareholders are conducted strictly pursuant to the relevant regulations.

AGM proceedings are reviewed from time to time to ensure that the Company follows the code provisions of the Code. The chairperson of the AGM exercises his/her power under the Company's articles of association to put each proposed resolution to the vote by way of a poll. The procedures for conducting a poll are explained at the meeting prior to the polls being taken. Voting results are posted on the Company's website on the day of the AGM.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Hong Kong office of the Company whose contact details are as follows:

Address:	Units 8–10, 8th Floor Cornell Centre 50 Wing Tai Road Chai Wan Hong Kong
Email:	calvinchong@comesure.com
Tel No.:	(852) 2889 0310
Fax No.:	(852) 2558 7474/(852) 2896 6511

CHANGES TO CONSTITUTIONAL DOCUMENTS

During the Year, there was no significant change in the Company's constitutional documents, and these documents are published on the Company's website and on the Stock Exchange's website.

INVESTORS RELATIONS

The Group values feedback from Shareholders on its efforts to promote transparency and foster investor relationships. Comments and suggestions to the Board or the Company are welcome to contact our investor relation company.

Designated contact information

iRregular Consulting Limited

Address:	RM 3603, 36/F, COSCO Tower 183 Queen's Road Central Hong Kong
Tel.:	(852) 6675 5167
Fax:	(852) 3909 2007
Email:	catherinetsang@irregularconsulting.com

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. CHONG Kam Chau (莊金洲先生) ("Mr. CHONG"), aged 68, the founder of the Group, the Chairman and is responsible for the strategic planning and overall development of the Group. Mr. CHONG is a director of Central Dragon Limited, Central Master Limited, Come Sure Development Limited, Come Sure Holdings Limited, Come Sure Packing Products (Shenzhen) Company Limited, Grand View Enterprises Group Limited, Joy Honest Holdings Limited, Jumbo Match Limited and Wah Ming International Limited (all of which are subsidiaries of the Company). Mr. CHONG is also the sole director of Perfect Group Version Limited (the controlling shareholder of the Company). He is a standing committee member of the Political Consultative Conference of Shanxi Province (山西省政協常務委員), a director of China Poverty Alleviation and Development Association (中國扶貧開發協會常務理事), the Vice-President of Shanxi Association of Overseas Liaison (山西省海外聯誼會副會長), the director of the Hong Kong Chinese People's Political Consultative Conference (Provincial) Members Association (港區省級政協委員聯誼會常務理事), and the Permanent Honorary President of the Eastern District Industries & Commerce Association (香港東區工商業聯會永遠名譽會長). Mr. CHONG is a part time professor of Shanxi University of Finance and Economics (山西財經大學). Mr. CHONG was the committee member of the 16th and 17th term and the vice chairman of the 18th term of The Hong Kong Corrugated Paper Manufacturers' Association (HKCPMA). Mr. CHONG has over 23 years experience in the operation and management of companies engaging in manufacturing and/or trading of corrugated paper products in Hong Kong and the PRC. Mr. CHONG is the father of Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam, all of whom are executive Directors except Mr. CHONG Wa Lam.

Mr. CHONG Wa Pan (莊華彬先生), aged 43, is the eldest son of Mr. CHONG, the elder brother of Mr. CHONG Wa Ching (an executive Director) and Mr. CHONG Wa Lam (the senior management of the Company). Mr. CHONG Wa Pan is the Chief Executive Officer and President of the Company. He joined the Group in December 1991 and is responsible for the Group's overall management. Mr. CHONG Wa Pan is a director of Central Dragon Limited, Central Master Limited, Cheer Fame Holdings Limited, Cheer Power (China) Limited, Huizhou Come Sure Paper Industrial Company Limited, Come Sure Development Limited, Come Sure Group Limited – Macao Commercial Offshore, Come Sure Holdings Limited, Come Sure Packing Products (Shenzhen) Company Limited, Huizhou Come Sure Packing Products Company Limited, Jiangxi Come Sure Packing Products Company Limited, Luck Sea Investment Limited, Mass Linker Limited and Smart Profit Capital Investment Limited (all of which are subsidiaries of the Company). Mr. CHONG Wa Pan obtained a post-graduate certificate in June 2002 and a professional certificate in March 2006 both in Enterprise Management from Shanxi University of Finance and Economics (山西財經大學). Mr. CHONG Wa Pan is a member of the Political Consultative Conference of Jiangxi Province (江西省政協委員), the honorary-president of Shanxi Province Taiyuan City Association of Overseas Liaison (山西省太原市海外聯誼會名譽會長), an executive director of the Shanxi Association of Overseas Liaison (山西省海外聯誼會常務理事), a director of the Jiangxi Association of Overseas Liaison (江西省海外聯誼會理事), an executive director of Neimenggu Association of Overseas Liaison (內蒙古海外聯誼會常務理事), and the Permanent Honorary President of the Eastern District Industries & Commerce Association (香港東區工商業聯會永遠名譽會長). Mr. CHONG Wa Pan has over 18 years' experience in the daily operation of the Group and sales and marketing of corrugated paper products in Hong Kong and the PRC, which are gained within the Group.

Mr. CHONG Wa Ching (莊華清先生), aged 38, is the second son of Mr. CHONG, the elder brother of Mr. CHONG Wa Lam (the senior management of the Company), the younger brother of Mr. CHONG Wan Pan (an executive Director, Chief Executive Officer and President of the Company). Mr. CHONG Wa Ching is a director of Century Shiny Investment Limited, Cheer Fame Asia Limited, Fortune Port Technology Limited, Fully Chance Holdings Limited, Huizhou Come Sure Packing Products Company Limited, Kechen Technology Limited, Kechen Technology (Hong Kong) Limited, Magic Thinksky Limited, Playful Games Holdings Limited, Playful Games (Hong Kong) Limited, Sky Achiever Holdings Limited, Soho Union International Limited, Superb Speed Limited, Think Speed Group Limited, Turbo Best Holdings Limited, Unlimited Space Limited and Wise Luck International (HK) Limited (all of which are subsidiaries of the Company). He joined the Group in August 2000 and is responsible for the strategic planning and control of the procurement and logistic activities of the Group, management of capital market operations, and investors' relationship. Mr. CHONG Wa Ching holds a Bachelor's degree in Business (Information Technology) from Swinburne University of Technology in Australia and a Master's Degree in Business from The University of Newcastle via distance learning. Mr. CHONG Wa Ching was a director of Yan Chai Hospital of the 36th and 37th term (2003–2005) board of directors and is a honorary director of Yan Chai Hospital.

DIRECTORS (Continued)

Executive Directors (Continued)

Mr. LUK Kwok Tung, Eric (陸國棟先生), aged 39, is the Finance Controller of the Group, and is responsible for the financial and accounting management of the Group. Mr. LUK joined the Group as Assistant Accounting Manager in September 2004. Mr. LUK is a director of Kechen Technology Limited, Kechen Technology (Hong Kong) Limited, Magic Thinsky Limited, Playful Games Holdings Limited, Playful Games (Hong Kong) Limited, Superb Speed Limited, Soho Union International Limited, Think Speed Group Limited and Unlimited Space Limited (all of which are subsidiaries of the Company). Mr. LUK holds a bachelor's degree in Business Accounting from the University of Glamorgan (now known as University of South Wales), United Kingdom. He is a member of the Association of Chartered Certified Accountants. Mr. LUK has over 15 years of experience of financial and accounting and auditing, gained from the Group and local and international accounting firms.

Independent Non-executive Directors

Mr. CHAU On Ta Yuen (周安達源先生), aged 68, was appointed as an independent non-executive Director on 5 February 2009. He graduated from Xiamen University, majoring in Chinese language and literature. Mr. CHAU is currently the honorary chairman of the board of directors of China Ocean Shipbuilding Industry Group Limited, the independent non-executive director of Good Fellow Resources Holdings Limited and Leyou Technologies Holdings Limited (formerly known as Sumpo Food Holdings Limited). He is also appointed as independent non-executive director for Redco Properties Group Limited on 14 January 2014 and appointed as the chairman of the board of directors of ELL Environmental Holdings Limited on 18 March 2014. All of the above companies are listed on the Main Board of the Stock Exchange. He is currently the President of Wealthy Sea Group (H.K.) Limited. He is a member of the Chinese People's Political Consultative Conference of the PRC (全國政協委員) and the vice chairman of Hong Kong Federation of Fujian Associations (香港福建社團聯會副主席). On 1 July 2010, Mr. CHAU is awarded with a Bronze Bauhinia Star (BBS) by the Government of HKSAR.

Ms. TSUI Pui Man (徐珮文女士), aged 58, was appointed as an independent non-executive Director on 5 February 2009. She is a practising lawyer in Hong Kong. Ms. TSUI holds a Bachelor's degree in Arts and a Bachelor's degree in Law from the University of Hong Kong. Ms. TSUI is a qualified solicitor in Hong Kong (admitted in 1988), England and Wales, Australia and Singapore. She is also a Notary Public and a China-Appointed Attesting Officer. Ms. TSUI was a member of Disciplinary Panel of Hong Kong Certified Public Accountants. She is a member of Political Consultative Conference of Shanxi Province (山西省政協委員) and a council member of Association for the Promotion of Peaceful National Reunification of China (中國和平統一促進會理事).

Mr. LAW Tze Lun (羅子璘先生), aged 43, was appointed as an independent non-executive Director on 5 February 2009. He is a Practising Certified Public Accountant in Hong Kong and is a director of ANSA CPA Limited. Mr. LAW holds a Bachelor of Commerce (Accounting) from the Curtin University of Technology. He is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia. Mr. LAW has over 22 years of experience in auditing, accounting and finance gained from various accounting firms in Hong Kong.

Mr. LAW Tze Lun is currently an independent non-executive director of Gemini Investment (Holdings) Limited and National Investment Fund Limited, which are listed on the Main Board of the Stock Exchange. During the period from 12 April 2010 to 9 September 2011, Mr. LAW was appointed as an independent non-executive director of China Automotive Interior Decoration Holdings Limited, which was listed on the GEM Board of the Stock Exchange.

The interest of Directors in Shares and/or underlying Shares of the Company are set out in the paragraphs headed "Directors' and chief's interests and short positions in Shares" in the Directors' Report of this Annual Report.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. YEOH Keng Gut, aged 46, is the plant manager of Come Sure Packing Products (Shenzhen) Company Limited. He joined the Group in June 2007 and is responsible for overall plants operation of Come Sure Shenzhen. He holds a Bachelor's degree in Applied Science (Engineering) from University of Toronto in Canada. Mr. YEOH has more than 17 years experience in the packaging industry involved in engineering, production, planning and customer services gained in Malaysia and China.

Ms. LAU Yin Chuen (劉燕邨女士), aged 61, is the group customer service manager of the Group. She joined the Group in March 2000 and is responsible for the overall pricing strategy and cost control of the Group. Ms. LAU holds a Diploma in Economics from the Beijing Institute of Commerce (北京商學院) now known as Beijing Technology and Business University (北京工商大學) in Beijing, the PRC. Before joining the Group, Ms. LAU has over 17 years of experience in finance and accounting of which approximately four years gained from a company which involved in the manufacturing and/or trading of electronic consumer products.

Mr. CHONG Wa Nam (莊華楠先生), aged 44, is the supervisor (監事) of Come Sure Packing Products (Shenzhen) Company Limited and director of Chance Bright Limited – Macao Commercial Offshore, Come Sure Paper Industrial (Shenzhen) Company Limited, Huizhou Come Sure Packing Products Company Limited, Huizhou Come Sure Paper Industrial Company Limited, Shenzhen Qianhai Come Sure Packing Creative and Cultural Industries Company Limited, Wah Ming Color Printing (Shenzhen) Company Limited and Jiangxi Come Sure Packing Products Company Limited (all of which are subsidiaries of the Company). Mr. CHONG Wa Nam joined the Group since 1992 and is responsible for monitoring the management and operations of a group of PRC subsidiaries to ensure the Group is in compliance with the PRC company laws and other legal regulations. Mr. CHONG Wa Nam holds a professional certificate in Enterprise Management from Shanxi University of Finance and Economics (山西財經大學). Mr. CHONG Wa Nam has more than 20 years of experience in the packaging industry involved in production, logistics, customer services and administration gained within the Group.

Mr. CHONG Wa Lam (莊華琳先生), aged 36, is the youngest son of Mr. CHONG, the younger brother of Mr. CHONG Wa Pan, and Mr. CHONG Wa Ching, all of whom are executive Directors. Mr. CHONG Wa Lam is a director of China Apex Investment Limited, Huizhou Come Sure Paper Industrial Company Limited, Come Sure Packing Products (Quanzhou) Company Limited, Fully Chance Holdings Limited, Jiangxi Come Sure Packing Products Company Limited, Kechen Technology Limited, Kechen Technology (Hong Hong) Limited, Mass Winner Holdings Limited, Playful Games Holdings Limited, Playful Games (Hong Kong) Limited, Rising Sun Paper (Jiangxi) Company Limited, Speedy Concept Development Limited, Superb Speed Limited, Think Speed Group Limited, Turbo Best Holdings Limited, Unlimited Space Limited, Wah Ming Colour Printing (Shenzhen) Company Limited and Wah Ming Paper Industrial (Shenzhen) Company Limited (all of which are subsidiaries of the Company). He joined the Group in April 2002 and is responsible for the Group's sales and marketing activities including sales and product development of the Group, and the management of new investment projects. Mr. CHONG Wa Lam obtained a postgraduate certificate in June 2002 and a professional certificate in March 2006 both in Enterprise Management from Shanxi University of Finance and Economics (山西財經大學). He is a member of the Political Consultative Conference of Nanchang City Jiangxi Province (江西省南昌市政協委員), a director of the Shanxi Association of Overseas Liaison (山西省海外聯誼會理事), a director of Shenzhen Printing Association (深圳市印刷行業協會理事), a vice chairman of Shenzhen Packaging Industry Association (深圳市包裝行業協會副會長), a vice chairman of The Hong Kong Corrugated paper Manufacturers' Association (HKCPMA), the vice president of Huidong Province Foreign Investment Enterprise Association (惠東外商投資企業協會副會長), a standing committee member of China Packaging Federation Paper Products Committee (中國包裝聯合會紙制品包裝委員會常務委員).

COMPANY SECRETARY

Ms. NGAN Chui Wan, Judy

Ms. NGAN, aged 48, is an associate member of the Institute of Chartered Secretaries & Administrators and The Hong Kong Institute of Company Secretaries. Ms. NGAN holds a bachelor degree in economics awarded by the University of Chengchi in 1992 and obtained a certificate in business of commercial English from the University of Hong Kong in 1999.

Ms. NGAN has over 20 years of experience in the company secretarial field. She was appointed as a company secretary or assistant company secretary in a number of companies whose shares are listed on the Main Board of the Stock Exchange.

The Directors are pleased to present their annual report and the audited consolidated financial statements for the Year.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries, are set out in note 47 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss on page 39.

No interim dividend was paid during the Year (2014: Nil). The Directors now recommend the payment of a final dividend of HK5.5 cents per Share for the Year, amounting to approximately HK$19.9 million (2014: HK$12.7 million) in total, and the retention of the remaining profits for the Year of the Group and the Company of approximately HK$34.0 million and HK$15.8 million respectively. The final dividend is subject to the approval of the Shareholders at the forthcoming AGM. The record date for entitlement to the proposed final dividend is 8 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on 31 August 2015. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 26 August 2015 to 31 August 2015, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:00 p.m. on 25 August 2015.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 7 September 2015 to 8 September 2015, both days inclusive, and no transfer of shares will be effected on such date. In order to qualify for the proposed final dividend, all transfer of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:00 p.m. on 4 September 2015. It is expected that the final dividend will be paid on or after 29 September 2015.

FIXED ASSETS

During the Year, the Group has acquired HK$39.9 million property, plant and equipment, in which HK$19.4 million represented regular replacement and upgrading of production facilities while HK$20.5 million represented the construction of a factory for a subsidiary.

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

The deposit paid for prepaid lease payments was transferred to prepaid lease payments during 31 March 2015 (2014: HK$12.9 million). As of 31 March 2015, the Group has paid HK$30.0 million (2014: HK$5.1 million) as the deposits for the acquisition of property, plant and equipment.

SHARE CAPITAL

Details of the movements during the Year in the share capital of the Company are set out in note 38 to the consolidated financial statements.

DIRECTORS' REPORT

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to Shareholders as at 31 March 2015 amounted to approximately HK$434.9 million (2014: HK$412.0 million).

Details of the movements in the reserves of the Group and the Company during the Year are set out in page 42 to page 43 and note 48(d) to the consolidated financial statements respectively.

PURCHASE, SALES OR REDEMPTION OF COMPANY'S LISTED SECURITIES

During the Year, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS

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

Executives Directors

Mr. CHONG Kam Chau
Mr. CHONG Wa Pan
Mr. CHONG Wa Ching
Mr. LUK Kwok Tung, Eric

Independent Non-executive Directors

Mr. CHAU On Ta Yuen
Ms. TSUI Pui Man
Mr. LAW Tze Lun

In accordance with the provisions of the Company's Articles of Association, Mr. CHONG Kam Chau, Ms. TSUI Pui Man and Mr. LAW Tze Lun will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 March 2015 are set out in notes 34 and 35 to the consolidated financial statements.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years are set out on page 4 of this annual report.

RETIREMENT BENEFITS SCHEMES

Particulars of the Group's retirement benefits schemes are set out in note 41 to the consolidated financial statements.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES

As at 31 March 2015, the interests and short positions in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix X of the Listing Rules were as follows:

Long positions in the Shares

Name	Capacity/Nature of interest	Number of Shares	Percentage of issued Shares
Mr. CHONG Kam Chau (Notes 1 & 2)	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	223,202,000	61.61%
	Beneficial owner	1,700,000*	0.47%
Mr. CHONG Wa Pan (Notes 1 & 3)	Beneficiary of a discretionary trust	223,202,000	61.61%
	Beneficial owner	1,200,000*	0.33%
Mr. CHONG Wa Ching (Notes 1 & 3)	Beneficiary of a discretionary trust	223,202,000	61.61%
	Beneficial owner	600,000*	0.17%
Mr. CHONG Wa Lam (Notes 1 & 3)	Beneficiary of a discretionary trust	223,202,000	61.61%
	Beneficial owner	600,000**	0.17%
Mr. LUK Kwok Tung, Eric	Beneficial owner	2,000	less than 0.01%
	Beneficial owner	300,000*	0.08%
Mr. CHAU On Ta Yuen	Beneficial owner	500,000*	0.14%
Ms. TSUI Pui Man	Beneficial owner	500,000*	0.14%
Mr. LAW Tze Lun	Beneficial owner	500,000*	0.14%

* These long positions represent the share options granted to the respective Directors under the share option scheme of the Company. Each share option shall entitle the holder thereof to subscribe for one share.

** These long positions represent the share option granted to the then Director under the share option scheme of the Company. Each share option shall entitle the holder thereof to subscribe for one share.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES (Continued)

Long positions in the ordinary shares of associated corporation

Name	Name of associated corporation	Capacity/Nature of interest	Number of securities	Percentage of shareholding
Mr. CHONG Kam Chau (Notes 1 & 2)	Perfect Group Version Limited	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	10,000 ordinary shares	100%
Mr. CHONG Wa Pan (Notes 1 & 3)	Perfect Group Version Limited	Beneficiary of a discretionary trust	10,000 ordinary shares	100%
Mr. CHONG Wa Ching (Notes 1 & 3)	Perfect Group Version Limited	Beneficiary of a discretionary trust	10,000 ordinary shares	100%
Mr. CHONG Wa Lam (Notes 1 & 3)	Perfect Group Version Limited	Beneficiary of a discretionary trust	10,000 ordinary shares	100%

Notes:

1. The entire issued shares of Perfect Group Version Limited ("Perfect Group") are held by Jade City Assets Limited ("Jade City"), which is in turn held by HSBC International Trustee Limited acting as the trustee of the CHONG Family Trust. The CHONG Family Trust is an irrevocable discretionary trust set up by Mr. CHONG Kam Chau as settlor and HSBC International Trustee Limited as trustee on 2 February 2009. The beneficiaries of the CHONG Family Trust include Mr. CHONG Kam Chau, Ms. CHAN Po Ting, Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam and the issues of Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam.

2. Mr. CHONG Kam Chau is the founder, an executive Director and the Chairman. Mr. CHONG Kam Chau is the sole director of Perfect Group and therefore Mr. CHONG Kam Chau is deemed or taken to be interested in the entire issued shares of Perfect Group and the 223,202,000 Shares beneficially owned by Perfect Group for the purposes of the SFO. Mr. CHONG Kam Chau as settlor and a beneficiary of the CHONG Family Trust is also deemed or taken to be interested in the 223,202,000 Shares held by Perfect Group under the SFO.

3. Mr. CHONG Wa Pan, the Chief Executive Officer and the President of the Company, together with Mr. CHONG Wa Ching, the executive Director, and Mr. CHONG Wa Lam, the senior management of the Company, all as beneficiaries and the issues of Mr. CHONG Wa Pan, namely, Mr. CHONG Kam Hung, Mr. CHONG Kam Shing and Ms. CHONG Sum Yee as beneficiaries of the CHONG Family Trust, are deemed or taken to be interested in entire issued shares of Perfect Group and the 223,202,000 Shares held by Perfect Group under the SFO.

Save as disclosed above, none of the Directors or chief executive, had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations as at 31 March 2015.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2015, as far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Long positions in the Shares

Name	Capacity/Nature	Number of shares	Percentage of issued shares
Perfect Group Version Limited (Notes 1 & 2)	Beneficial owner	223,202,000	61.61%
Jade City Assets Limited (Notes 1 & 2)	Interest of controlled corporation	223,202,000	61.61%
HSBC International Trustee Limited (Notes 1 & 2)	Trustee	223,202,000	61.61%
Ms. CHAN Po Ting (Notes 1 & 3)	Family interests; Beneficiary of a discretionary trust	224,902,000	62.08%
Ms. HUNG Woon Cheuk (Note 4)	Family interests	224,402,000	61.94%
Ms. YUEN Chung Yan (Note 5)	Family interests	223,802,000	61.77%
Mr. CHONG Kam Hung (Note 1)	Beneficiary of a discretionary trust	223,202,000	61.61%
Mr. CHONG Kam Shing (Note 1)	Beneficiary of a discretionary trust	223,202,000	61.61%
Ms. CHONG Sum Yee (Note 1)	Beneficiary of a discretionary trust	223,202,000	61.61%

Notes:

1. The entire issued shares of Perfect Group are held by Jade City, which is in turn held by HSBC International Trustee Limited acting as the trustee of the CHONG Family Trust. The CHONG Family Trust is an irrevocable discretionary trust set up by Mr. CHONG Kam Chau as settlor and HSBC International Trustee Limited as trustee on 2 February 2009. The beneficiaries of the CHONG Family Trust include Mr. CHONG Kam Chau, Ms. CHAN Po Ting, Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam and the issues of Mr. CHONG Wa Pan, Mr. CHONG Wa Ching and Mr. CHONG Wa Lam. Mr. CHONG Kam Hung, Mr. CHONG Kam Shing and Ms. CHONG Sum Yee are issues of Mr. CHONG Wa Pan.

2. Such Shares are held by Perfect Group, the entire issued shares of which are held by Jade City. The entire issued capital of Jade City is held by HSBC International Trustee Limited acting as the trustee of the CHONG Family Trust.

3. Ms. CHAN Po Ting, the spouse of Mr. CHONG Kam Chau and one of the beneficiaries of the CHONG Family Trust, is deemed or taken to be interested in the interests held by Mr. CHONG Kam Chau and Perfect Group under the SFO.

4. Ms. HUNG Woon Cheuk, is the spouse of Mr. CHONG Wa Pan, and Mr. CHONG Kam Hung, Mr. CHONG Kam Shing and Ms. CHONG Sum Yee are children under 18 of Ms. HUNG Woon Cheuk. Therefore, Ms. HUNG Woon Cheuk is deemed or taken to be interested in the interests held by Mr. CHONG Wa Pan, Mr. CHONG Kam Hung, Mr. CHONG Kam Shing and Ms. CHONG Sum Yee under the SFO.

5. Ms. YUEN Chung Yan, the spouse of Mr. CHONG Wa Ching, an executive Director, is deemed or taken to be interested in the interests held by Mr. CHONG Wa Ching under the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year was the Company, or any of its subsidiaries or fellow 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' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

CONTINUING CONNECTED TRANSACTIONS

Master Materials Purchase Agreement

On 29 July 2010, Nine Dragons Paper (Holdings) Limited ("Nine Dragons") and the Company has entered into a master materials purchase agreement ("Master Materials Purchase Agreement") in relation to the purchase of raw paper materials by the Group from Nine Dragons for a period commencing from 22 October 2010 to 31 March 2013. The annual aggregate transaction amounts in respect of the purchase of raw paper materials by the Group from the Nine Dragons under the Master Materials Purchase Agreement or the separate sale and purchase agreements between the Nine Dragons and the Group for each of the periods from 22 October 2010 to 31 March 2011 and the two financial years of the Company ending on 31 March 2012 and 31 March 2013 shall be capped at and not exceed RMB200,000,000, RMB400,000,000 and RMB500,000,000 respectively.

As the controlling shareholder of Nine Dragons indirectly owned as to 40% of the issued share capital of an indirectly owned subsidiary of the Company. Nine Dragons is a connected person of the Company pursuant to Chapter 14A of the then Listing Rules and as each of the percentage ratios (other than the profits ratio) for the aggregate caps of the transactions contemplated under the Master Materials Purchase Agreement for each of the periods from 22 October 2010 to 31 March 2011 and the two financial years of the Company ending on 31 March 2012 and 31 March 2013 of RMB200,000,000, RMB400,000,000 and RMB500,000,000 is on an annual basis more than 25%, the transactions contemplated under the Master Materials Purchase Agreement were subject to the reporting, announcement and independent shareholders' approval requirements pursuant to the then Listing Rules at the time of entering the Master Materials Purchase Agreement.

The above continuing connected transaction and the annual caps contemplated under the Master Materials Purchase Agreement were approved by the independent Shareholders at an extraordinary general meeting of the Company held on 6 September 2010. For details, please refer to the announcements of the Company dated 29 July 2010 and 6 September 2010, and the circular of the Company dated 19 August 2010.

On 28 February 2013, Nine Dragons and the Company has renewed the Master Materials Purchase Agreement for a period commencing from 1 April 2013 to 31 March 2016. The annual aggregate transaction amounts in respect of the purchase of raw paper materials by the Group from the Nine Dragons under the Group for the three financial years of the Company ending on 31 March 2014, 2015 and 2016 shall be capped at and not exceed RMB500,000,000, RMB500,000,000 and RMB600,000,000, respectively. As the transaction meets the requirements under Rule 14A.31(9) of the then Listing Rules, the said continuing connected transaction is exempt from the reporting, annual review, announcement and independent shareholders' approval requirements pursuant to Rule 14A.33 of the then Listing Rules.

Pursuant to the Listing Rules, if Nine Dragons no longer meets the conditions for the exemption under Rule 14A.31(9) of the then Listing Rules or if there is a material change to the terms of such agreement, the Company must comply with all applicable rules under Chapter 14A of the Listing Rules in relation to the announcement, reporting and/or independent shareholders' approval requirements. The Company confirms the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied.

CONTINUING CONNECTED TRANSACTIONS (Continued)

Master Materials Purchase Agreement (Continued)

The amount paid by the Group to the connected persons and the percentage of relevant expenses are as follows:

Name of connected person	Nature of transactions	2015 Amount	2015 %	2014 Amount	2014 %
Nine Dragons Paper (Holdings) Limited	Purchase of raw paper	**RMB192,440,266**	**44.8%**	RMB217,181,680	52.0%

The independent non-executive Directors have reviewed the above continuing connected transactions. In their opinion, such transactions entered into by the Group were:

(i) in the ordinary and usual course of business of the Group;

(ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable than terms available to or from independent third parties;

(iii) in accordance with relevant agreements governing such transactions; and

(iv) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The auditors of the Company has confirmed to the Board on matters stated in Rule 14A.56 of the Listing Rules in relation to the above continuing connected transactions.

Save as the transactions disclosed above, the Directors consider that those related party transactions disclosed in note 45 to the consolidated financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 14A of the Listing Rules or are exempt from the reporting, annual review, announcement or independent shareholders' approval requirements under the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

EMOLUMENT POLICY

The emolument policy for the senior management of the Group is set by the Remuneration Committee on the basis of their merit, qualifications and competence with reference to similar prevailing market condition.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

DIRECTORS' REPORT

SHARE OPTION SCHEME

As to attract and retain the eligible persons, to provide additional incentive to them and to promote the success of the business of the Group, the Company conditionally adopted a share option scheme (the "Scheme") on 5 February 2009 whereby the Board are authorised, at their absolute discretion and subject to the terms of the Scheme, to grant options to subscribe the Shares to, inter alia, any employees (full-time or part-time), directors, consultants and advisers or any substantial shareholder, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group. The Scheme became unconditional on 26 February 2009 and shall be valid and effective for a period of ten years commencing on 5 February 2009, subject to the early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00. The subscription price of a Share in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme does not exceed 10% of the shares in issue on the listing date of the Company. The Company may at any time refresh such limit, subject to the shareholders' approval and issue of a circular in compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the Shares in issue at the time.

As at the date of this report, options to subscribe for a total of 10,100,000 option Shares were still outstanding under the Scheme which represents approximately 2.79% of the issued share capital of the Company. The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

On 6 January 2010, according to the terms of the Scheme, the Company has granted 8,400,000 share options (5,700,000 share options of which were granted to the Directors) to certain eligible participants including certain Directors and employees at an exercise price of HK$1.18 per share and the consideration for each of the grant was HK$1. The share options granted pursuant to the Scheme will be exercisable from 6 January 2011 and expiring on 5 January 2020. Particulars of the share options granted under the Scheme were set forth in the announcement of the Company dated 6 January 2010.

On 17 May 2010, according to the terms of the Scheme, the Company has granted 19,600,000 share options (900,000 share options of which were granted to the Directors) to certain eligible participants including certain Directors and employees at an exercise price of HK$1.05 per Share. The consideration for each of the grant was HK$1. The share options granted pursuant to the Scheme will be exercisable from the 180th day after the date of acceptance of the share options by the Grantees and expiring on 16 May 2020. Particulars of the share options granted under the Scheme were set forth in the announcement of the Company dated 17 May 2010.

SHARE OPTION SCHEME (Continued)

Details of the share options outstanding as at 31 March 2015 under the Scheme are as follows:

Name or category of grantees	Date of grant	Exercisable period	Exercise price (HK$) (Note 1)	Share options held on 1 April 2014	Share options granted during the Year	Share options exercised during the Year	Share options lapsed during the Year	Share options held on 31 March 2015
Executive Directors								
Mr. CHONG Kam Chau	6 January 2010	6 January 2011 to 5 January 2020	1.18	680,000	–	–	–	680,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	510,000	–	–	–	510,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	510,000	–	–	–	510,000
				1,700,000	–	–	–	1,700,000
Mr. CHONG Wa Pan	6 January 2010	6 January 2011 to 5 January 2020	1.18	480,000	–	–	–	480,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	360,000	–	–	–	360,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	360,000	–	–	–	360,000
				1,200,000	–	–	–	1,200,000
Mr. CHONG Wa Ching	6 January 2010	6 January 2011 to 5 January 2020	1.18	240,000	–	–	–	240,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	180,000	–	–	–	180,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	180,000	–	–	–	180,000
				600,000	–	–	–	600,000
Mr. LUK Kwok Tung, Eric	6 January 2010	6 January 2011 to 5 January 2020	1.18	120,000	–	–	–	120,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	90,000	–	–	–	90,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	90,000	–	–	–	90,000
				300,000	–	–	–	300,000
Independent non-executive Directors								
Mr. CHAU On Ta Yuen	6 January 2010	6 January 2011 to 5 January 2020	1.18	200,000	–	–	–	200,000
	17 May 2010	13 November 2010 to 16 May 2020	1.05	300,000	–	–	–	300,000
				500,000	–	–	–	500,000
Ms. TSUI Pui Man	6 January 2010	6 January 2011 to 5 January 2020	1.18	200,000	–	–	–	200,000
	17 May 2010	13 November 2010 to 16 May 2020	1.05	300,000	–	–	–	300,000
				500,000	–	–	–	500,000
Mr. LAW Tze Lun	6 January 2010	6 January 2011 to 5 January 2020	1.18	200,000	–	–	–	200,000
	17 May 2010	13 November 2010 to 16 May 2020	1.05	300,000	–	–	–	300,000
				500,000	–	–	–	500,000
Seven other eligible participants of the Group								
	6 January 2010	6 January 2011 to 5 January 2020	1.18	660,000	–	–	–	660,000
	6 January 2010	6 January 2012 to 5 January 2020	1.18	495,000	–	–	–	495,000
	6 January 2010	6 January 2013 to 5 January 2020	1.18	495,000	–	–	–	495,000
	17 May 2010	13 November 2010 to 16 May 2020	1.05	3,000,000	–	–	–	3,000,000
				4,650,000	–	–	–	4,650,000
One other eligible participant of the Group								
	6 January 2010	6 January 2011 to 5 January 2020	1.18	150,000	–	–	–	150,000
				150,000	–	–	–	150,000
				10,100,000	–	–	–	10,100,000

Notes: 1. (a) The closing price of the Shares on 5 January 2010 (the day immediately before the date of grant) was HK$1.18.

(b) The closing price of the Shares on 16 May 2010 (the day immediately before the date of grant) was HK$1.05.

2. For details of the value of the options granted during the year ended 31 March 2015, please refer to note 39 to the consolidated financial statements.

DIRECTORS' REPORT

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance has been entered into between the Company or any of its subsidiaries and the Controlling Shareholders during the Year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

SUFFICIENCY OF PUBLIC FLOAT

As far as the Company is aware, more than 25% of the issued Shares were held in public hands as of 31 March 2015.

CHARITABLE DONATIONS

During the Year, the Group made charitable donation amounting to HK$1,505,000 (2014: HK$49,000).

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases attributable to the major customers and suppliers respectively during the Year under review is as follows:

	Percentage of the group's total	
	Sales	Purchases
The largest customer	10.74%	N.A.
Five largest customers in aggregate	30.88%	N.A.
The largest supplier	N.A.	44.77%
Five largest suppliers in aggregate	N.A.	77.91%

At no time during the year have the Directors, their associates or any Shareholder (who/which to the knowledge of the directors owns more than 5% of the company's share capital) had any interest in these major customers and suppliers.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after the end of the report period to the date of this report.

FUTURE PLANS FOR MATERIAL INVESTMENTS

The Group has no future plans for material investments or capital assets and their expected sources of funding in the coming year other than those set out in this report.

AUDITOR

The accounts for the Year have been audited by SHINEWING (HK) CPA Limited which will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting. A resolution will be submitted to the annual general meeting to appoint SHINEWING (HK) CPA Limited as auditor of the Company.

On behalf of the Board

CHONG Kam Chau
Chairman

30 June 2015

INDEPENDENT AUDITOR'S REPORT

信永中和
ShineWing

SHINEWING (HK) CPA Limited
43/F., Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

TO THE MEMBERS OF
COME SURE GROUP (HOLDINGS) LIMITED
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Come Sure Group (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 130, which comprise the consolidated statement of financial position as at 31 March 2015, and the 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT

OPINION

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

SHINEWING (HK) CPA Limited
Certified Public Accountants
Chan Wing Kit
Practising Certificate Number: P03224

Hong Kong
30 June 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Revenue	7	**916,802**	895,410
Cost of goods sold		**(714,365)**	(695,291)
Gross profit		**202,437**	200,119
Other income	8	**18,589**	13,638
Other gains and losses	9	**4,725**	5,059
Fair value changes of investment properties		**15,360**	6,900
Selling expenses		**(47,607)**	(53,274)
Administrative expenses		**(118,100)**	(109,112)
Other operating expenses		**(6,141)**	(13,664)
Profit from operations		**69,263**	49,666
Finance costs	10	**(10,254)**	(9,004)
Profit before tax		**59,009**	40,662
Income tax expense	11	**(9,424)**	(6,620)
Profit for the year	12	**49,585**	34,042
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**691**	9,317
Other comprehensive income for the year, net of income tax		**691**	9,317
Total comprehensive income for the year		**50,276**	43,359
Profit (loss) for the year attributable to:			
Owners of the Company		**53,935**	37,216
Non-controlling interests		**(4,350)**	(3,174)
		49,585	34,042
Total comprehensive income (expense) attributable to:			
Owners of the Company		**54,590**	46,263
Non-controlling interests		**(4,314)**	(2,904)
		50,276	43,359
Earnings per share			
Basic and diluted	15	**HK14.89 cents**	HK10.27 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Prepaid lease payments	16	**68,975**	57,765
Property, plant and equipment	17	**271,811**	260,669
Investment properties	18	**204,760**	189,400
Goodwill	19	**11,631**	14,431
Intangible assets	20	**–**	–
Deposits paid for prepaid lease payments	21	**–**	12,925
Deposits paid for acquisition of property, plant and equipment	22	**29,981**	5,115
Available-for-sale investments	23	**10,100**	3,542
Derivative financial instruments	25	**–**	1,070
Club membership		**366**	366
Held-to-maturity investments	26	**9,881**	–
Deferred tax asset	37	**1,401**	1,401
		608,906	546,684
Current assets			
Inventories	27	**80,990**	87,378
Trade and bills receivables	28	**220,672**	227,111
Prepayments, deposits and other receivables		**44,786**	29,985
Amounts due from non-controlling shareholders	33	**29**	24
Prepaid lease payments	16	**1,606**	1,313
Tax recoverable		**285**	1,054
Financial assets designated as at fair value through profit or loss	24	**53,174**	66,514
Derivative financial instruments	25	**203**	–
Held for trading investments	29	**6,740**	2,999
Pledged bank deposits	30	**175,171**	129,467
Bank and cash balances	30	**204,232**	174,898
		787,888	720,743
Current liabilities			
Trade and bills payables	31	**127,201**	138,145
Accruals and other payables	32	**84,863**	78,891
Amounts due to non-controlling shareholders	33	**27,409**	26,119
Short-term borrowings	34	**357,900**	288,560
Current tax liabilities		**17,479**	12,353
Derivative financial instruments	25	**4,783**	1,735
Current portion of long-term borrowings	35	**99,220**	77,160
Amount due to a director	36	**135**	135
		718,990	623,098
Net current assets		**68,898**	97,645
Total assets less current liabilities		**677,804**	644,329

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current liabilities			
Amounts due to non-controlling shareholders	33	**6,412**	7,685
Long-term borrowings	35	**10,146**	12,928
Deferred tax liabilities	37	**4,724**	4,789
		21,282	25,402
NET ASSETS		**656,522**	618,927
Capital and reserves			
Share capital	38	**3,623**	3,623
Reserves		**644,992**	603,083
Equity attributable to owners of the Company		**648,615**	606,706
Non-controlling interests		**7,907**	12,221
		656,522	618,927

The consolidated financial statements on pages 39 to 130 were approved and authorised for issue by the board of directors on 30 June 2015 and are signed on its behalf by:

Mr. CHONG Kam Chau
Director

Mr. CHONG Wa Pan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Attributable to owners of the Company												
	Share capital HK$'000 (note 38)	Share premium HK$'000 (note (i))	Special reserve HK$'000 (note (ii))	Share-based payment reserve HK$'000 (note (iii))	Foreign currency translation reserve HK$'000 (note (iv))	Warrant reserve HK$'000 (note (v))	Statutory reserve HK$'000 (note (vi))	Contingent consideration HK$'000 (note (vii))	Contribution reserve HK$'000 (note (viii))	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2013	3,623	193,212	105,309	3,698	70,357	40	20,250	7,861	15,840	148,224	568,414	15,125	583,539
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	37,216	37,216	(3,174)	34,042
Other comprehensive income for the year													
Exchange differences on translating foreign operations	-	-	-	-	9,047	-	-	-	-	-	9,047	270	9,317
Total comprehensive income (expense) for the year	-	-	-	-	9,047	-	-	-	-	37,216	46,263	(2,904)	43,359
Dividend recognised as distribution (note 14)	-	-	-	-	-	-	-	-	-	(7,971)	(7,971)	-	(7,971)
Transfer	-	-	-	-	-	(40)	-	(7,861)	-	7,901	-	-	-
Change in equity for the year	-	-	-	-	9,047	(40)	-	(7,861)	-	37,146	38,292	(2,904)	35,388
At 31 March 2014	3,623	193,212	105,309	3,698	79,404	-	20,250	-	15,840	185,370	606,706	12,221	618,927
At 1 April 2014	3,623	193,212	105,309	3,698	79,404	-	20,250	-	15,840	185,370	606,706	12,221	618,927
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	53,935	53,935	(4,350)	49,585
Other comprehensive income for the year													
Exchange differences on translating foreign operations	-	-	-	-	655	-	-	-	-	-	655	36	691
Total comprehensive income (expense) for the year	-	-	-	-	655	-	-	-	-	53,935	54,590	(4,314)	50,276
Dividend recognised as distribution (note 14)	-	-	-	-	-	-	-	-	-	(12,681)	(12,681)	-	(12,681)
Change in equity for the year	-	-	-	-	655	-	-	-	-	41,254	41,909	(4,314)	37,595
At 31 March 2015	3,623	193,212	105,309	3,698	80,059	-	20,250	-	15,840	226,624	648,615	7,907	656,522

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

Notes:

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Special reserve

The special reserve of the Group arose as a result of the reorganisation (the "Reorganisation") implemented in the preparation for the listing of the Company's shares on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing") and represented the difference between the nominal value of the aggregate share capital of the subsidiaries acquired pursuant to the Reorganisation, over the nominal value of the share capital of the Company issued in exchange therefore.

(iii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3.

(iv) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3.

(v) Warrant reserve

Warrant reserve represents the net proceeds received from the issue of warrants of the Company. On 12 October 2011, the Company issued 20,000,000 non-listed warrants at an issue price of HK$0.01 each per warrant by private placement. Each warrant entitles the holder to subscribe for one ordinary share at a subscription price of HK$1 per warrant share at any time for a period of twenty four months from the date of issue of the warrants.

The warrants have not been exercised at the expiry date and the amount previously recognised in warrant reserve has been transferred to retained profits for the year ended 31 March 2014.

(vi) Statutory reserve

The statutory reserve which is non-distributable, is appropriated from the profit after tax of the Group's subsidiaries in the People's Republic of China (the "PRC") under the applicable laws and regulations in the PRC.

(vii) Contingent consideration

For the year ended 31 March 2013, as part of the consideration for the acquisition of non-wholly owned subsidiaries, Think Speed Group Limited ("Think Speed Group") and its subsidiaries (collectively referred to as "TSGL"), the Company was required to issue 8,639,000 new shares (the "Consideration Shares") if the aggregate of the audited consolidated net profit of TSGL for the two years ended 31 March 2014 (the "TSGL's Profit Amount") equals to or exceeds HK$20,000,000 (the "TSGL's Guaranteed Amount") (the "TSGL's Profit Guarantee"). Consideration Shares were classified as equity and recognised at its fair value on the acquisition date.

No Consideration Shares were required to be issued because the TSGL's Profit Amount did not exceed the TSGL's Guaranteed Amount. Contingent consideration was transferred to retained profits for the year ended 31 March 2014.

(viii) Contribution reserve

Contribution reserve represents contributions from shareholders for indemnity liabilities payable for periods prior to the Listing.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
OPERATING ACTIVITIES		
Profit before tax	59,009	40,662
Adjustments for:		
Amortisation of prepaid lease payments	1,507	1,313
Amortisation of intangible assets	–	2,491
Depreciation of property, plant and equipment	25,928	25,673
(Gain) loss on disposal of property, plant and equipment, net	(199)	254
Allowance for doubtful debt	3,126	855
Impairment loss on intangible assets	–	2,490
Impairment loss on goodwill	2,800	8,682
Gain on disposal of held for trading investments	(306)	–
Loss on disposal of available-for-sale investments	547	–
Fair value changes of held for trading investments	(1,736)	726
Fair value changes of financial assets designated as at fair value through profit or loss	(1,220)	960
Fair value changes of derivative financial instruments	3,915	1,330
Income from structured foreign currency forward contracts and structured performance swap	(3,826)	(6,701)
Income from structured deposits	(2,099)	(1,374)
Dividend income from held for trading investments	(52)	(53)
Government subsidies	(802)	(2,208)
Fair value changes of investment properties	(15,360)	(6,900)
Finance costs	10,254	9,004
Interest income	(5,222)	(3,536)
Operating profit before working capital changes	76,264	73,668
Decrease in inventories	6,540	2,282
Decrease (increase) in trade and bills receivables	3,319	(32,309)
Increase in prepayments, deposits and other receivables	(226)	(531)
(Decrease) increase in trade and bills payables	(10,944)	33,892
Decrease in accruals and other payables	5,680	5,969
Cash generated from operations	80,633	82,971
Income taxes paid, net	(4,446)	(7,284)
Net cash generated from operating activities	76,187	75,687

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

	2015 HK$'000	2014 HK$'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(39,295)	(17,524)
Purchase of available-for-sale investment	(10,100)	–
Purchase of held-to-maturity investments	(9,881)	–
Purchase of held for trading investments	(1,699)	–
Increase in deposits paid for acquisition of property, plant and equipment	(25,109)	(5,226)
Increase in pledged bank deposits	(45,704)	(108,483)
Dividend income from held for trading investments	52	53
Proceeds from disposal of an available-for-sale investment	2,995	–
Cash inflow from structured foreign currency forward contracts and structured performance swap	3,826	6,701
Cash inflow from structured deposits	2,099	1,374
Proceeds from disposal of property, plant and equipment	3,255	264
Interest received	5,212	1,059
Net cash used in investing activities	(114,349)	(121,782)
FINANCING ACTIVITIES		
Drawing of short-term borrowings	198,659	150,158
Repayment of short-term borrowings	(130,580)	(31,444)
New long-term borrowings	48,500	–
Repayment of long-term borrowings	(27,960)	(31,931)
Government subsidies	802	2,208
Advances from non-controlling shareholders	–	12,200
Advances from indemnifiers	–	3,159
Dividend paid	(12,681)	(7,971)
Interest paid	(10,311)	(7,646)
Net cash generated from financing activities	66,429	88,733
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,267	42,638
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,067	5,926
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	174,898	126,334
CASH AND CASH EQUIVALENTS AT END OF YEAR, represented by bank and cash balances	204,232	174,898

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 10 March 2006 as an exempted company with limited liability under the Companies Law of the Cayman Islands. In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Perfect Group Version Limited ("Perfect Group"), a company incorporated in the British Virgin Islands (the "BVI"). The addresses of the registered office and principal place of business of the Company are disclosed in "Corporate Information" section to the annual report.

The Company is an investment holding company and the principal activities of its principal subsidiaries are set out in note 47.

The shares of the Company were listed on the Main Board of the Stock Exchange on 26 February 2009.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"). Other than those subsidiaries established in the PRC whose functional currency is Renminbi ("RMB"), the functional currency of the Company and its other subsidiaries is HK$.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and Interpretations ("Int(s)"), issued by the Hong Kong Institute of Certified Public Accountants (the "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
Hong Kong (IFRS Interpretations Committee) ("HK(IFRIC)")-Int 21	Levies

The application of the new and revised HKFRSs 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.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The Group has applied amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities* for the first time in the current year. The amendments to HKFRS 10 define an investment entity and introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities (Continued)

To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity, the directors of the Company consider that the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments have been applied retrospectively. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to HKAS 36 require disclosures on additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. If the recoverable amount is fair value less costs of disposal, an entity shall disclose the level of the fair value hierarchy within which the fair value measurement of the asset or cash generating unit is categorised in its entirety. The Group is required to make additional disclosures for Level 2 and Level 3 of the fair value hierarchy:

- a description of the valuation techniques used to measure the fair value less costs of disposals. If there is any change in valuation techniques, the fact and the reason should also be disclosed;
- each key assumption on which management has based its determination of fair value less costs of disposal;
- the discount rates used in the current and previous measurement if fair value less costs of disposal is measured using a present value technique.

The amendments have been applied retrospectively. The directors of the Company consider that the application of the amendments to HKAS 36 has had no material impact on the disclosures in the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* for the first time in the current year. The amendments to HKAS 39 introduce an exception to the requirements for the discontinuation of hedge accounting in HKAS 39 if specific conditions are met. The amendments to HKAS 39 state that the novation of a hedging instrument is not be considered an expiration or termination if the novation (a) is required by laws or regulations; (b) results in a central counterparty or an entity acting in a similar capacity becoming the new counterparty to each of the parties to the novated derivative and (c) does not result in changes to the terms of the original over-the-counter derivatives other than the changes directly attributable to the novation. For all other novations outside the scope of the exemption, an entity should assess if they meet the derecognition criteria and the conditions for continuation of hedge accounting.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC)-Int 21 Levies

The Group has applied HK(IFRIC)-Int 21 Levies for the first time in the current year. HK(IFRIC)-Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC)-Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

New and revised HKFRSs issued but not yet effective

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

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

1 Effective for annual periods beginning on or after 1 July 2014.
2 Effective for annual periods beginning on or after 1 January 2016.
3 Effective for annual periods beginning on or after 1 January 2017.
4 Effective for annual periods beginning on or after 1 January 2018.

The directors of the Company anticipate that the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 Financial Instruments (2014)

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 9 Financial Instruments (2014) (Continued)

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be 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 have contractual cash flows 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 values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), 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 (2014) 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 the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

New and revised HKFRSs issued but not yet effective (Continued)

HKFRS 15 Revenue from Contracts with Customers

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. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

(i) Identify the contract with the customer;

(ii) Identify the performance obligations in the contract;

(iii) Determine the transaction price;

(iv) Allocate the transaction price to the performance obligations; and

(v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows 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.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material 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.

Annual Improvements to HKFRSs 2010–2012 Cycle

The Annual Improvements to HKFRSs 2010–2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

New and revised HKFRSs issued but not yet effective (Continued)

Annual Improvements to HKFRSs 2010–2012 Cycle (Continued)

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010–2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011–2013 Cycle

The Annual Improvements to HKFRSs 2011–2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011–2013 Cycle will have a material effect on the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

New and revised HKFRSs issued but not yet effective (Continued)

Annual Improvement to HKFRSs 2012–2014 Cycle

The Annual Improvements to HKFRSs 2012–2014 Cycle include a number of amendments to various HKFRSs, which are summarised below. The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012–2014 Cycle will have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 19 Defined Benefit Plans — Employee Contributions

The amendments to HKAS 19 simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. Specifically, contributions that are linked to services are attributed to periods of services as a negative benefit. The amendments to HKAS 19 specifies that such negative benefit are attributed in the same way as the gross benefit, i.e. attribute to periods of services under the plan's contribution formula or on a straight-line basis.

Besides, the amendments also state that if the contributions are independent of the number of years of employee service, such contributions may be recognised as a reduction of the service cost as they fall due.

The amendments to HKAS 19 will become effective for annual periods beginning on or after 1 July 2014 with early application permitted.

The directors of the Company anticipate that the application of the amendments to HKAS 19 will have no material impact on the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

New and revised HKFRSs issued but not yet effective (Continued)

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

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

(i) when the intangible asset is expressed as a measure of revenue;

(ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group use straight-line method for depreciation of property, plant and equipment, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The amendments to HKAS 16 and HKAS 41 define bearer plants. Biological assets that meet the definition of bearer plants are no longer accounted for under HKAS 41, but under HKAS 16 instead. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The amendments to HKAS 16 and HKAS 41 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

As the Group does not have any biological assets, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 41 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments to HKAS 27 allow an entity to apply the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. As a result of the amendments, the entity can choose to account for these investments either:

(i) at cost;

(ii) in accordance with HKFRS 9 (or HKAS 39); or

(iii) using the equity method as described in HKAS 28.

The amendments to HKAS 27 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

As the Company does not have any investment in associates or joint ventures, the directors of the Company do not anticipate that the application of the amendments to HKAS 27 will have a material impact on the Company's financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

New and revised HKFRSs issued but not yet effective (Continued)

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments provide guidance on addressing the acknowledged inconsistency between the requirements in HKFRS 10 and those in HKAS 28, in dealing with the sale or contribution of assets between an investor and its joint venture and associate. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that constitutes or contains a business to a joint venture or associate in full. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that does not constitute or contain a business to a joint venture or associate only to the extent of the unrelated investors' interests in that joint venture or associate.

The amendments to HKFRS 10 and HKAS 28 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

The directors of the Company do not anticipate that the application of the amendments to HKFRS 10 and HKAS 28 will have a material impact on the Company's financial statements.

Amendments to HKFRS 11 Accounting for Acquisition of Interests in Joint Operations

The amendments provide new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business as defined in HKFRS 3 Business Combination. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments to HKFRS 11 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

The directors of the Company do not anticipate that the application of the amendments to HKFRS 11 will have a material impact on the Company's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception

The amendments clarify the requirements when accounting for investment entities as well as provide relief in particular circumstances, which will reduce the costs of applying the Standards. Specifically, a parent entity that is a subsidiary of an investment entity is exempted from preparing consolidated financial statements. A parent entity which is also a subsidiary of an investment entity and hold interests in associates and joint ventures is exempted from applying equity method if it meets all the conditions stated in paragraph 4(a) of HKFRS 10.

Besides, the amendments clarify if an investment entity has a subsidiary that is not itself an investment entity and whose main purpose and activities are providing investment-related services that relate to the investment entity's investment activities to the entity or other parties, it should consolidate that subsidiary. If the subsidiary that provides the investment-related services or activities is itself an investment entity, the investment entity parent should measure that subsidiary at fair value through profit or loss. If an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when apply the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE (Continued)

New and revised HKFRSs issued but not yet effective (Continued)

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception (Continued)

Furthermore, if a parent that is an investment entity and has measured all of its subsidiaries at fair value through profit or loss, that investment entity should present the disclosures relating to investment entities required by HKFRS 12 in its financial statements. If an investment entity has consolidated its subsidiary in which the subsidiary itself is not an investment entity and whose main purpose and activities are providing services that relate to the investment activities of its investment entity parent, the disclosure requirements in HKFRS 12 apply to financial statements in which the investment entity consolidates that subsidiary.

The amendments to HKFRS 10, HKFRS 12 and HKAS 28 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

As the Group does not have any investments in investment entities, the directors of the Company do not anticipate that the application of the amendments to HKFRS 10, HKFRS 12 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, held for trading investments, derivative financial instruments and financial assets designated as at fair value through profit and loss that are measured at fair values, as explained in the accounting policies set out 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 in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

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 (i.e. its subsidiaries).

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries 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 of subsidiaries 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

Business combinations are accounted for by applying 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 incurred to effect a business combination are recognised in profit or loss as incurred.

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 arising from the assets acquired and liabilities assumed in the business combination are recognised and measured in accordance with HKAS 12 Income Taxes;

– assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with HKAS 19 Employee Benefits;

– liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group 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 aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group'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 aggregate 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 gain on bargain purchase.

Non-controlling interests, unless as required by another standards, are measured at acquisition-date fair value except for 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 are measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Investments in subsidiaries

Investments in subsidiaries are included in the statement of financial position of the Company (see note 48) at cost less any identified impairment loss.

Property, plant and equipment

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

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment other than properties under construction less their residual values over their estimated 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

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 in profit or loss 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.

3. SIGNIFICANT ACCOUNTING POLICIES (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 leases 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 except for those that are classified and accounted for as investment properties under the fair value model. 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.

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 recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the 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 arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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 year. 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).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Club membership

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

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.

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profits or loss ("FVTPL"), loans and receivables, held-to maturity investments and available-for-sale financial assets. 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, of which interest income is included in net gains or losses.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

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

– 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.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

– such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

– the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

– it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the 'other gains and losses' line item in the consolidated statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 6.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and bills receivables, amounts due from non-controlling shareholders, deposits and other receivables, pledged bank deposits and bank and cash balances) are carried at amortised cost using the effective interest method, less any identified impairment loss (see accounting policy on impairment of financial assets below).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group's management has the positive intention and ability to hold to maturity. The Group designated investments in perpetual debt securities as held-to-maturity investments. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments. The Group designated unlisted equity securities as available-for-sale financial assets.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment loss on financial assets below).

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 assets, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter into 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 assets, such as trade and bills receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. 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 15 to 120 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and bills receivables, deposits and other receivables and amounts due from non-controlling shareholders, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When trade and bills receivables and deposits and other receivables are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss.

Financial liabilities and equity instruments

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.

Financial liabilities

Financial liabilities including trade and bills payables, accruals and other payables, amounts due to non-controlling shareholders, amount due to a director and borrowings are subsequently measured at amortised cost, using the effective interest method.

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 cost, 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.

Equity instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

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 fair value with changes in fair value recognised in profit or loss.

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 payment when due in accordance with the original or modified terms of a debt instrument.

A financial guarantee contract issued by the Group and not designated as at FVTPL is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract 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 policy.

Derecognition

A financial asset is derecognised 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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash at banks as defined above.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services rendered in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

– the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

– the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

– the amount of revenue can be measured reliably;

– it is probable that the economic benefits associated with the transaction will flow to the Group; and

– the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income arising from sales of game dollars ("Game Dollars") in the online game services is recognised when the Game Dollars are delivered and title has passed.

Income arising from technical services provided in respect of the internet business is recognised when the services are provided.

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 the 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).

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme"), Central Provident Fund System and central pension scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a reduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Share-based payment transactions

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based payment reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to share-based payment reserve.

When share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits.

When an equity settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred 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 and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 difference 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 other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, 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 rate (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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in investment properties over time, rather than through sale. Therefore, the directors have determined that the "sale" presumption set out in the amendments to HKAS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Current and deferred tax are 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.

Impairment of tangible assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives 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. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market 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 (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under the standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) 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 (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of goodwill and intangible assets for the purpose of impairment assessment, 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.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

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

Critical judgement in applying accounting policies (Continued)

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment properties portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantively all of the economic benefits embodied in the investment properties over time, rather than sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties as the Group is not subject to any income taxes on disposal of its investment properties.

Held-to-maturity investments

The directors of the Company have reviewed the Group's held-to-maturity investments in the light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold those assets to maturity. At 31 March 2015, the carrying amount of the held-to-maturity investments is approximately HK$9,881,000 (2014: nil). Details of these assets are set out in note 26.

Key sources of estimation uncertainty

The followings 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 resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated. The directors of the Company estimate the recoverable amount based on a value-in-use calculation. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. At 31 March 2015, the carrying amount of goodwill is approximately HK$11,631,000 (2014: HK$14,431,000), net of accumulated impairment loss of HK$16,482,000 (2014: HK$13,682,000). Details of the recoverable amount calculation are disclosed in note 19.

Estimation of fair value of investment properties

As disclosed in note 18, the Group's investment properties were revalued at end of the reporting period on an open market value basis by an independent professional valuer. Such valuation was based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgment, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of each reporting period. At 31 March 2015, the carrying amount of investment properties are approximately HK$204,760,000 (2014: HK$189,400,000).

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

Key sources of estimation uncertainty (Continued)

Estimated impairment of available-for-sale investments

The Group follows the guidance of HKAS 39 to determine when an available-for-sale investment is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the carrying amount of financial asset is less than its present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, and the financial health of and short-term business outlook for the investee. At 31 March 2015, the carrying amount of available-for-sale investments is approximately HK$10,100,000 (2014: HK$3,542,000), net of accumulated impairment loss of nil (2014: approximately HK$1,458,000).

Estimated impairment of intangible assets

The Group performs annual assessments on whether there is any impairment of intangible assets. As disclosed in note 20, the recoverable amounts of intangible assets are determined based on value-in-use calculations. These calculations require the use of estimates and assumptions made by the directors of the Company on the future operation of the businesses, pre-tax discount rates and other assumptions underlying the value-in-use calculations. For any instance where this evaluation process indicates impairment, the relevant intangible asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the consolidated statement of profit or loss and other comprehensive income. At 31 March 2014 and 2015, the carrying amount of intangible assets are approximately nil, net of accumulated impairment loss.

Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment as set out in note 17. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. At 31 March 2015, the carrying amount of property, plant and equipment are approximately HK$271,811,000 (2014: HK$260,669,000),

Allowance for doubtful debts

The Group makes allowance of doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and allowance for doubtful debt charged to profit or loss for the year in which such estimate has been changed. If the financial conditions of the debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

As at 31 March 2015, the carrying amount of trade and bills receivables was approximately HK$220,672,000 (2014: HK$227,111,000), net of allowance for doubtful debts of approximately HK$15,117,000 (2014: HK$12,059,000). As at 31 March 2015, the carrying amount of deposits and other receivables was approximately HK$33,771,000 (2014: HK$17,863,000) and no impairment on other receivables was made at 31 March 2015 and 2014.

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

Key sources of estimation uncertainty (Continued)

Allowance for inventories

Allowance for inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed. As at 31 March 2015, the carrying amount of inventories was approximately HK$80,990,000 (2014: HK$87,378,000) and no allowance for inventories was made at 31 March 2015 and 2014.

Income taxes

As at 31 March 2015, a deferred tax asset of approximately HK$1,401,000 (2014: HK1,401,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. Deferred tax asset has been recognised on the tax losses of HK$5,540,000 (2014: HK$5,540,000). The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Value-added tax ("VAT")

The Group is subject to VAT in the PRC. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of anticipated sales and purchases transactions based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the VAT recoverable or payables in the year in which such determination is made. At 31 March 2015, the carrying amount of VAT recoverable is approximately HK$1,960,000 (2014: HK$2,920,000) and the carrying amount of VAT payable is approximately HK$34,284,000 (2014: HK$31,855,000).

Fair value of derivatives and other financial instruments

As described in note 6, the management of the Group uses their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instruments. If the inputs and estimates applied in the model are different, the carrying amount of those derivatives may change. At 31 March 2015, the carrying amount of derivative financial instruments which classifies as financial assets and financial liabilities are approximately HK$203,000 (2014: HK$1,070,000) and HK$4,783,000 (2014: HK$1,735,000) respectively.

For financial assets designated as at FVTPL, assumptions are made based on quoted market prices adjusted for specific features of the instruments. If the inputs and estimates applied in the model are different, the carrying amount of those instruments may change. The carrying amount of financial assets designated as at FVTPL are approximately HK$53,174,000 (2014: HK$66,514,000).

5. 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 cash and cash equivalents, borrowings and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits. The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The gearing ratio at the end of the reporting period was as follows:

	2015 HK$'000	2014 HK$'000
Debt (a)	467,266	378,648
Less: Bank and cash balances	(204,232)	(174,898)
Net debt	263,034	203,750
Equity (b)	648,615	606,706
Net debt to equity ratio	41%	34%

(a) Debt is defined as short-term and long-term borrowings, as detailed in notes 34 and 35 respectively.

(b) Equity includes all capital and reserves of the Group.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2015 HK$'000	2014 HK$'000
Financial assets:		
Available-for-sale investments, at cost	10,100	3,542
At FVTPL		
Designated as at FVTPL	53,174	66,514
Held for trading		
Held for trading investments	6,740	2,999
Derivative financial instruments	203	1,070
	60,117	70,583
Held-for-maturity investments	9,881	–
Loans and receivables (including cash and cash equivalents)	633,875	549,363
Financial liabilities:		
At amortised cost	671,397	591,890
At FVTPL		
Derivative financial instruments	4,783	1,735

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, deposits and other receivables, amounts due from non-controlling shareholders, held-to-maturity investments, derivative financial instruments, available-for-sale investments, financial assets designated as at fair value through profit or loss, held for trading investments, pledged bank deposits, bank and cash balances, trade and bills payables, accruals and other payables, amounts due to non-controlling shareholders, amount due to a director and borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk

i. *Currency risk*

Other than the subsidiaries established in the PRC whose functional currency is RMB, the functional currency of the Company and other subsidiaries functional currency is HK$. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
United States dollars ("US$")	**31,039**	25,724	**17,607**	14,543
RMB	**1,789**	2,270	**100**	–
HK$	**9,501**	31,631	**1,095**	–
Total	**42,329**	59,625	**18,802**	14,543

The following table demonstrates the sensitivity to a change in the value of foreign currency against functional currency with all other variables held constant, of the Group's profit after tax. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rates. A positive number indicates an increase in profit after tax. If the foreign currency rate changes in opposite direction with all other variables held constant, there would be an equal and opposite impact on the Group's profit after tax.

The Group currently has entered into foreign currency forward contracts to reduce the currency exposures arising from amounts denominated in RMB and US$. The Group has not accounted for such forward contracts using hedge accounting and they are deemed as derivative financial instruments.

The Group currently does not have any US$, RMB and HK$ hedging policy but the management monitors US$, RMB and HK$ exchange exposure and will consider hedging significant US$, RMB and HK$ exposure should the need arise.

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

i. *Currency risk (Continued)*

Sensitivity analysis

	Foreign currency rate movement	Increase in profit after tax HK$'000
Year ended 31 March 2015		
— US$	**+1%**	**112**
— RMB	**+10%**	**141**
— HK$	**+10%**	**702**
Year ended 31 March 2014		
— US$	+1%	93
— RMB	+10%	190
— HK$	+10%	2,641

For structured foreign currency forward contracts, an increase in the foreign currency rate movement for RMB/US$ used in isolation would result in a decrease in profit after tax, and vice versa. A 3% increase in the foreign currency rate movement for RMB/US$ holding all other variables constant would decrease the profit after tax by approximately HK$8,520,000 (2014: HK$4,038,000). A 3% decrease in the foreign currency rate movement for RMB/US$ holding all other variables constant would increase the profit after tax by approximately HK$4,906,000 (2014: HK$2,168,000).

ii. *Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see notes 34 and 35 for details of these borrowings). The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly related to the fluctuation of Hong Kong Interbank Offered Rate ("HIBOR") arising from the Group's bank borrowings.

The Group's fixed bank deposits, amounts due to non-controlling shareholders and borrowings (see notes 30, 33, 34 and 35 respectively) bear interests at fixed interest rates and therefore are subject to fair value interest rate risk. The directors of the Company consider the Group's exposure to interest rate risk on fixed bank deposits, amounts due to non-controlling shareholders and borrowings is not significant.

The Group's cash flow interest rate risk primarily relates to variable-rate bank deposits and bank borrowings.

6. FINANCIAL INSTRUMENTS (Continued)

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

Market risk (Continued)

ii. Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for its variable rate bank deposits and borrowings at the end of the reporting period. The analysis is prepared assuming the amounts of bank deposits and borrowings outstanding at the end of each reporting period were outstanding for the whole year. A 100 basis point (2014: 100 basis points) increase or decrease 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.

If interest rates had been 100 basis points (2014: 100 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 decrease/increase by HK$710,000 (2014: decrease/increase by HK$239,000).

iii. Other price risk

The Group is exposed to equity price risk through its held for trading investments and financial assets designated as at FVTPL. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on a particular equity stock traded in the Stock Exchange. The management monitors the equity price exposure by regularly reviewing and maintaining a portfolio of equity investments with different risk profiles.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting date. If the prices of the respective equity instruments had been 10% (2014: 10%) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2015 would have increase/decrease by approximately HK$5,003,000 (2014: HK$4,654,000) as a result of the changes in fair value of held for trading investments and financial assets designated at FVTPL.

Credit risk

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 is arising from the carrying amount of trade and bill receivables, deposits and other receivables, bank and cash balances and pledged bank deposits included in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its trade and bills receivables. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. In addition, the directors of the Company review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts.

The Group has no significant concentration of credit risk. The percentage of trade and bills receivables due from the Group's five largest customers in aggregate to the Group's total trade receivables net of allowance is 23% (2014: 20%) as at 31 March 2015.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 64% (2014: 61%) of the total trade and bills receivables as at 31 March 2015.

The credit risk on liquid funds is limited because the counterparties are mainly well-recognised financial institutions.

6. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following table details the Group's remaining contractual maturity for its 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 their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

At 31 March 2015	On demand or less than 1 year HK$'000	1 and 2 years HK$'000	2 and 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities						
Bank and other borrowings	467,901	1,750	5,397	3,938	478,986	467,266
Trade and bills payables	127,201	–	–	–	127,201	127,201
Accruals and other payables	42,977	–	–	–	42,977	42,977
Amounts due to non-controlling shareholders	27,666	1,334	4,001	1,334	34,335	33,821
Amount due to a director	135	–	–	–	135	135
	665,880	3,084	9,398	5,272	683,634	671,400
Derivatives – net settlement						
Structured foreign currency forward contracts	4,783	–	–	–	4,783	4,783

6. FINANCIAL INSTRUMENTS (Continued)

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

Liquidity risk (Continued)

At 31 March 2014	On demand or less than 1 year HK$'000	1 and 2 years HK$'000	2 and 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities						
Bank and other borrowings	380,218	3,095	5,397	5,689	394,399	378,648
Trade and bills payables	138,145	–	–	–	138,145	138,145
Accruals and other payables	41,158	–	–	–	41,158	41,158
Amounts due to non-controlling shareholders	26,600	2,866	4,467	1,697	35,630	33,804
Amount due to a director	135	–	–	–	135	135
	586,256	5,961	9,864	7,386	609,467	591,890
Derivatives – net settlement						
Structured foreign currency forward contracts	1,735	–	–	–	1,735	1,735

Bank loans with a repayment on demand clause are included in the "on demand or less than 1 year" time band in the above maturity analysis. As at 31 March 2015 and 2014, the aggregate undiscounted principal amounts of these bank loans amounted to approximately HK$83,391,000 and HK$47,906,000 respectively. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid within 1 to 5 years after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK$89,886,000 (2014: HK$53,277,000).

The amounts included above for variable interest rate instruments for non-derivative financial liabilities 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.

6. FINANCIAL INSTRUMENTS (Continued)

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

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period for recurring measurement, grouped into Levels 1 to 3 based on the degree to which the fair value is observable in accordance to the Group's accounting policy.

	2015			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at FVTPL				
Held for trading investments	6,740	–	–	6,740
Financial assets designated at FVTPL				
– Equity linked notes	–	53,174	–	53,174
Derivative financial instruments	–	203	–	203
	6,740	53,377	–	60,117
Financial liabilities at FVTPL				
Derivative financial instrument	–	4,783	–	4,783

	2014			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at FVTPL				
Held for trading investments	2,999	–	–	2,999
Financial assets designated at FVTPL				
– Equity linked notes	–	52,743	–	52,743
– Profit guarantees	–	–	13,771	13,771
Derivative financial instruments	–	1,070	–	1,070
	2,999	53,813	13,771	70,583
Financial liabilities at FVTPL				
Derivative financial instrument	–	1,735	–	1,735

6. FINANCIAL INSTRUMENTS (Continued)

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

There were no transfer between levels of fair value hierarchy in the current and prior years.

The valuation techniques and inputs used in Level 2 fair value measurements of financial instruments as set out below:

	Valuation technique	Key input
Equity linked notes	Monte-Carlo simulation	Fair value is obtained by repeated random sampling of results based on: (a) Risk-free rate (b) Volatility (c) Average date market price (d) Initial reference price (e) Contractual amount (f) Time to maturity
Structured foreign currency forward contracts	Monte-Carlo simulation	Fair value is obtained by repeated random sampling of results based on: (a) Contractual amount (b) Risk-free rate (c) Time to maturity (d) Spot exchange rate (e) Volatility (f) Settlement date market forward exchange rate (g) Target knock-out rate limit
Structured performance swap	Discounted cash flow	Future cash flows are estimated based on: (a) Contract interest rate (b) Yield curves (c) Time to maturity (d) Volatility (e) Contractual amount

6. FINANCIAL INSTRUMENTS (Continued)

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

Information about Level 3 fair value measurements on financial instruments as set out below:

	Valuation technique	Key input	Significant unobservable inputs
Profit guarantees	Discounted cash flow	Future cash flows are estimated based on: (a) Discount rate (b) Risk-free rate (c) Equity risk premium (d) Market exchange rate	(a) Probabilities with different profit scenarios, taking into account management's experience and knowledge of the TSGL's Profit Guarantee (note (i)) and SAH's Profit Guarantee (as defined in note (ii) below): – The probability of the TSGL's Profit Amount over the TSGL's Profit Guarantee is zero. – The probability of the SAH's Profit Amount below the SAH's Profit Guarantee is 10%. (b) Weighted average cost of capital ("WACC"), determined using a capital asset pricing model, at 26.9% (2014: ranging from 20.2% to 26.90%).
Put option	Binomial model	Fair value is traced the evolution of the option's key underlying variables in discrete-time by: (a) Stock price (b) Risk-free rate (c) Dividend yield (d) Volatility	(a) Probability of the put option becoming exercisable, taking into account management's intention is zero.

Notes:

(i) Pursuant to a supplemental agreement in relation to the acquisition of TSGL (the "TSGL's Supplemental Agreement"), the TSGL's vendor (the "TSGL's Vendor") and certain guarantors (the "TSGL's Guarantors") undertake to the Group that the TSGL's Profit Amount shall not be less than the TSGL's Guaranteed Amount (the "TSGL's Profit Guarantee").

(ii) Pursuant to an agreement in relation to the acquisition of Sky Achiever Holdings Limited and its subsidiaries (collectively referred to as "SAH"), each of the consolidated net profit before tax of SAH for the three years ending 31 March 2015 (the "SAH's Profit Amount") shall not be less than HK$5,000,000 (the "SAH's Profit Guarantee").

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, if the WACC to the valuation model was 5% higher/lower while all the other variables were held constant, the aggregate carrying amounts of the TSGL's Profit Guarantee and the SAH's Profit Guarantee would decrease/increase by approximately nil (2014: HK$731,000).

6. FINANCIAL INSTRUMENTS (Continued)

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

For financial instruments measured at fair value on a recurring basis, the Group determines whether transfer has occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Professional valuer performs the valuation of financial instruments required for financial reporting purposes, including Level 3 fair values, at the end of each reporting period. The impact due to changes in fair value of the Level 3 financial instruments is insignificant to the Group.

Reconciliation of Level 3 fair value measurements of financial assets on recurring basis:

Reconciliation of Level 3 fair value measurements of financial assets	Profit guarantees designated as financial assets at FVTPL HK$'000
At 1 April 2013	12,159
Total gains in profit or loss	1,612
At 31 March 2014 and 1 April 2014	13,771
Total gains in profit or loss	789
Transfer out of Level 3	(14,560)
At 31 March 2015	–

The above total gains or losses for the year recognised in profit or loss of HK$789,000 (2014: HK$1,612,000) are included in other gains and losses. Included in the total gains or losses are amounts of HK$789,000 (2014: HK$1,612,000) that is relating to fair value changes on profit guarantees at the end of the reporting period.

During the year ended 31 March 2015, profit guarantees of approximately HK$14,560,000 were realised by the Group and the amount was transferred out of Level 3 accordingly.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

7. REVENUE AND SEGMENT INFORMATION

Revenue of the Group represents net invoiced value of goods sold for the year.

Segment information

The chief operating decision makers have been identified as the executive directors of the Company (the "Executive Directors"). The Executive Directors review the Group's internal reports in order to assess performance and allocate resources. Management determined the operating segments based on the internal reports.

The Group has three reportable and operating segments under HKFRS 8 as follows:

Corrugated products — manufacture and sale of corrugated board and corrugated paper-based packing products;

Offset printed corrugated products — manufacture and sale of offset printed corrugated products; and

Properties leasing — properties leased in Hong Kong for rental income.

Segment revenues and results

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

For the year ended 31 March 2015

	Corrugated products HK$'000	Offset printed corrugated products HK$'000	Properties leasing HK$'000	Elimination HK$'000	Total HK$'000
Segment revenue					
External sales	758,330	158,472	–	–	916,802
Inter-segment sales	15,423	18,124	–	(33,547)	–
Total	773,753	176,596	–	(33,547)	916,802
Segment profit	51,028	15,941	19,187		86,156
Interest income					9
Fair value changes of derivative financial instruments					(3,915)
Impairment loss on goodwill					(2,800)
Dividend income from held for trading investments					52
Fair value changes of held for trading investments					1,736
Income from structured foreign currency forward contracts and structured performance swap					3,826
Income from structured deposits					2,099
Fair value changes of financial assets designated as at FVTPL					1,220
Loss in disposal of available-for-sale investments					(547)
Gain on disposal of held for trading investments					306
Finance costs					(10,254)
Corporate income and expenses					(18,879)
Profit before tax					59,009

7. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 March 2014

	Corrugated products HK$'000	Offset printed corrugated products HK$'000	Properties leasing HK$'000	Elimination HK$'000	Total HK$'000
Segment revenue					
External sales	746,473	148,937	–	–	895,410
Inter-segment sales	13,825	25,159	–	(38,984)	–
Total	760,298	174,096	–	(38,984)	895,410
Segment profit	49,379	13,446	10,772		73,597
Interest income					–
Fair value changes of derivative financial instruments					(1,330)
Impairment loss on goodwill					(8,682)
Impairment loss on intangible assets					(2,490)
Dividend income from held for trading investments					53
Fair value changes of held for trading investments					(726)
Income from structured foreign currency forward contracts and structured performance swap					6,701
Income from structured deposits					1,374
Fair value changes of financial assets designated as at FVTPL					(960)
Finance costs					(9,004)
Corporate income and expenses					(17,871)
Profit before tax					40,662

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profits represented the profit earned each segment without allocation of interest income, fair value changes of derivative financial instruments, fair value changes of financial assets designated as at FVTPL, fair value changes of held for trading investments, income from structured foreign currency forward contracts and structured performance swap, income from structured deposits, dividend income from held for trading investments, impairment loss on intangible assets, impairment loss on goodwill and corporate income and expenses. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

7. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

At 31 March 2015

	Corrugated products HK$'000	Offset printed corrugated HK$'000	Properties leasing HK$'000	Total HK$'000
Segment assets	943,940	132,525	204,752	1,281,217
Total assets for reportable segments				1,281,217
Unallocated items:				
Leasehold land in Hong Kong for corporate use				1,286
Investment properties				560
Goodwill				11,631
Club membership				366
Deferred tax assets				1,401
Amounts due from non-controlling shareholders				29
Tax recoverable				285
Held for trading investments				6,740
Bank balances managed on central basis				2,901
Available-for-sale investments				10,100
Derivative financial instruments				203
Financial assets designated as at FVTPL				53,174
Held-to-maturity investments				9,881
Others				17,020
Consolidated assets				1,396,794
Segment liabilities	178,281	30,481	899	209,661
Total liabilities for reportable segments				209,661
Unallocated items:				
Current tax liabilities				17,479
Deferred tax liabilities				4,724
Amounts due to non-controlling shareholders				33,821
Borrowings				467,266
Derivative financial instruments				4,783
Amount due to a director				135
Others				2,403
Consolidated liabilities				740,272

7. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 March 2014

	Corrugated products HK$'000	Offset printed corrugated HK$'000	Properties leasing HK$'000	Total HK$'000
Segment assets	880,581	97,472	189,688	1,167,741
Total assets for reportable segments				1,167,741
Unallocated items:				
Leasehold land in Hong Kong for corporate use				1,326
Investment properties				500
Goodwill				14,431
Club membership				366
Deferred tax assets				1,401
Amounts due from non-controlling shareholders				24
Tax recoverable				1,054
Held for trading investments				2,999
Bank balances managed on central basis				5,000
Available-for-sale investments				3,542
Derivative financial instruments				1,070
Financial assets designated as at FVTPL				66,514
Others				1,459
Consolidated assets				1,267,427
Segment liabilities	189,295	21,185	843	211,323
Total liabilities for reportable segments				211,323
Unallocated items:				
Current tax liabilities				12,353
Deferred tax liabilities				4,789
Amounts due to non-controlling shareholders				33,804
Borrowings				378,648
Derivative financial instruments				1,735
Amount due to a director				135
Others				5,713
Consolidated liabilities				648,500

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For the year ended 31 March 2015

7. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

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

- all assets are allocated to segments other than leasehold land in Hong Kong for corporate use, investment property for capital appreciation purposes, goodwill, intangible assets, club membership, deferred tax asset, amounts due from non-controlling shareholders, held for trading investments, bank balances managed on central basis, available-for-sale investments, derivative financial instruments, financial assets designated as at FVTPL, tax recoverable and corporate assets; and

- all liabilities are allocated to segments other than current tax liabilities, deferred tax liabilities, amounts due to non-controlling shareholders, derivative financial instruments, borrowings, amount due to a director and corporate liabilities.

Other segment information

2015

	Corrugated products HK$'000	Offset printed corrugated products HK$'000	Properties leasing HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or segment assets:					
Depreciation and amortisation	21,344	6,031	–	60	27,435
Addition to non-current assets (note)	51,046	26,719	–	162	77,927
Gain on disposal of property, plant and equipment	(151)	(48)	–	–	(199)
Impairment loss on goodwill	–	–	–	2,800	2,800
Allowance for doubtful debts	3,092	34	–	–	3,126
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:					
Interest income	(5,160)	(53)	–	(9)	(5,222)
Interest expenses	8,024	1,921	309	–	10,254
Income tax expense	6,749	2,660	15	–	9,424

Note: Non-current assets excluded held-to-maturity investments and available-for-sale investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

7. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information (Continued)

2014

	Corrugated products HK$'000	Offset printed corrugated products HK$'000	Properties leasing HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:					
Depreciation and amortisation	19,379	7,570	–	2,528	29,477
Addition to non-current assets (note)	22,359	5,517	–	18	27,894
Loss on disposal of property, plant and equipment	68	186	–	–	254
Impairment loss on goodwill	–	–	–	8,682	8,682
Impairment loss on intangible assets	–	–	–	2,490	2,490
Allowance for doubtful debts	855	–	–	–	855
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:					
Interest income	(3,534)	(27)	–	25	(3,536)
Interest expenses	6,994	1,684	326	–	9,004
Income tax expense	6,514	2,165	164	(2,223)	6,620

Note: Non-current assets excluded derivative financial instruments and deferred tax assets.

Geographical information

The Group's operations are located in the PRC, Hong Kong and Macau.

Information about the Group's revenue from external customers is presented based on the location of the customers and information about its non-current assets is presented based on the geographical location as detailed below:

	Revenue from external customers 2015 HK$'000	2014 HK$'000	Non-current assets 2015 HK$'000	2014 HK$'000
Hong Kong	**67,338**	32,028	**246,931**	216,536
Macau	**–**	–	**69**	89
PRC except Hong Kong and Macau	**849,464**	863,382	**340,524**	324,046
Consolidated total	**916,802**	895,410	**587,524**	540,671

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

7. REVENUE AND SEGMENT INFORMATION (Continued)

Information about a major customer:

Details of the customers accounting for 10% or more of aggregate revenue of the Group during the year are as follows:

	2015 HK$'000	2014 HK$'000
Customer A[1]	98,934	N/A[2]

[1] Revenue from corrugated products.

[2] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

8. OTHER INCOME

	2015 HK$'000	2014 HK$'000
Dividend income from held for trading investments	52	53
Government subsidies (note (a))	802	2,208
Interest income	5,222	3,536
Gain on disposal of property, plant and equipment	199	–
Income from online game and internet business	6,912	2,902
Rental income (note (b))	4,429	4,180
Sundry income	973	759
	18,589	13,638

Note:

(a) During the year, government grants have been received by the Group from the government for the contribution of the business development, local incentives and design and development of environmental-protected corrugated paper-based packaging products which are directly recognised in profit or loss.

(b) Direct outgoing in respect of rental income earned during the year ended 31 March 2015 amounted to approximately HK$81,000 (2014: HK$52,000) which has been included in administrative expenses.

9. OTHER GAINS AND LOSSES

	2015 HK$'000	2014 HK$'000
Loss on disposal of available-for-sales investments	(547)	–
Gain on disposal of held for trading investments	306	–
Fair value changes of derivative financial instruments	(3,915)	(1,330)
Fair value changes of held for trading investments	1,736	(726)
Fair value changes of financial assets designated as at FVTPL	1,220	(960)
Income from structured deposits	2,099	1,374
Income from structured foreign currency forward contracts and structured performance swap	3,826	6,701
	4,725	5,059

10. FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interest on:		
— bank borrowings	9,172	7,922
— other borrowings	442	442
— amount due to a non-controlling shareholder	640	640
	10,254	9,004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

11. INCOME TAX EXPENSE

	2015 HK$'000	2014 HK$'000
Hong Kong Profits Tax		
Current tax	916	1,292
(Over) under-provision in previous years	(199)	19
	717	1,311
PRC enterprise income tax ("EIT")		
Current tax	8,733	9,168
Under (over)-provision in previous years	45	(1,550)
	8,778	7,618
Deferred tax (note 37)	(71)	(2,309)
	9,424	6,620

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits. Tax charge on profits assessable in other jurisdictions has been calculated at the rates of tax prevailing in the relevant jurisdictions for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

A portion of the Group's profit for the years ended 31 March 2015 and 2014 are earned by the Macau subsidiaries of the Group incorporated under the Macao SAR's Offshore Law. Pursuant to the Macao SAR's Offshore Law, such portion of profits is exempted from Macau complimentary tax. Further, in the opinion of the directors of the Company, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

In prior years, the IRD has issued several letters to a director of the Company, Mr. Chong Kam Chau ("Mr. Chong"), the Company and some of its subsidiaries requesting for certain financial information for the years of assessment from 2002/03 to 2005/06. The Group has already submitted several replies and provided part of the financial information to the IRD.

The IRD has issued estimated assessments for profits tax for the years of assessment 2002/03 to 2005/06 amounted to approximately HK$25,400,000 to five subsidiaries of the Group in aggregate in previous years. The Group has made objections to the IRD on those estimated assessments and purchased tax reserve certificates amounting to HK$3,500,000. The IRD has held over the payment of profits tax of approximately HK$14,817,000.

11. INCOME TAX EXPENSE (Continued)

In prior years, the Group reached a settlement agreement with the IRD for two subsidiaries of the Group for the years of assessment 2002/03 to 2008/09 for a total sum of profits tax of approximately HK$17,566,000 and related tax penalties and interests in aggregate of approximately HK$2,311,000. For the remaining three subsidiaries of the Group with estimated assessments for profits tax for the years of assessment 2002/03 to 2005/06 of approximately HK$6,734,000, whole amount of estimated assessments has been held over by the IRD. For the year ended 31 March 2014, the IRD has finalised the tax assessment to two of those subsidiaries for which profits tax of approximately HK$3,234,000 has been held over previously. No profits tax are required upon finalisation of profits tax assessment for these two subsidiaries. For the remaining one with estimated profits tax under previous assessment of approximately HK$3,500,000, no further profits tax has been levied up to date.

Pursuant to the deed of indemnity dated 13 February 2009, Perfect Group, Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam (shareholders of the Company and collectively referred to as the "Indemnifiers") have given indemnities among taxation and related penalty and liability resulting from any income, profits or gains earned, accrued or received on or before the date of the Listing, which might be payable by any member of the Group (the "Tax Indemnity"). Pursuant to the above arrangement, Mr. Chong, acting on behalf of the Indemnifiers, agreed to settle the additional tax and related tax penalties and interests in aggregate of approximately HK$15,840,000 as abovementioned to the Group. Further details of the Tax Indemnity are set out in the Company's prospectus for the Listing issued on 16 February 2009.

The Group's tax advisor confirmed that the IRD assessor verbally confirmed that no tax adjustment would be required for other group entities and the Group's Hong Kong profits tax position for the years of assessment 2002/03 to 2008/09 has been finalised and settled with the IRD.

Having taken the advices from the Group's tax advisor, the directors of the Company are of the opinion that, as at 31 March 2015, the provision for taxation made in the consolidated financial statements is sufficient and not excessive and believe that no significant amount of additional profits tax will be payable for the above request.

The tax charge for the years can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015 HK$'000	2014 HK$'000
Profit before tax	**59,009**	40,662
Tax at Hong Kong Profits Tax rate of 16.5%	**9,736**	6,710
Tax effect of income that is not taxable	**(3,416)**	(4,614)
Tax effect of expenses that are not deductible	**5,164**	5,195
Tax effect of tax losses not recognised	**4,165**	5,384
Tax effect of utilisation of tax losses not previously recognised	**(168)**	(491)
Tax effect of deductible temporary differences not recognised	**765**	433
Over-provision in previous years	**(154)**	(1,531)
Effect of different tax rates of subsidiaries	**(6,668)**	(4,466)
Income tax expense	**9,424**	6,620

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For the year ended 31 March 2015

12. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting) the followings:

	2015 HK$'000	2014 HK$'000
Depreciation for property, plant and equipment	25,928	25,673
Amortisation of prepaid lease payments	1,507	1,313
Amortisation of intangible assets	–	2,491
Total depreciation and amortisation	27,435	29,477
Auditors' remuneration	1,210	1,080
Cost of inventories sold (note (a))	714,365	695,291
(Gain) loss on disposal of property, plant and equipment	(199)	254
Impairment loss on goodwill (included in other operating expenses)	2,800	8,682
Impairment loss on intangible assets (included in other operating expenses)	–	2,490
Minimum lease payment paid under operating lease in respect of land and buildings	18,874	18,373
Allowance for doubtful debts (included in other operating expenses)	3,126	855
Net foreign exchange loss	3,548	4,390

Note:

(a) Cost of inventories sold includes staff costs, depreciation and operating lease charges totaled of approximately HK$124,661,000 (2014: HK$114,017,000) which are included in the amounts disclosed separately above for depreciation and operating lease charges and note 13(b) for staff costs.

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the 7 (2014: 8) directors were as follows:

For the year ended 31 March 2015

Name of director	Fees HK$'000	Salaries and other allowances HK$'000	Discretionary Bonus (note (i)) HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
Executive directors					
Mr. CHONG Kam Chau	–	1,900	540	18	2,458
Mr. CHONG Wa Pan (note (ii))	–	1,300	360	18	1,678
Mr. CHONG Wa Ching	–	1,060	180	18	1,258
Mr. LUK Kwok Tung, Eric (note (iii))	–	600	105	18	723
	–	4,860	1,185	72	6,117
Independent non-executive directors					
Mr. CHAU On Ta Yuen	100	–	–	–	100
Ms. TSUI Pui Man	100	–	–	–	100
Mr. LAW Tze Lun	100	–	–	–	100
	300	–	–	–	300
	300	4,860	1,185	72	6,417

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

For the year ended 31 March 2014

Name of director	Fees HK$'000	Salaries and other allowances HK$'000	Discretionary Bonus (note (i)) HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking					
Executive directors					
Mr. CHONG Kam Chau	–	1,900	290	15	2,205
Mr. CHONG Wa Pan (note (ii))	–	1,300	193	15	1,508
Mr. CHONG Wa Ching	–	1,060	103	15	1,178
Mr. CHONG Wa Lam (note (iv))	–	470	86	8	564
Mr. LUK Kwok Tung, Eric (note (iii))	–	300	–	8	308
	–	5,030	672	61	5,763
Independent non-executive directors					
Mr. CHAU On Ta Yuen	100	–	–	–	100
Ms. TSUI Pui Man	100	–	–	–	100
Mr. LAW Tze Lun	100	–	–	–	100
	300	–	–	–	300
	300	5,030	672	61	6,063

Notes:

(i) The discretionary bonus is determined by the remuneration committee of the Company with reference to the financial performance of the Group and the performance of individual directors.

(ii) Mr. CHONG Wa Pan is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

(iii) Mr. LUK Kwok Tung, Eric was appointed as an executive director on 2 September 2013.

(iv) Mr. CHONG Wa Lam resigned as an executive director on 2 September 2013.

13. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

	2015 HK$'000	2014 HK$'000
Directors' emoluments (note 13(a))	**6,417**	6,063
Other staff costs		
— Other staff salaries, bonus and allowances	**135,826**	118,233
— Retirement benefits scheme contributions (excluding directors)	**7,520**	6,880
	149,763	131,176

Of the five individuals with the highest emoluments in the Group, three (2014: three) were directors of the Company whose emoluments are included in the disclosures in note 13(a) above. The emoluments of the remaining two (2014: two) individual were as follows:

	2015 HK$'000	2014 HK$'000
Salaries and other allowances	**3,023**	1,666
Discretionary bonus	**3,932**	2,039
Retirement benefits scheme contributions	**–**	15
	6,955	3,720

Their emoluments were within the following band:

	Number of individuals 2015	2014
Nil to HK$1,000,000	**–**	1
HK$1,000,000 — HK$1,500,000	**–**	–
HK$3,000,001 — HK$3,500,000	**1**	1
HK$3,500,001 — HK$4,000,000	**1**	–
	2	2

(c) During the year ended 31 March 2015, no emoluments were paid by the Group to any of the directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group (2014: five).

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For the year ended 31 March 2015

14. DIVIDEND

	2015 HK$'000	2014 HK$'000
Dividend recognised as distribution during the year 2014 Final dividend — HK3.5 cents (2013: HK2.2 cents) per share	12,681	7,971

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2015 of HK5.5 cents (2014: final dividend in respect of the year ended 31 March 2014 of HK3.5 cents) per share has been proposed by the directors of the Company and is subject to approval by shareholders in the forthcoming annual general meeting.

15. EARNINGS PER SHARE

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

Earnings

	2015 HK$'000	2014 HK$'000
Profit for the year attributable to owners of the Company	53,935	37,216

Number of shares

	2015 Number of Shares	2014 Number of Shares
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	362,300,000	362,300,000

The computation of diluted earnings per share does not assume the following:

(a) the exercise of certain of the Company's share options and warrants because the exercise prices of those options and warrants were higher than the average market price of shares for the years ended 31 March 2015 and 2014; and

(b) the issuance of the Consideration Shares because the TSGL's Profit Amount did not equal to or exceed the TSGL's Guaranteed Amount for the year ended 31 March 2014 (2015: nil).

16. PREPAID LEASE PAYMENTS

	2015 HK$'000	2014 HK$'000
Analysed for reporting purposes as:		
Current portion	**1,606**	1,313
Non-current portion	**68,975**	57,765
	70,581	59,078

At 31 March 2015, the carrying amount of the prepaid lease payments which have been pledged as security for the banking facilities granted to the Group, is approximately HK$15,211,000 (2014: HK$15,554,000) (note 40).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2015

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Leasehold land in Hong Kong under finance lease HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
Cost								
At 31 March 2013	112,781	2,209	33,465	343,044	12,622	17,224	5,251	526,596
Additions	96	–	1,791	7,655	1,514	608	16,230	27,894
Transfer from construction in progress	5,488	–	–	4,623	353	–	(10,464)	–
Disposals	–	–	–	(731)	(9)	–	–	(740)
Exchange differences	2,039	–	495	4,482	114	163	159	7,452
At 31 March 2014 and 1 April 2014	120,404	2,209	35,751	359,073	14,594	17,995	11,176	561,202
Additions	1,431	–	1,336	13,417	929	2,261	20,519	39,893
Transfer from construction in progress	1,358	–	447	–	–	–	(1,805)	–
Disposals	–	–	–	(4,228)	(250)	(225)	–	(4,703)
Exchange differences	101	–	35	377	12	11	40	576
At 31 March 2015	123,294	2,209	37,569	368,639	15,285	20,042	29,930	596,968
Accumulated depreciation and impairment								
At 31 March 2013	9,532	843	22,790	220,897	7,534	9,472	–	271,068
Charge for the year	6,253	40	1,742	14,200	1,342	2,096	–	25,673
Disposals	–	–	–	(142)	(80)	–	–	(222)
Exchange differences	149	–	338	3,388	41	98	–	4,014
At 31 March 2014 and 1 April 2014	15,934	883	24,870	238,343	8,837	11,666	–	300,533
Charge for the year	5,466	40	1,699	14,709	1,701	2,313	–	25,928
Disposals	–	–	–	(1,236)	(221)	(190)	–	(1,647)
Exchange differences	7	–	13	314	6	3	–	343
At 31 March 2015	21,407	923	26,582	252,130	10,323	13,792	–	325,157
Carrying amounts								
At 31 March 2015	101,887	1,286	10,987	116,509	4,962	6,250	29,930	271,811
At 31 March 2014	104,470	1,326	10,881	120,730	5,757	6,329	11,176	260,669

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

Buildings	Over the shorter of the lease term, or 20 years
Leasehold land in Hong Kong under finance lease	Over the lease term
Leasehold improvements	5–10 years
Plant and machinery	5–10 years
Furniture, fixtures and equipment	3–10 years
Motor vehicles	5–10 years

The buildings situated in Hong Kong, which have been fully depreciated, and leasehold land in Hong Kong are pledged as security for the banking facilities granted to the Group as at 31 March 2015 and 2014 (note 40).

At 31 March 2015, the carrying amount of the buildings situated in the PRC which have been pledged as security for the banking facilities granted to the Group, is approximately HK$18,113,000 (2014: HK$17,783,000) (note 40).

18. INVESTMENT PROPERTIES

	HK$'000
Fair value	
At 1 April 2013	182,500
Increase in fair value recognised in profit or loss	6,900
At 31 March 2014 and 1 April 2014	189,400
Increase in fair value recognised in profit or loss	15,360
At 31 March 2015	204,760

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

As at 31 March 2015, the Group's investment properties of HK$204,200,000 (2014: HK$188,900,000) have been pledged to secure banking facilities granted to the Group (note 40).

The fair values of the Group's investment properties as at 31 March 2015 and 31 March 2014 have been arrived at on the basis of a valuation carried out on the respective dates by Grant Sherman Appraisal Limited, independent qualified professional valuers not connected to the Group. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the similar locations and conditions.

There has been no change from the valuation technique used in the prior year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

There were no transfers between levels in fair value hierarchy during the year.

18. INVESTMENT PROPERTIES (Continued)

Information about Level 2 fair value measurements of investment properties:

	Valuation technique	Key input
All investment properties	Market approach	Direct comparison method based on market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject property.

19. GOODWILL

	HK$'000
Cost	
At 1 April 2013, 31 March 2014, 1 April 2014 and 31 March 2015	28,113
Impairment	
At 1 April 2013	5,000
Impairment loss recognised during the year	8,682
At 31 March 2014	13,682
Impairment loss recognised during the year	2,800
At 31 March 2015	16,482
Carrying values	
At 31 March 2015	11,631
At 31 March 2014	14,431

The Group acquired 51% equity interest in TSGL with a goodwill of approximately HK$16,482,000 and 100% equity interest in SAH with a goodwill of approximately HK$11,631,000.

Goodwill arising from a business combination is allocated, on acquisition, to the cash generating units (the "CGU"s) that are expected to benefit from that business combination. The management considers goodwill arising from the acquisition of TSGL and SAH is allocated to three separate CGUs for the purpose of goodwill impairment testing. A CGU for SAH is included in the segment of corrugated products whereas the remaining two CGUs for TSGL are included in the unallocated segment. During the year ended 31 March 2014, the performance of two CGUs for TSGL was not carried out according to the designated schedule and operating losses were incurred without satisfactory income streams to the Group. As a result, the management has revisited the business of TSGL and implemented a reorganisation scheme to reform the above two CGUs into one for exploring another business.

19. GOODWILL (Continued)

SAH

The recoverable amount of SAH of approximately HK$25,105,000 (2014: HK$26,390,000) has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management of the Group covering a 5-year period, and discount rate of 19.20% (2014: 19.82%). SAH's cash flows beyond the 5-year period are extrapolated using zero growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on past performance and management's expectations for the market development. The directors of the Company believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of SAH to exceed the aggregate recoverable amount of SAH, and no impairment loss of goodwill was necessary.

TSGL

The recoverable amount of TSGL of approximately nil (2014: HK$2,800,000) has been determined based on a value in use calculation. That calculation uses one cash flow projection based on financial budgets approved by management of the Group covering a 5-year period, with discount rate of 22.38% (2014: 23.27%) and cash flow beyond the 5-year period are extrapolated using zero growth rate. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on past performance and management's expectations for the market development. As at 31 March 2015, the benefit of expected synergies and revenue growth had been slower than expected and hence, the directors of the Company determined that there was additional impairment of approximately HK$2,800,000 (2014: HK$8,682,000) for the goodwill of TSGL.

20. INTANGIBLE ASSETS

	Operative rights HK$'000
Cost	
At 1 April 2013, at 31 March 2014, 1 April 2014 and 31 March 2015	9,708
Amortisation and impairment	
At 1 April 2013	4,727
Charge for the year	2,491
Impairment loss recognised	2,490
At 31 March 2014, 1 April 2014 and 31 March 2015	9,708
Carrying values	
At 31 March 2015	–
At 31 March 2014	–

20. INTANGIBLE ASSETS (Continued)

The operative rights were acquired in a business combination with TSGL to promote and operate the business of provision of the software management and synchronisation software including without limitation to iTools in the regions outside the PRC and the right and interest to receive 70% profit sharing generated from such business.

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over 3 years.

During the year ended 31 March 2014, the Group recognised additional impairment loss of approximately HK$2,490,000 in relation to the operative rights as the directors of the Company expected that there is a change in business plan and thus no profit would be generated from the respective business in the foreseeable future.

21. DEPOSITS PAID FOR PREPAID LEASE PAYMENTS

On 18 May 2010, 江西錦勝包裝有限公司* (Jiangxi Come Sure Packing Company Limited) ("Jiangxi Come Sure") has entered into an agreement to a relevant government authority to acquire a land use right of a piece of land located in the PRC (the "Land") at RMB9,856,000 with relevant tax of approximately RMB394,000 (in total equivalent to approximately HK$12,925,000). The consideration has been fully settled during the year ended 31 March 2012. As at 31 March 2014, Jiangxi Come Sure was in the progress to obtain the land use right certificate (the "Application") and the permission certificate for construction works (建設工程規劃許可証) for obtaining the proper approval from the government authority for the commencement of construction works on the Land.

On 29 May 2014, a further notice from the Department of Land and Resources of Jinxian County of Jiangxi Province (江西省進賢縣國土資源局) has been issued to Jiangxi Come Sure pursuant to which the Department of Land and Resources of Jinxian County of Jiangxi Province confirmed that taxes on the consideration of the Land has been received and the Application is in progress. In addition, the Department of Land and Resources of Jiangxi Province (江西省國土資源局) has further clarified the land-use plan (用地指標) of the Land.

On 15 August 2014, Jiangxi Come Sure obtained the land use right certificate and therefore the deposits have been accounted for as prepaid lease payments accordingly.

* The English name of this company represents management's best efforts in translating the Chinese name of this company as no English name has been registered.

22. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

Included in the amount mainly is a deposit paid for the acquisition of plant and machinery of approximately EURO2,120,000 (equivalent to approximately HK$21,562,000). The installation and testing process has been completed subsequent to the end of the reporting period.

23. AVAILABLE-FOR-SALE INVESTMENTS

	2015 HK$'000	2014 HK$'000
Unlisted equity securities investment, at cost	10,100	5,000
Impairment loss on available-for-sale investments	–	(1,458)
	10,100	3,542

As at 31 March 2015, the unlisted equity investment represents investment in 20% unlisted equity securities issued by a private entity incorporated in the PRC. The Group's interest in the investment is classified as an available-for-sale investment as the Group has no representative in the management of the private entity and did not have any significant influence in the private entity.

As at 31 March 2014, the unlisted equity investment represents investment in unlisted equity securities issued by a private entity incorporated in the Cayman Islands. In the current year, the Group disposed of this available-for-sale investment with carrying amount of HK$3,542,000, which had been carried at cost less impairment before the disposal. A loss on disposal of HK$547,000 has been recognised in profit or loss for the current year.

The amounts 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 its fair value cannot be measured reliably.

24. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets designated as at FVTPL represent equity linked notes and profit guarantees with financial institutions in Hong Kong and the PRC as follows:

	2015 HK$'000	2014 HK$'000
Equity-linked note A	19,133	19,059
Equity-linked notes B	34,041	33,684
	53,174	52,743
Profit guarantees	–	13,771
	53,174	66,514
Analysed for reporting purpose as:		
Current assets	53,174	66,514

24. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Equity-linked note A

The equity linked note contained embedded derivative, the return of which was determined with reference to average quarterly performance of a basket of twelve exchange traded funds listed in different countries (the "Performance Linkage 1"). The principal amount was US$2,500,000 (equivalent to approximately HK$19,412,000 on the acquisition date) and due on 15 March 2017. The redemption payment on maturity of the equity linked note is linked to the average quarterly performance of Performance Linkage 1 over a period commencing on the trade date to the maturity date. The Group will receive their initial investment if the equity linked note is held to maturity irrespective of the average quarterly performance of the Performance Linkage 1 and even if such performance is negative. The note is subject to the option for early termination at the discretion of holders.

Equity-linked notes B

The equity linked notes contained embedded derivative, the return of which was determined with reference to average quarterly performance of a basket of eight exchange traded funds listed in different countries (the "Performance Linkage 2"). The total principal amounts were US$2,500,000 (equivalent to approximately HK$19,412,000 on the acquisition date) and US$1,920,000 (equivalent to approximately HK$14,907,000 on the acquisition date) which are due on 17 June 2016 and 4 August 2016 respectively. The redemption payment on maturity of the equity linked note is linked to the average quarterly performance of Performance Linkage 2 over a period commencing on their trade dates to the maturity dates. The Group will receive their initial investment if the equity linked notes are held to maturity irrespective of the average quarterly performance of the Performance Linkage 2 and even if such performance is negative. The notes are subject to the option for early termination at the discretion of holders.

At 31 March 2015 and 2014, the equity linked notes were designated as financial assets at FVTPL upon initial recognition as it contained embedded derivatives, and HKAS 39 permits the entire combined contract to be designated as at FVTPL. The amounts were stated at fair values at 31 March 2015 based on valuation reports prepared by independent qualified professional valuers not connected with the Group.

Profit guarantees

The profit guarantees were obtained as part of a business combination for TSGL and SAH.

The profit guarantees represented rights to the return of previously transferred considerations for the acquisitions of TSGL and SAH with reference to the financial performance of TSGL up to 31 March 2014 (accounted for as a current asset as at 31 March 2014) and SAH up to 31 March 2015 (accounted for as a current asset as at 31 March 2015 and 2014) respectively and hence constitute a contingent consideration arrangement.

At 31 March 2015, the profit guarantee for TSGL was expired whereas the profit guarantee for SAH was stated at fair value based on valuation reports prepared by independent qualified professional valuers not connected with the Group.

25. DERIVATIVE FINANCIAL INSTRUMENTS

	2015 HK$'000	2014 HK$'000
Financial assets		
Derivative not under hedge accounting:		
Structured performance swap (note (a))	**203**	1,070
	203	1,070
Financial liabilities		
Derivative not under hedge accounting:		
Structured foreign currency forward contracts (note (b))	**(4,783)**	(1,735)
Analysed for reporting purpose as:		
Non-current assets	**–**	1,070
Current assets	**203**	–
	203	1,070
Current liabilities	**(4,783)**	(1,735)

Notes:

(a) The Group has entered into a structured performance swap consisting of an interest rate swap with a bank during the years ended 31 March 2015 and 2014. Major terms of the contract are as follows:

Notional amount	Contract date	Maturity date	Floating rate	Capped rate
HK$30,000,000	24 April 2013	24 April 2015	Three-month Hong Kong Interbank Offered Rate ("HIBOR")	0.6%

At each expiry date, the Group would receive a net settlement for the difference between:

(a) Receipt by the Group from the bank of an amount calculated by three-month HIBOR plus 2.8% per annum; and

(b) Payment by the Group to the bank of an amount calculated by three-month HIBOR or capped at 0.6%, whichever is lower.

The above derivatives were stated at fair values at 31 March 2015 based on valuation amounts provided in valuation reports prepared by independent qualified professional valuers not connected with the Group.

During the year ended 31 March 2015, the fair value loss of approximately HK$867,000 (2014: fair value gain of approximately HK$1,070,000) has been recognised and income of approximately HK$844,000 (2014: HK$833,000) has been recognised in profit or loss for the year.

(b) The Group has entered into the structured foreign currency forward contracts with different banks during the years ended 31 March 2015 and 2014, of which the purpose is to manage the Group's foreign currency exposure in relation to its receivables arising from time to time denominated partly in US$. The structured foreign currency forward contracts comprise either non-deliverable or deliverable settlement on a monthly basis, that is, measured at 24 different expiry dates, save for the event leading to the knock-out and termination of the contracts.

During the year ended 31 March 2015, the net fair value loss of approximately HK$3,048,000 (2014: HK$2,400,000) and income of approximately HK$2,981,000 (2014: HK5,868,000) have been recognised in profit or loss for the year.

25. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Notes: (Continued)

(c) The put options were obtained as part of business combination for TSGL and SAH pursuant to which the Group is granted options to require the respective vendors of TSGL and SAH to purchase the equity interests of TSGL and SAH sold to the Group at predetermined option prices for certain periods of time.

As at 31 March 2015, the put option for SAH has been lapsed. As the TSGL's Profit Amount is less than the TSGL's Guaranteed Amount, the TSGL's Vendor and the TSGL's Guarantors have to jointly and severally pay to the Group HK$14,560,000. The directors of the Company are in the progress to arrange for repayment of HK$14,560,000 from respective payers. Pursuant to the TSGL's Supplementary Agreement, if TSGL's Vendor and the TSGL's Guarantors have paid the sum of HK$14,560,000 in relation to the TSGL's Profit Guarantee, the TSGL's put option shall automatically lapse. The put option for TSGL has been valued as no value and therefore no related financial instrument has been recognised at the end of the reporting period.

As at 31 March 2014, the put options have been valued as no value based on valuation amounts provided in valuation reports prepared by independent qualified professional valuers not connected with the Group. Hence, no related financial instruments have been recognised.

26. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments comprise:

	2015 HK$'000	2014 HK$'000
Debt securities	9,881	–
Analysed for reporting purposes as:		
Non-current assets	9,881	–

Note: The Group's held-to-maturity investments represent perpetual debt securities issued by Cheung Kong Bond Securities (03) Limited which is listed in the Stock Exchange, and carry interest at 5.375% per annum (the "Cheung Kong Bond"). The investments are guaranteed by Cheung Kong (Holdings) Limited, a company incorporated in Hong Kong with limited liability, on a senior basis the due and punctual payment of all sums payable by Cheung Kong Bond in respect of the investment. On 3 June 2015, CK Hutchison Holdings Limited, a listed company on the Stock Exchange, has agreed to unconditionally and irrevocably guarantee to the holders of Cheung Kong Bond the due and punctual payment of principal and distributions on Cheung Kong Bond, as and when the same shall become due, subject to and in accordance with the terms of the additional deed of guarantee. CK Hutchison Holdings Limited is a direct holding company of Cheung Kong (Holdings) Limited.

27. INVENTORIES

	2015 HK$'000	2014 HK$'000
Raw materials	66,561	74,946
Work in progress	1,500	1,241
Finished goods	12,929	11,191
	80,990	87,378

28. TRADE AND BILLS RECEIVABLES

Payment terms with customers are mainly on cash on delivery and on credit. The credit periods ranged from 15 days to 120 days after the end of the month in which the revenue recognised. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The ageing analysis of trade and bills receivables, based on the due date for settlement, is as follows:

	2015 HK$'000	2014 HK$'000
Trade receivables:		
Not yet due for settlement	**191,859**	125,641
Overdue:		
1 to 30 days	**8,428**	57,481
31 to 90 days	**4,129**	34,488
91 to 365 days	**12,378**	8,390
Over 1 year	**12,793**	10,818
	229,587	236,818
Less: Allowance for doubtful debts	**(15,117)**	(12,059)
	214,470	224,759
Bills receivables	**6,202**	2,352
	220,672	227,111

Included in the Group's trade receivable balance are debtors (see below for ageing analysis) which are past due as at the reporting date for which the Group has not provided for impairment loss because there was no significant change in credit quality and the amounts are still considered recoverable. Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Ageing of trade receivables which are past due but not impaired

	2015 HK$'000	2014 HK$'000
Overdue by:		
1 to 90 days	**9,428**	91,969
91 to 365 days	**13,183**	7,149
Total	**22,611**	99,118

28. TRADE AND BILLS RECEIVABLES (Continued)

Movement in the allowance for doubtful debts

	2015 HK$'000	2014 HK$'000
At 1 April	12,059	11,140
Allowance for doubtful debts for overdue trade receivables	3,126	855
Write off as bad debts	(77)	(26)
Exchange differences	9	90
At 31 March	15,117	12,059

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately HK$15,117,000 (2014: HK$12,059,000) which have either been placed under liquidation or in severe financial difficulties.

The carrying amounts of the trade and bills receivables are denominated in the following currencies:

	2015 HK$'000	2014 HK$'000
HK$	48,790	61,978
US$	28,299	24,943
RMB	141,727	138,574
Australian dollars	1,856	1,616
	220,672	227,111

29. HELD FOR TRADING INVESTMENTS

	2015 HK$'000	2014 HK$'000
Equity securities listed in Hong Kong	6,740	2,999

The amount was stated at fair value based on quoted market prices.

30. PLEDGED BANK DEPOSITS / CASH AND CASH EQUIVALENTS

Pledged bank deposits

Pledged bank deposits represent deposits pledged to banks with original maturity of more than three months to secure banking facilities granted to the Group (note 40). Deposits amounting to approximately HK$175,171,000 (2014: HK$129,467,000) have been pledged to secure short-term bank loans and undrawn facilities and are therefore classified as current assets.

The Group's pledged bank deposits of approximately HK$175,171,000 (2014: HK$129,467,000) are arranged at fixed rates For the year ended 31 March 2015 and carry average interest rates of 2.9% (2014: 3.2%) per annum and therefore subject to fair value interest rate risk which the directors of the Company considered as not significant.

The remaining bank and cash balances carried interest at average market rates from 0.01% to 3.85% (2014: 0.01% to 3%) per annum and therefore exposed to cash flow interest rate risk.

As at 31 March 2015, bank and cash balances and pledged bank deposits of the Group amounted to approximately HK$304,404,000 (2014: HK$221,797,000) were denominated in RMB. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

31. TRADE AND BILLS PAYABLES

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	2015 HK$'000	2014 HK$'000
Trade payables:		
0 to 30 days	55,973	64,851
31 days to 90 days	764	1,846
Over 90 days	264	386
	57,001	67,083
Bills payables	70,200	71,062
	127,201	138,145

Payment terms granted by suppliers are mainly on cash on delivery and on credit. The credit periods ranged from 15 days to 90 days after end of the month in which the relevant purchase occurred. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

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For the year ended 31 March 2015

31. TRADE AND BILLS PAYABLES (Continued)

The carrying amounts of trade and bills payables are denominated in the following currencies:

	2015 HK$'000	2014 HK$'000
HK$	14,347	16,663
RMB	112,854	121,482
	127,201	138,145

32. ACCRUALS AND OTHER PAYABLES

	2015 HK$'000	2014 HK$'000
Receipt in advance	6,679	5,207
VAT and other tax payables	35,207	32,526
Accruals and other payables	42,977	41,158
	84,863	78,891

The carrying amounts of accruals and other payables are denominated in the following currencies:

	2015 HK$'000	2014 HK$'000
HK$	10,071	13,295
RMB	74,792	65,596
	84,863	78,891

33. AMOUNTS DUE FROM / TO NON-CONTROLLING SHAREHOLDERS

	2015 HK$'000	2014 HK$'000
Amounts due from non-controlling shareholders	29	24

33. AMOUNTS DUE FROM / TO NON-CONTROLLING SHAREHOLDERS (Continued)

The amounts due from non-controlling shareholders are unsecured, non-interest bearing and repayable on demand.

	2015 HK$'000	2014 HK$'000
Amounts due to non-controlling shareholders:		
The amounts due are repayable (based on scheduled repayment dates set out in loan agreements) as follows:		
On demand or within one year	**27,409**	26,119
In the second year	**1,282**	1,281
In the third to fifth year, inclusive	**3,848**	3,842
After five years	**1,282**	2,562
	33,821	33,804
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(27,409)**	(26,119)
Amount due for settlement after 12 months	**6,412**	7,685

The amount of US$1,500,000 (equivalent to approximately HK$12,825,000) (2014: US$1,500,000 (equivalent to approximately HK$12,809,000)) due to a non-controlling shareholder of a subsidiary, Fully Chance Holdings Limited ("Fully Chance"), is unsecured and interest bearing at 5% per annum. At 31 March 2015, interest payable in respect of this advance of approximately RMB634,000 (equivalent to approximately HK$800,000) (2014: RMB634,000 (equivalent to approximately HK$799,000)) has been due. The principal is repayable in ten annual installments (commencing on 11 June 2011) plus interest on the outstanding balance.

The amount of approximately HK$20,196,000 (2014: HK$20,196,000) due to a non-controlling interest of a subsidiary, Turbo Best Holdings Limited, is unsecured, non-interest bearing and repayable on demand.

34. SHORT-TERM BORROWINGS

	2015 HK$'000	2014 HK$'000
Trust receipts loans	**18,457**	23,694
Short-term bank loans (note (a))	**330,606**	257,300
Other loan (note (b))	**8,837**	7,566
	357,900	288,560

34. SHORT-TERM BORROWINGS (Continued)

The carrying amounts of short-term borrowings are denominated in the following currencies:

	2015 HK$'000	2014 HK$'000
HK$	349,063	280,994
RMB	8,837	7,566
	357,900	288,560

The average interest rates at 31 March were as follows:

	2015	2014
Trust receipts loans	2.44%	2.54%
Short-term bank loans	2%	2.06%
Other loan	5%	5%

Notes:

(a) At 31 March 2015 and 2014, all short-term bank borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

At 31 March 2015 and 2014, the short-term bank borrowings are secured by the following:

(i) corporate guarantees given by certain subsidiaries and the Company; and

(ii) bank deposits and leasehold land and buildings situated in Hong Kong of the Group (note 40).

(b) On 30 June 2013, the Group and the lender of a loan of RMB6,000,000 (equivalent to approximately HK$7,575,000 at 31 March 2015 and HK$7,566,000 at 31 March 2014) (the "Lender A") revised the terms of the loan as unsecured, interest-bearing at 5% per annum and repayable on 30 June 2014. On the same date, the Group and the Lender A entered into a loan subrogation agreement pursuant to which the loan has been assigned to another lender. As the loan is short-term in nature, the amount is reclassified as a short-term borrowing.

The loan is unsecured, interest-bearing at fixed rate of 5% per annum and repayable on 30 June 2015 pursuant to an agreement entered into on 30 June 2014.

At 31 March 2015, another loan of approximately HK$1,262,000 (2014: nil) is arranged at fixed rate of 5% per annum.

The above loans are denominated in RMB.

35. LONG-TERM BORROWINGS

	2015 HK$'000	2014 HK$'000
Bank loans (note (a))	109,366	88,827
Other loan (note (b))	–	1,261
	109,366	90,088
Bank loans		
The bank loans are repayable (based on scheduled repayment dates set out in loan agreements) as follows:		
On demand or within one year	15,829	27,993
More than one year, but not exceeding two years	18,058	12,350
More than two years, but not exceeding five years	62,149	24,141
More than five years	13,330	24,343
	109,366	88,827
Other loan		
The other loan is repayable (based on scheduled repayment dates set out in loan agreements) as follows:		
On demand or within one year	–	1,261
	109,366	90,088
Less: Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	(83,391)	(47,906)
Amounts due within one year shown under current liabilities	(15,829)	(29,254)
Current portion	(99,220)	(77,160)
Non-current portion	10,146	12,928

(a) The bank loans are arranged at floating rates and expose the Group to cash flow interest rate risk. The average interest rate was 2.93% (2014: 3.47%) per annum at 31 March 2015.

At 31 March 2015 and 2014, the bank loans were secured by the following:

(i) corporate guarantees given by certain subsidiaries and the Company; and

(ii) bank deposits and leasehold land and buildings situated in Hong Kong of the Group (note 40).

All the long-term bank loans are denominated in HK$.

(b) At 31 March 2014, other loan is arranged at fixed rate of 5% per annum and expose the Group to fair value interest rate risk. The loan is denominated in RMB.

36. AMOUNT DUE TO A DIRECTOR

The amount is unsecured, interest-free and repayable on demand.

37. DEFERRED TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax asset and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2015 HK$'000	2014 HK$'000
Deferred tax asset	**1,401**	1,401
Deferred tax liabilities	**(4,724)**	(4,789)
	(3,323)	(3,388)

The followings are the major deferred tax (asset) liabilities recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK$'000	Fair value adjustments arising from acquisition of subsidiaries HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2013	158	5,454	–	5,612
Credited to profit or loss (note 11)	(76)	(832)	(1,401)	(2,309)
Exchange difference	–	85	–	85
At 31 March 2014 and 1 April 2014	82	4,707	(1,401)	3,388
Credited to profit or loss (note 11)	(71)	–	–	(71)
Exchange difference	–	6	–	6
At 31 March 2015	11	4,713	(1,401)	3,323

At the end of the reporting period, the Group had unused tax losses of approximately HK$77,260,000 (2014: HK$52,582,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$5,540,000 (2014: HK$5,540,000) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of HK$71,720,000 (2014: HK$47,042,000) due to the unpredictability of future profit streams. Unrecognised tax losses of approximately HK$50,050,000 (2014: HK$23,845,000) will expire from 2016 to 2020 (2014: 2015 to 2019). Other tax losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of approximately HK$15,118,000 (2014: approximately HK$12,058,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

37. DEFERRED TAX (Continued)

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately HK$106,359,000 (2014: approximately HK$80,850,000) as the Group is able to control the timing of the reversal of the temporary differences and it is possible that the temporary differences will not reverse in the foreseeable future.

38. SHARE CAPITAL

	Number of Shares '000	Amount HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 April 2013, 31 March 2014, 1 April 2014 and 31 March 2015	2,000,000	20,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 April 2013, 31 March 2014, 1 April 2014 and 31 March 2015	362,300	3,623

39. SHARE-BASED PAYMENTS

The Company's share option scheme (the "Scheme") was adopted on 5 February 2009 for a period of 10 years. The purpose of the Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors of the Company, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group and to promote the success of the business of the Group. Under the Scheme, the board of directors of the Company (the "Board of Directors") may, at its absolute discretion and on such terms as it may think fit, grant an employee (full-time or part-time), a director, consultant and adviser of the Group, any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, options to subscribe for ordinary shares of the Company (the "Shares") at the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of offer for the grant of the option; and (iii) the nominal value of the Share on the date of offer for the grant of the option. The offer for a grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00.

The maximum number of Shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of all the issued shares upon completion of the share offer and the capitalisation issue during the placing and public offer as described in the prospectus of the Company dated 16 February 2009.

39. SHARE-BASED PAYMENTS (Continued)

The Company may seek approval of the shareholders in a general meeting for refreshing the 10% limit under the Scheme save that the total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company under the limit as "refreshed" shall not exceed 10% of the total number of shares in issue as at the date of approval of the limit as "refreshed". Options previously granted under the Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the limit as "refreshed".

The aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 30% of the total number of shares in issue from time to time.

No options may be granted under the Scheme or any other share option scheme of the Company if it will result in such 30% being exceed.

The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

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

Share options granted cannot be transferable or assignable and should be personal to the grantee.

Share options may be exercised in accordance with the terms of the Scheme at any time during a period as the Board of Directors may determine which shall not exceed 10 years from the grant date subject to the provisions of early termination thereof. Share options will be lapsed if it remains unexercised within the expiry period. Share options granted to employee will be lapsed within a certain period of time if the grantee ceases to be an employee before the share options vested.

39. SHARE-BASED PAYMENTS (Continued)

Details of the specific categories of options are as follows:

Grant date	6 January 2010	6 January 2010	6 January 2010	17 May 2010
Lot	1	2	3	4
Vesting period (note (a))	6 January 2010 to 5 January 2011	6 January 2010 to 5 January 2012	6 January 2010 to 5 January 2013	17 May 2010 to 12 November 2010
Exercise period	6 January 2011 to 5 January 2020	6 January 2012 to 5 January 2020	6 January 2013 to 5 January 2020	13 November 2010 to 16 May 2020
Exercise price (note (b))	HK$1.18	HK$1.18	HK$1.18	HK$1.05
Price of the Company's shares at the date of grant (note (c))	HK$1.18	HK$1.18	HK$1.18	HK$1.05

Notes:

(a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

(b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issue, or other similar changes in the Company's share capital.

(c) The price of the Company's share disclosed as at the date of the grant of the share options is the higher of the average of closing prices listed on the Stock Exchange for the five business days immediately preceding the date of the grant of the share options or the closing price at the date of grant.

No share-based payment expense in relation to share options granted by the Company was recognised for the years ended 31 March 2015 and 2014.

Details of the share options outstanding during the year are as follows:

	Number of share options granted to directors	Weighted average exercise price HK$	Number of share options granted to employees	Weighted average exercise price HK$	Total number of share options	Weighted average exercise price HK$
Outstanding at 1 April 2013, 31 March 2014, 1 April 2014 and 31 March 2015	5,600,000	1.16	4,500,000	1.09	10,100,000	1.13
Exercisable at 31 March 2014 and 31 March 2015	5,600,000	1.16	4,500,000	1.09	10,100,000	1.13

No share options have been granted or exercised during both years ended 31 March 2015 and 2014. The options outstanding at 31 March 2015 have a weighted average remaining contractual life of 4.91 years (2014: 5.91 years) and the exercise price of HK$1.13 (2014: HK$1.13).

39. SHARE-BASED PAYMENTS (Continued)

At 31 March 2015, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 10,100,000 (2014: 10,100,000), representing 2.79% (2014: 2.79%) of the shares of the Company in issue at that date.

Options shall be forfeited on the expiry of three months after the date of cessation of employment, but before the options vest. All the options forfeited before expiry of the options will be treated as cancelled option under the share option scheme.

The estimated fair value of the options granted during the years ended 31 March 2011 and 2010 calculated using the Black-Scholes option pricing model was approximately HK$6,825,000 and HK$3,315,000 respectively. The inputs into the model were as follows:

Grant date	6 January 2010	6 January 2010	6 January 2010	17 May 2010
Lot	1	2	3	4
Option value	HK$0.3918	HK$0.3959	HK$0.3986	HK$0.3207
Total fair value	HK$1,563,000	HK$873,000	HK$879,000	HK$6,285,000
Share price at date of grant	HK$1.18	HK$1.18	HK$1.18	HK$1.05
Exercise price	HK$1.18	HK$1.18	HK$1.18	HK$1.05
Expected volatility	50.45%	49.61%	49.02%	52.08%
Risk-free interest rate	2.01%	2.10%	2.20%	1.75%
Expected life of options	5.5 years	6 years	6.5 years	5.24 years
Dividend yield	3.90%	3.90%	3.90%	4.38%

The expected volatility was determined by calculating the historical volatility of the listed shares' price of similar companies in the same industry over a period that is equal to the expected life of the options before the date of grant. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in subjective input assumptions can materially affect the fair value estimate.

40. PLEDGE OF ASSETS

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

	2015 HK$'000	2014 HK$'000
Prepaid lease payments (note 16)	**15,211**	15,554
Property, plant and equipment (note 17)	**19,399**	19,109
Investment properties (note 18)	**204,200**	188,900
Bank deposits (note 30)	**175,171**	129,467
	413,981	353,030

41. RETIREMENT BENEFITS SCHEMES

Defined contribution plans

The Group operates a MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of HK$1,500 (2014: HK$1,250) per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

The subsidiaries of the Group incorporated in Macau make monthly contributions to the Central Provident Fund System managed by the relevant authority of the local government, which undertake the retirement obligations of the Group's employees in Macau. The Group has no obligation for payment of retirement benefits beyond the monthly contributions. The contributions payable are recognised as an expense to profit or loss as and when incurred.

The total contributions incurred in this connection For the year ended 31 March 2015 were approximately HK$7,592,000 (2014: HK$6,941,000). No forfeited contributions are available to reduce the contribution payable by the Group in the future years.

42. MAJOR NON-CASH TRANSACTIONS

For the year ended 31 March 2015, deposits paid for prepaid lease payments of approximately HK$12,925,000 was transferred to prepaid lease payments.

For the year ended 31 March 2014, deposits paid for acquisition of property, plant and equipment of approximately HK$10,370,000 was transferred to construction in progress with reference to the progress of construction.

43. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	2015 HK$'000	2014 HK$'000
Capital expenditure contracted but not provided for:		
Purchase of property, plant and equipment	**22,390**	17,144

44. LEASE COMMITMENTS

The Group as lessor

Property rental income earned during the year was approximately HK$4,429,000 (2014: HK$4,180,000). The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to eight years. The terms of the leases generally require the tenants to pay security deposits. The investment properties are expected to generate rental yield of 2.16% (2014: 2.21%) on an ongoing basis.

At the end of the reporting period, the Group had future minimum lease receivables under non-cancellable operating leases as follows:

	2015 HK$'000	2014 HK$'000
Within one year	**3,799**	3,405
In the second to fifth year, inclusive	**7,279**	7,826
After the fifth year	**213**	45
	11,291	11,276

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2015 HK$'000	2014 HK$'000
Within one year	**13,890**	14,184
In the second to fifth year, inclusive	**43,682**	44,146
After the fifth year	**25,537**	60,856
	83,109	119,186

Operating lease payments represent rentals payable by the Group for certain land and buildings. Leases are negotiated for terms ranged from 1 to 38 years and rentals are fixed over the lease terms and do not include contingent rentals.

45. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the reporting period:

	2015 HK$'000	2014 HK$'000
Rental in respect of land and buildings paid to a related company owned by Mr. CHONG and Mr. CHONG Wa Pan who are also the directors of the Company (note (i))	600	432

Notes:

(i) **Tenancy agreement with a related company**

In 2014, the Group entered into tenancy agreements with a company owned by Mr. CHONG and Mr. CHONG Wa Pan, for the lease of office premises for a term of one year commencing from 1 April 2014 until 31 March 2015 at prevailing market rates. Transactions were conducted with terms mutually agreed with the contracting parties pursuant to signed agreements.

(b) The emoluments of the directors of the Company (representing key management personnel) during the year are set out in note 13(a).

(c) As mentioned in note 11, the Group reached a settlement agreement with the IRD for two subsidiaries of the Group for the years of assessment 2002/03 to 2008/09 for a total sum of profits tax of approximately HK$17,566,000 together with related tax penalties and interests in aggregate of HK$2,311,000. Pursuant to the deed of indemnity dated 13 February 2009, Perfect Group, Mr. Chong, Mr. Chong Wa Pan, Mr. Chong Wa Ching and Mr. Chong Wa Lam have given indemnities among taxation and related penalty and liability resulting from any income, profits or gains earned, accrued or received on or before the date of the Listing. Pursuant to the above arrangement, Mr. Chong, acting on behalf of the Indemnifiers, agreed to settle the additional tax and related tax penalties and interests in aggregate of approximately HK$15,840,000 as abovementioned to the Group. During the year ended 31 March 2014, approximately HK$3,159,000 was settled.

Directors' material interests in transactions, arrangements or contacts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company 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 any any time during the year.

46. GOVERNMENT GRANTS

In prior years, the Group received from the PRC government a government grant of approximately HK$8,260,000 towards the cost of its prepaid lease payments. The amount has been deducted from the carrying amount of the prepaid lease payments. The amount is transferred to income in the form of reduced amortisation charges over the lease term of the prepaid lease payment. This policy has resulted in a credit to income in the current period of approximately HK$191,000 (2014: HK$191,000). As at 31 March 2015, an amount of approximately HK$8,062,000 (2014: HK$8,243,000) remains to be amortised.

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

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

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Company 2015	2014	Principal activities/place of operation
Directly held					
Jumbo Match Limited	BVI	Ordinary USD1	100%	100%	Investment holding/Hong Kong
Indirectly held					
Chance Bright Limited – Macao Commercial Offshore	Macau	Ordinary MOP100,000	100%	100%	Trading of corrugated raw paper and accessories/Macau
Come Sure Development Limited	Hong Kong	Ordinary HK$60,000,000	100%	100%	Investment and property holding/Hong Kong
Come Sure Group Limited – Macao Commercial Offshore	Macau	Ordinary MOP100,000	100%	100%	Trading of corrugated paperboards and paper-based packaging products/Macau
Come Sure Holdings Limited	BVI	Ordinary US$13,500,000	100%	100%	Investment holding and trading of corrugated paperboards and paper-based packaging products/Hong Kong
錦勝包裝(深圳)有限公司 Come Sure Packing Products (Shenzhen) Company Limited	PRC Wholly foreign owned enterprise	Registered and paid up capital HK$248,980,000	100%	100%	Trading and manufacturing of corrugated paperboards and paper-based packaging products/PRC
錦勝紙業(深圳)有限公司 Come Sure Paper Industrial (Shenzhen) Company Limited	PRC Wholly foreign owned enterprise	Registered and paid up capital HK$30,000,000	100%	100%	Trading and manufacturing of corrugated paperboards and paper-based packaging products/PRC
* 惠州錦勝包裝有限公司 Huizhou Come Sure Packing Company Limited	PRC Wholly foreign owned enterprise	Registered and paid up capital HK$47,000,000	100%	100%	Trading and manufacturing of corrugated paperboards and paper-based packaging products/PRC
Joy Honest Holdings Limited	Hong Kong	Ordinary HK$10,000	100%	100%	Property investment holding/Hong Kong
Keen Rise International Development Limited	Hong Kong	Ordinary HK$100	100%	100%	Trading of corrugated paperboards and paper-based packaging products/Hong Kong
Luck Sea Investment Limited	Hong Kong	Ordinary HK$1,000,000	100%	100%	Provision of management service/Hong Kong
* 華銘彩印(深圳)有限公司 Wah Ming Colour Printing (Shenzhen) Company Limited	PRC Wholly foreign owned enterprise	Registered and paid up capital HK$51,000,000	100%	100%	Trading and manufacturing of offset printed corrugated paper-based packaging products/PRC

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Company 2015	2014	Principal activities/place of operation
Indirectly held (Continued)					
Wah Ming International Limited	Hong Kong	Ordinary HK$2,000,000	100%	100%	Trading and manufacturing of offset printed corrugated paper-based packaging products/PRC
* 錦勝包裝(泉州)有限公司 Come Sure Packing Products (Quanzhou) Company Limited	PRC Wholly foreign owned enterprise	Registered and paid up capital HK$50,000,000	60%	60%	Investment holding/PRC
*江西錦勝包裝有限公司 Jiangxi Come Sure Packing Products Company Limited	PRC Wholly foreign owned enterprise	Registered capital HK$80,000,000 Paid up capital HK$22,000,000	100%	100%	Investment Holding/PRC
協升紙業(江西)有限公司 Rising Sun Paper (Jiangxi) Company Limited	PRC Sino-foreign joint venture enterprise	Registered and paid up capital HK$31,200,000	51%	51%	Trading and manufacturing of offset printed corrugated paper-based packaging products/PRC
Wise Luck International (HK) Limited	Hong Kong	Ordinary HK$10,000	100%	100%	Property investment holding/Hong Kong
Smart Profit Capital Investment Limited	Hong Kong	Ordinary HK$10,000	100%	100%	Property investment holding/Hong Kong
* 華銘紙業(深圳)有限公司 Wah Ming Paper Industrial (Shenzhen) Company Limited	PRC Wholly foreign owned enterprise	Registered and paid up capital HK$30,000,000	100%	100%	Trading and manufacturing of offset printed corrugated paper-based packaging products/PRC
Mass Linker Limited	Hong Kong	Ordinary HK$10,000	100%	100%	Property investment holding/Hong Kong
Sky Achiever Holdings Limited	Hong Kong	Ordinary HK$10,000	100%	100%	Trading of corrugated paper-based packaging products and molded pulp products/ Hong Kong
*中州紙業(深圳)有限公司 Sky Achiever Paper Industrial (Shenzhen) Company Limited	PRC Wholly foreign owned enterprise	Registered and paid up capital HK$12,500,000	100%	100%	Trading and manufacturing of corrugated paper-based packaging products and molded pulp products/PRC
Think Speed Group Limited	BVI	USD1,000	51%	51%	Investment holding/PRC
Magic Thinksky Limited	BVI	USD1	51%	51%	Mobile software development/PRC
Soho Union International Limited	BVI	USD1,000	51%	51%	Online game development/PRC

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47. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid up share capital/ registered capital	Proportion of ownership interest and voting power held by the Company 2015	2014	Principal activities/place of operation
Indirectly held (Continued)					
Unlimited Space Limited	Hong Kong	Ordinary HK$100	51%	51%	Online game development/PRC
*廣州市碧福蓋斯信息技術有限公司 Guangzhou Playful Games Informational Technology Company Limited	PRC Wholly foreign owned enterprise	Registered and paid up capital USD490,000	51%	51%	Provision of management service/PRC
*深圳前海錦勝包裝創意文化產業有限公司 Shenzhen Qianhai Come Sure Packing Creative and Cultural Industries Company Limited (note (a))	PRC	Registered capital RMB10,000,000 Paid up capital RMB8,500,000	100%	-	Investment holding/PRC

Note a: The subsidiary was established in the PRC as a domestic company.

* The English names of these companies represent management's best efforts in translating the Chinese names of these companies as no English names have been registered.

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

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries 2015	2014
Investment holdings	Hong Kong	11	11
Inactive	Hong Kong	1	–
Investment holdings	BVI	6	6
Provision of corporate email services	PRC	1	1
Inactive	PRC	2	2

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2015 HK$'000	2014 HK$'000
Non-current asset		
Investments in subsidiaries (note (a))	309,821	269,884
Current assets		
Prepayments, deposits and other receivables	–	537
Amounts due from subsidiaries (note (b))	207,098	207,098
Bank balances	271	501
	207,369	208,136
Current liabilities		
Accruals	46	1
Amounts due to subsidiaries (note (b))	38,640	24,410
Financial guarantee contracts (note (c))	39,937	38,014
	78,623	62,425
Net current assets	128,746	145,711
NET ASSETS	438,567	415,595
Capital and reserves		
Share capital	3,623	3,623
Reserves (note (d))	434,944	411,972
TOTAL EQUITY	438,567	415,595

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

(a) **Investments in subsidiaries**

	2015 HK$'000	2014 HK$'000
Unlisted investment, at cost	141,631	141,631
Deemed capital contribution to subsidiaries	168,190	128,253
	309,821	269,884

(b) **Amounts due from / to subsidiaries**

The amounts are unsecured, interest-free and repayable on demand.

(c) **Financial guarantee contracts**

At 31 March 2015, the Company has issued guarantees of approximately HK$822,008,000 (2014: HK$792,698,000) and unlimited corporate guarantees to banks in respect of the banking facilities granted to fourteen (2014: fourteen) subsidiaries of the Group.

The directors of the Company do not consider it is probable that a claim will be made against the Company under any of the above guarantees and the maximum liability of the Company at the end of the reporting period in respect of the above guarantees is the amount of bank loans drawn by its subsidiaries under the guarantees at that date of approximately HK$448,722,000 (2014: HK$369,821,000).

(d) **Reserves**

	Share premium HK$'000	Special reserve HK$'000	Warrant reserve HK$'000	Share-based payment reserve HK$'000	Contingent consideration HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2013	193,212	141,681	40	3,698	7,861	45,326	391,818
Profit for the year	–	–	–	–	–	28,125	28,125
Dividend recognised as distribution (note 14)	–	–	–	–	–	(7,971)	(7,971)
Transfer	–	–	(40)	–	(7,861)	7,901	–
At 31 March 2014 and 1 April 2014	193,212	141,681	–	3,698	–	73,381	411,972
Profit for the year	–	–	–	–	–	35,653	35,653
Dividend recognised as distribution (note 14)	–	–	–	–	–	(12,681)	(12,681)
At 31 March 2015	193,212	141,681	–	3,698	–	96,353	434,944

The special reserve of the Company arose as a result of the Reorganisation implemented and represented the excess of the then consolidated net assets of the subsidiaries acquired, over the nominal value of the share capital of the Company issued in exchange therefore.

49. COMPARATIVE FIGURES

Fair value changes of investment properties of approximately HK$6,900,000 are reclassified from "other gains and losses" to be presented in a separate line item on the face of consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2015.