



CHUANG'S CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

ANNUAL REPORT 2015





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Chairman's Statement

FINANCIAL REVIEW

For the year ended 31st March, 2015, revenues of the Group amounted to HK\$1,521.7 million (2014: HK\$1,389.1 million), representing an increase of 9.5% compared to that of the last year. This was mainly due to the increase in property sales in the People's Republic of China (the "PRC") recognized by the Group during the year. Revenues of the Group comprised revenues from sales of properties of HK\$993.8 million (2014: HK\$798.0 million), revenues from rental and other income of investment properties of HK\$164.5 million (2014: HK\$152.7 million), revenues from hotel operation of HK\$6.2 million (2014: Nil), revenues from sales of goods and merchandises of HK\$345.4 million (2014: HK\$387.3 million), revenues from cemetery business of HK\$12.5 million (2014: HK\$9.5 million) and loss from securities investment and trading business of HK\$0.7 million (2014: profit of HK\$41.6 million).

As a result of increase in revenues generated from sales of properties, gross profit during the year increased to HK\$571.1 million (2014: HK\$515.5 million), representing an increase of 10.8% compared to that of the last year. Gross profit margin was 37.5% (2014: 37.1%) which was similar to that of the last year. Other income and net gain decreased to HK\$103.7 million (2014: HK\$163.1 million) mainly due to the decrease in fair value gain on transfer of properties from properties for sale to investment properties in the PRC. A breakdown of other income and net gain is shown in note 7 to the consolidated financial statements of this report. Furthermore, the Group also recorded an upward revaluation surplus of HK\$593.3 million (2014: HK\$450.3 million) for its investment properties, reflecting the continued improvement in property prices of our investment properties in Hong Kong during the year.

On the costs side, selling and marketing expenses decreased slightly to HK\$96.9 million (2014: HK\$99.5 million). Administrative and other operating expenses increased to HK\$470.8 million (2014: HK\$390.9 million) mainly due to a general increase in overheads due to the increase in business activities of the Group, the pre-opening expenses of the hotel operation and amortization/depreciation of the hotel property of the Group amounting in aggregate to HK\$49.9 million, and the provision for diminution in value of a property project in Vietnam amounting to HK\$29 million. Finance costs increased to HK\$66.8 million (2014: HK\$59.0 million) mainly due to the increase of bank borrowings of the Group. Share of loss of associated companies amounted to HK\$1.4 million (2014: profit of HK\$11.4 million due to a negative goodwill arising on the acquisition of a 40% interest in a hotel in Cebu, Philippines being recognized). Taxation amounted to HK\$105.7 million (2014: HK\$98.1 million) mainly relating to net tax paid or payable on sales of properties.

Taking all the above into account, profit attributable to equity holders of the Company amounted to HK\$503.0 million (2014: HK\$468.5 million), representing an increase of 7.4% compared to that of the last year. Earnings per share was 29.17 HK cents (2014: 27.71 HK cents).

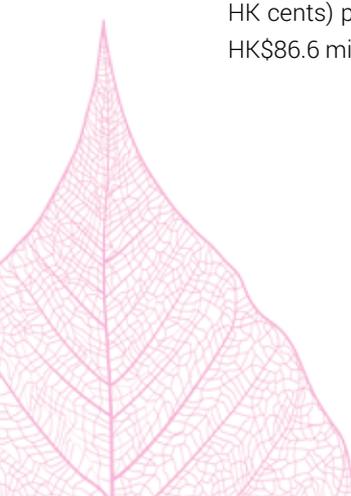
CHUANG'S TOWER

DIVIDENDS

After taking into account the need to maintain sufficient financial resources for the working capital of the Group's projects and businesses, the board of Directors (the "Board") has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting of the Company the payment of a final dividend of 3.0 HK cents (2014: 3.0 HK cents) per share for the year ended 31st March, 2015. The final dividend, if approved, will be paid on or before 30th October, 2015 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 11th September, 2015.

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be issued pursuant to the scrip dividend scheme, new share entitlement will be calculated by reference to the par value of the shares of the Company, being HK\$0.25, or the average of the closing prices on the Stock Exchange of the shares of the Company for the five consecutive trading days up to and including 11th September, 2015, whichever is higher. A circular giving full details of the scrip dividend scheme and a form of election will be sent to the shareholders of the Company as soon as practicable.

An interim dividend of 2.0 HK cents (2014: 2.0 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 5.0 HK cents (2014: 5.0 HK cents) per share, and the total amount will be HK\$86.6 million (2014: HK\$85.7 million).



CHUANG'S LONDON PLAZA

Business Review

Investment/ Hotel Properties

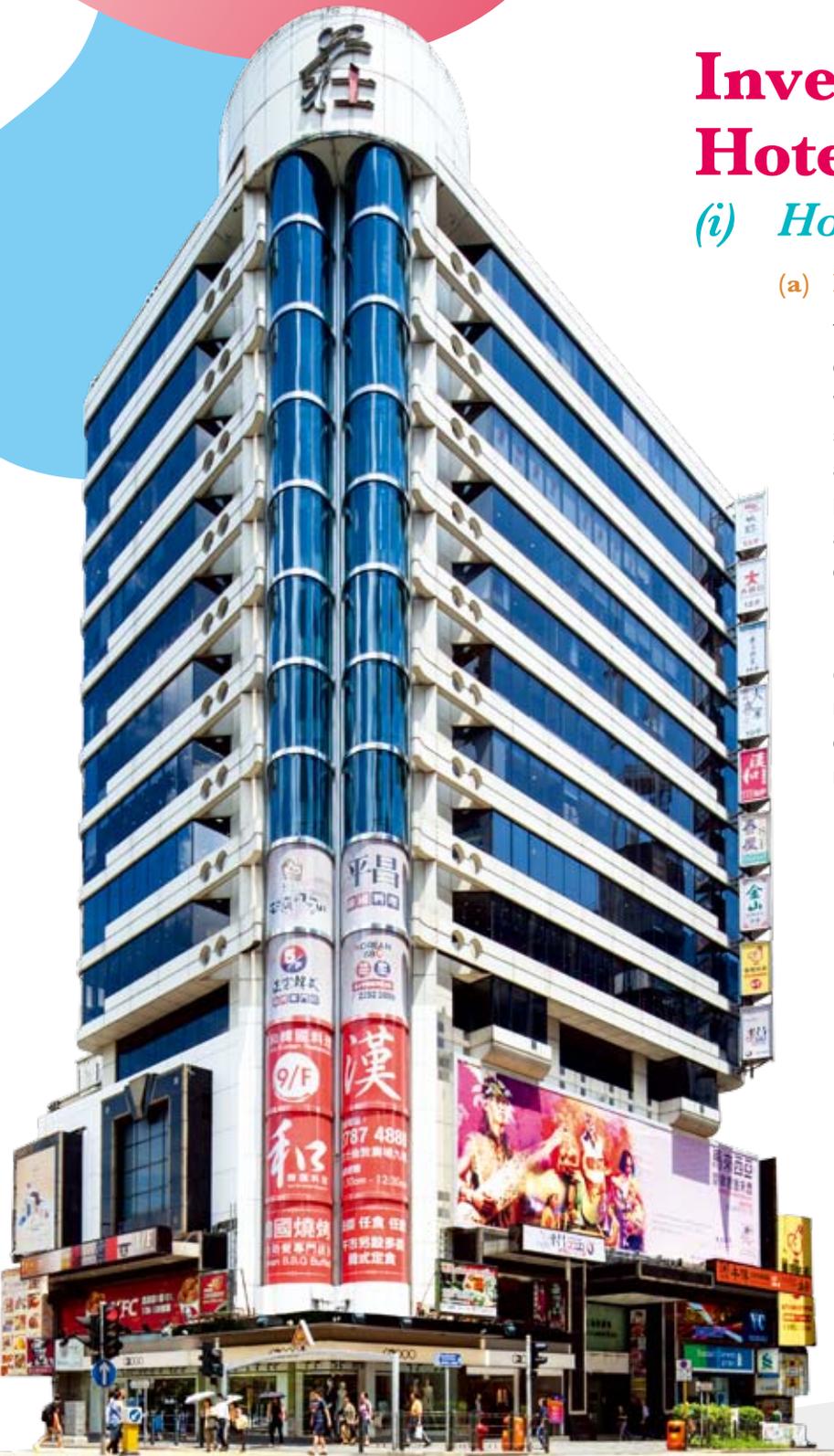
(i) Hong Kong

(a) Investment Properties

The Group owns a high-quality portfolio of investment properties in Hong Kong which generate strong recurrent income stream to the Group. The total gross area of the Group's investment properties in Hong Kong amounted to about 190,000 sq. ft. comprising retail, office and high-class residential spaces. Rental and other income from investment properties in Hong Kong during the year amounted to HK\$130.2 million, representing an increase of 7.9% over that of the last year. The Group's major investment properties in Hong Kong are as follows:

(1) **Chuang's Tower, Nos. 30-32 Connaught Road Central, Hong Kong (100% owned)**

The property is a commercial/ office building and is strategically located at the heart of Central District and next to the exits of both the Central Station of the Mass Transit Railway and the Hong Kong Station of the Airport Express Line. Currently, the Group is studying plans to upgrade the property with a view to further enhance the rental yield.



(2) **Chuang's London Plaza, No. 219 Nathan Road, Tsim Sha Tsui, Kowloon (100% owned)**

Strategically located at the heart of shopping centres in Tsim Sha Tsui, Kowloon, and next to the exit of the Mass Transit Railway, the property is a shopping and entertainment complex. In order to improve the rental yield and thus the capital value of the property, the Group is exploring plans and strategies to renovate and upgrade the property with a view to increase the gross area of the shops at the ground floor and the first floor levels and to improve the accessibility of the shops at the basement levels. In order to achieve the above objectives, further building plans will be submitted to the relevant authorities for approval. Once the approval is obtained, the Group will evaluate the best timing to carry out the renovation and upgrading works.

(3) **No. 15 Gough Hill Road, The Peak, Hong Kong (100% owned)**

The redevelopment of the property into a single house with unique architectural design has been progressing satisfactorily. Site formation and foundation works are in progress and are expected to be completed in the third quarter of 2015 which will be closely followed by the superstructure works. The project is expected to be completed in the fourth quarter of 2016. In view of the strong demand and limited supply of this type of luxury property in that area, it is envisaged that rental and capital value of the property will be enhanced upon completion of the development.

(4) **House A, No. 37 Island Road, Deep Water Bay, Hong Kong (100% owned)**

Located at Deep Water Bay, a prestigious residential area, this property enjoys a glamorous sea-view. The property was leased out during the year.



HOUSE A

NO. 37 ISLAND
ROAD *

* Residential property for lease



(b) Hotel Property

**Hotel sáv, No. 83 Wuhu Street,
Hunghom, Kowloon
(100% owned)**

Hotel sáv, which commenced operation in mid-February 2015, is located at the heart of Hunghom and comprises of 388 rooms together with shopping units at the ground floor level. The shopping units have been fully leased and total revenues from the hotel operation for the months of February and March 2015 amounted to HK\$6.2 million. The average room rate of the hotel was about HK\$720 and the average occupancy rate of the hotel was about 40% for the months of February and March 2015. The occupancy rate of the hotel had been improved to about 78% in April 2015 and about 83% in May 2015. The hotel is managed by Sav Hospitality Limited, the hotel management arm of the Group.

Hotel sáv





(ii) Malaysia

Central Plaza, Jalan Sultan Ismail, Kuala Lumpur (100% owned)

Central Plaza, located at the heart of central business district and prestigious shopping area of Kuala Lumpur, has a total gross floor area ("GFA") of 380,000 *sq. ft.* of retail, office and carparking spaces. During the year, rental and other income from this property amounted to HK\$22.4 million, representing an increase of 5.7% over that of the last year.

(iii) Philippines

Pacific Cebu Resort, Cebu (40% owned)

Pacific Cebu Resort is a resort established in 1992 with 136 rooms and abundant diving facilities, and is located at Lapu-Lapu City, Mactan Island in Cebu of Philippines occupying a site area of about 64,987 *sq. m.*. During the year, renovation works to upgrade the rooms and the facilities have been completed which resulted in an increase in both room rate and occupancy rate. Meanwhile, the Group is also carrying out feasibility studies to develop the vacant land within the resort (about 20,000 *sq. m.*) into hotels/condominiums/villas/shops in order to create more value from this investment. The resort is managed by Sav Hospitality Limited.



Properties Under Development/ Held For Sale

(i) *Hong Kong*

(a) **Parkes Residence, No. 101 Parkes Street, Kowloon (100% owned)**

The property is close to the Jordan Station of the Mass Transit Railway and will be developed into a 25-storey commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). Superstructure works have been completed and internal and external finishing works are in progress. The project is expected to be completed within the financial year ending 2016. Up to the date of this report, 84 residential units and certain shopping units have been pre-sold with an aggregate sales value of HK\$801.1 million, and deposits of about HK\$139 million have been received. The Group will continue to market the remaining residential units and the ground floor shops.



This photograph was taken on 4th June, 2015 and has been edited and processed with computerized imaging techniques.

(b) Villa 28 and Villa 30, Po Shan Road, Hong Kong (50% owned)

The Group owns a 50% interest in the project and is the project manager of the development. The property is located in a prestigious mid-level area that enjoys a glamorous sea-view. Building plans have been approved to develop the property into two semi-detached residences with GFA of about 40,632 *sq. ft.*. Demolition works of the project have been completed. Plans for the site formation and foundation works have been approved.

(ii) Taiwan

sáv Residence, Xinyi District, Taipei City (100% owned)

The project, located nearby the city centre of Taipei City, is a residential development comprising a villa and 6 apartment units (of which 2 are duplex apartments). Occupation permit has been issued by the relevant authorities. Internal decoration works for the apartments have been completed and up to the date of this report, 2 apartment units have been leased out. Marketing works for leasing out/sale of the apartments are in progress.

(iii) Vietnam

(a) Greenview Garden, Thu Duc District, Ho Chi Minh City (100% owned)

The project covers a site area of 20,300 *sq. m.* and it is planned that a commercial/residential complex with GFA of 94,000 *sq. m.* will be developed on the site. The site is currently vacant and construction permit has recently been obtained. The Group will embark on the development of villas as an initial phase of the development which will then be followed by the development of high-rise apartments.

A rendering of the Greenview Garden project, featuring three tall, modern high-rise buildings with glass facades and balconies. The buildings are set against a blue sky with light clouds. In the foreground, there is a landscaped area with green lawns, trees, and a modern, low-rise building with large glass windows. The overall scene is bright and sunny.

Greenview Garden

(b) Duc Hoa District, Long An Province

The Group had participated in a 70% interest in the project pursuant to an agreement (the “Agreement”) entered into between the Group and the joint venture partner. As disclosed in various announcements of the Company, an arbitral award had been granted in favour of the Group by the Vietnam International Arbitration Centre in May 2013 and upheld by the court of Vietnam in October 2013 for specific performance against the joint venture partner. Since then, the Group had held a number of meetings with the joint venture partner in the presence of the enforcement office in Vietnam with a view to enforce the arbitral award. However, up to the date of this report, no major progress was made as the joint venture partner had been proposing a new set of terms which are not in accordance with the terms of the Agreement. The Group, after taking legal advice, considered that it would not be appropriate for the joint venture partner to re-negotiate the terms of the Agreement as the arbitral award specifically requested the joint venture company to be formed in accordance with the terms of the Agreement. Furthermore, in the course of the negotiation, the Group noted that the joint venture partner had mortgaged the land use rights of the project for financing though the joint venture partner has indicated that it will contribute the land use rights free of encumbrance in the event that the joint venture company is formed. The Group will continue to enforce the arbitral award in accordance with its terms and will seek further legal advice as to any alternative courses of action in order to speed up the return of this investment. The investment cost of the Group in this project as at the balance sheet date, after provisions, amounted to about HK\$60 million.

(iv) Mongolia

(a) International Finance Centre, Sukhbaatar District, Ulaanbaatar (100% owned)

The project has a site area of about 3,272 sq. m. and is located within the central business district. It is planned that a retail/office building will be developed. Concept design has been approved and detailed building plans have been submitted to the relevant authorities for approval. Foundation works are completed while superstructure works will commence when the detailed building plans have been approved.





(b) The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar (53% owned)

The project is located in the city centre within the embassy district. It is planned that two towers of apartments will be developed. Superstructure works for the first tower of apartments with GFA of about 19,000 sq. m. have commenced and are expected to be completed in the first quarter of 2017. Marketing works for the first tower of apartments will commence soon.

Chuang's China Investments Limited

("Chuang's China", stock code: 298)

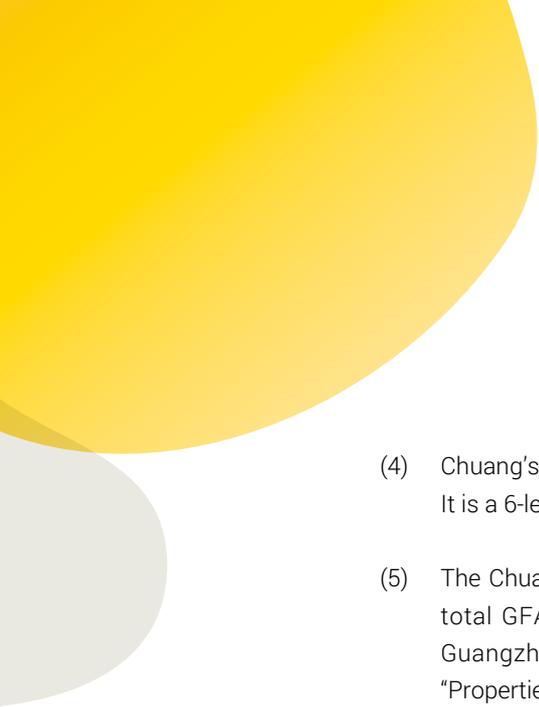
Chuang's China is a 56.5% owned listed subsidiary of the Group and Chuang's China and its subsidiaries (the "Chuang's China Group") are principally engaged in, inter alia, property development and investment. For the year ended 31st March, 2015, the Chuang's China Group recorded revenues of HK\$1,008.6 million (2014: HK\$804.7 million) (which comprised revenues from sales of properties in the PRC of HK\$993.8 million (2014: HK\$783.0 million), revenues from rental and other income of investment properties in the PRC of HK\$11.7 million (2014: HK\$10.9 million), revenues from trading business of HK\$2.9 million (2014: HK\$10.8 million) and revenues from securities investment and trading business of HK\$0.2 million (2014: Nil)) and profit attributable to equity holders of HK\$94.5 million (2014: HK\$110.3 million).

(i) *Investment/Hotel Properties*

(a) **Investment Properties**

The Chuang's China Group holds the following portfolio of investment properties in the PRC with an aggregate GFA of over 50,000 *sq. m.*, of which 25% are completed properties and 75% are under construction. Rental and related income during the year was HK\$11.7 million.

- (1) Chengdu Digital Plaza Level 6 at Chengdu, having a GFA of 4,255 *sq. m.*, is subject to a three-year tenancy expiring in 2016.
- (2) Chuang's New City at Dongguan has two completed commercial properties with aggregate GFA of about 12,436 *sq. m.*. About 7,936 *sq. m.* of these properties are subject to various leases expiring from 2015 to 2025. The remaining 4,500 *sq. m.* of these commercial properties were not leased out as at 31st March, 2015 and are recorded in the financial statements as "Properties for sale". Additional investment properties under construction at Chuang's New City have a total GFA of about 6,026 *sq. m.*.
- (3) Chuang's Le Papillon at Guangzhou has two completed commercial properties with aggregate GFA of 1,181 *sq. m.*. One of the commercial properties with GFA of 601 *sq. m.* is subject to an eight-year tenancy expiring in 2023, while the other property with GFA of 580 *sq. m.* was not leased out as at 31st March, 2015 and is therefore recorded in the financial statements as "Properties for sale". Furthermore, investment properties to be constructed at Chuang's Le Papillon will have a total GFA of about 2,639 *sq. m.*.

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- (4) Chuang's Mid-town at Anshan has investment properties under construction of 29,616 *sq. m.*. It is a 6-level commercial podium located at the city centre of Anshan.
 - (5) The Chuang's China Group holds five office units at R&F Yingkai Square (富力盈凱廣場) with total GFA of 896 *sq. m.*, and is located in the CBD of Zhujiang New Town (珠江新城) in Guangzhou. During the year, the properties were recorded in the financial statements as "Properties for sale". In view of its prime location, the Chuang's China Group considers that its value will be appreciated and decides to lease out the properties subsequent to the year end date.

As at 31st March, 2015, the Chuang's China Group's investment properties in the PRC has an aggregate book value of approximately HK\$251.7 million. The Chuang's China Group will continue to increase its investment property portfolio for rental purpose, which will bring recurrent and steady cash inflow, in order to weather the slowdown of the property development sales in the PRC.

During the year, the Chuang's China Group entered into an agreement to dispose of an investment property in Guangzhou with GFA of about 1,804 *sq. m.* at a consideration of approximately RMB32.4 million (equivalent to approximately HK\$40.5 million). The transaction was completed in July 2014 and realized a net gain after taxation of approximately RMB3.7 million (equivalent to approximately HK\$4.6 million) to the Chuang's China Group. Details of the transaction were set out in the announcement of Chuang's China dated 12th June, 2014.

Subsequent to the year end date, on 21st April, 2015, the Chuang's China Group announced the acquisition of the industrial property located at Changan, Dongguan, with a GFA of about 39,000 *sq. m.* at RMB101.6 million (equivalent to approximately HK\$127.0 million). The industrial property is close to a well developed residential and commercial area and is about 10 km to Shenzhen. After completion of the acquisition, the Chuang's China Group intends to lease out the property for rental income and will monitor the market conditions regarding redevelopment potential of the property to optimize the investment return.

(b) Hotel Property

sáv Resort & Spa

Xiamen, Fujian

(59.5% OWNED BY CHUANG'S CHINA)







sáv Resort & Spa is located in the beautiful scenery of the south coast of Siming District, covering an area of about 27,600 *sq. m.*, and just five minutes walk from the nearby beach.

Focusing on a low density development, the project has 18,000 *sq. m.* in GFA and focuses on creating a harmonious architectural and landscape design. The project provides 30 villas with an aggregate GFA of about 8,300 *sq. m.* which will be rented out on long lease. An exclusive resort with 100 keys (total GFA of 9,700 *sq. m.*) will be operated as hotel and resort. It is expected that soft opening of the hotel will be before the end of 2015.





(ii) Property Development

The growth of the PRC's macro economy has shown sign of slowing down during the year under review. With such downward pressure, the PRC property market also underwent correction and adjustments from rapid growth in the past few years. Property buyers took a wait-and-see attitude, leading to a decline in both price and volume in major cities. Property developers in the PRC are then faced with challenges from slow-moving inventory level, shrinking profit margins and intensifying competition.

In recent months, relaxation of restrictions on property purchasing, loosening of monetary policy and decrease in interest rate of housing mortgage loan are launched to boost the property market. However, sign of a recovery in terms of transaction volume and price have yet to be seen and the PRC property market is still full of challenges.

During the year, the Chuang's China Group took proactive strategy to diversify its property development business to Hong Kong, and has actively participated in a number of public tenders in Hong Kong. In February 2015, the Chuang's China Group had succeeded in the public tender for a lot in Yip Wong Road, Tuen Mun at the tender price of HK\$428.8 million.

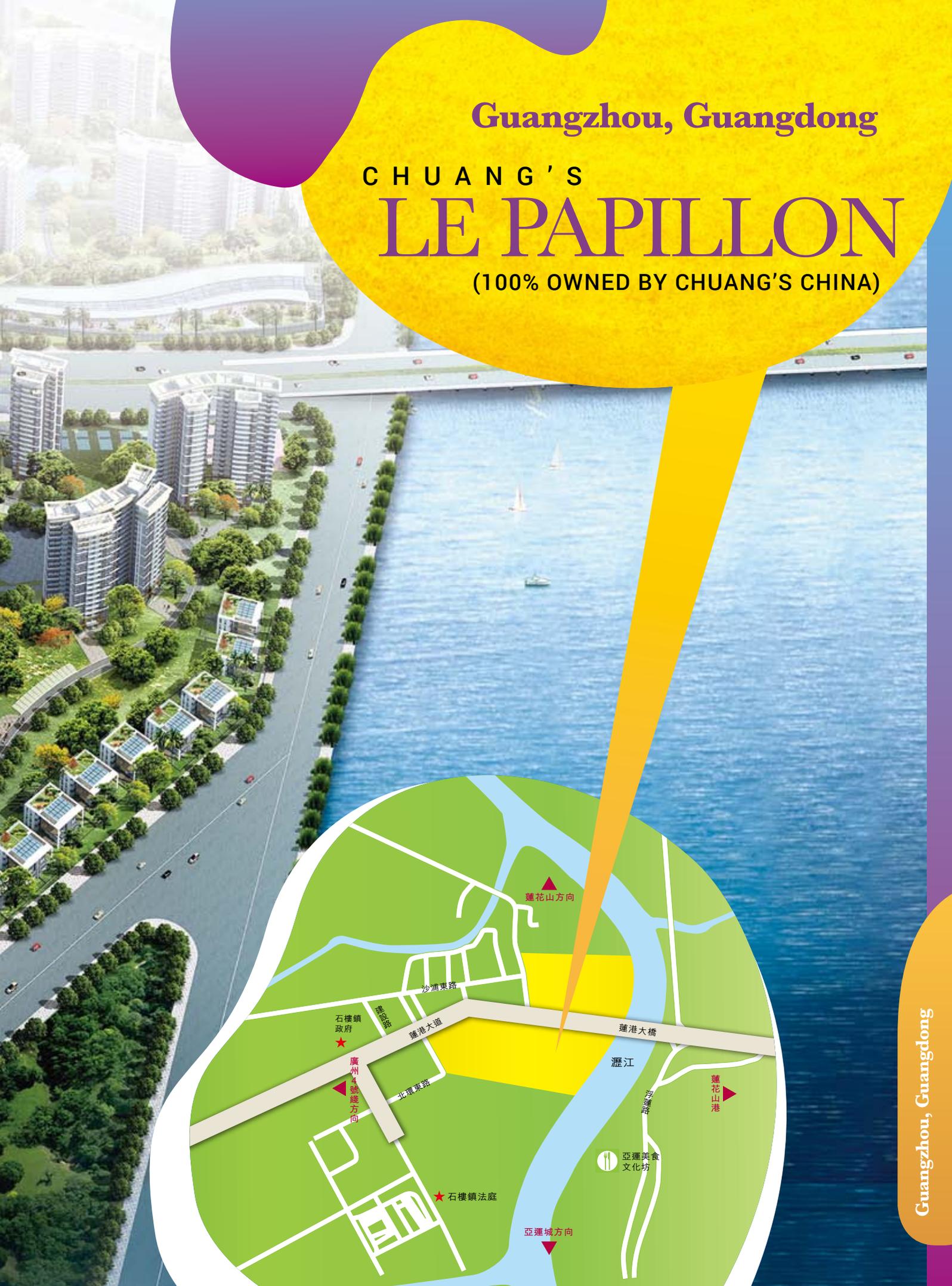


Guangzhou, Guangdong

CHUANG'S

LE PAPILLON

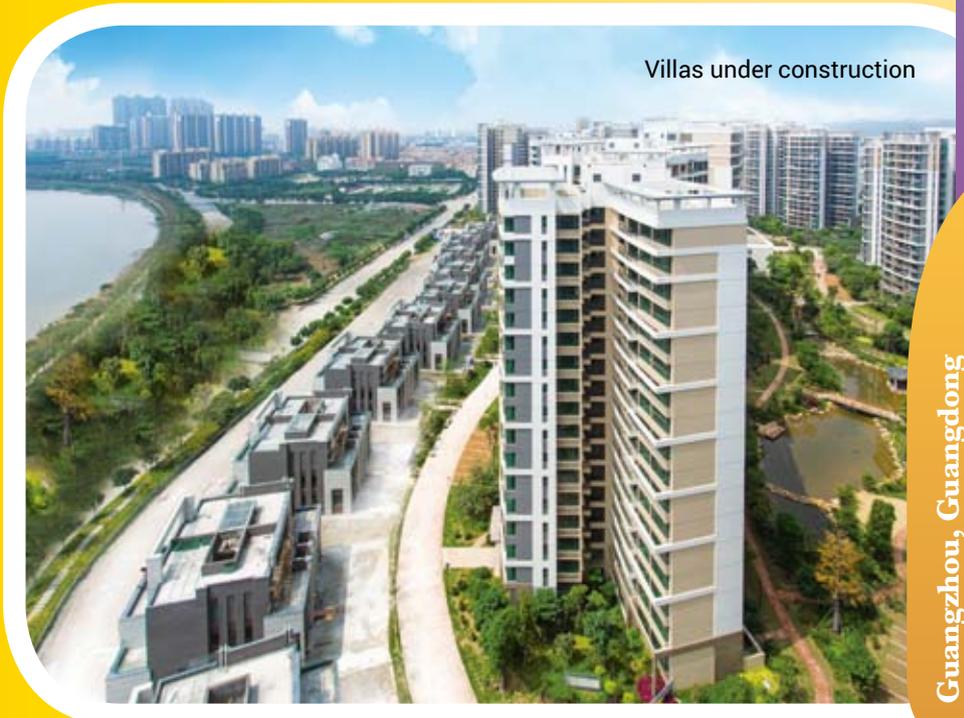
(100% OWNED BY CHUANG'S CHINA)



Chuang's Le Papillon is an integrated residential and commercial community and is divided into different phases. Phase I and II (Block A to P) have a total GFA of 260,800 *sq. m.*. It comprises 34 high-rise residential towers with a total of 2,077 flats and 22 villas, commercial podium, club houses and 1,497 carparking spaces.

Occupancy of Block A to I, K, M and N were handed over to buyers in previous financial years. During the year under review, occupancy of Block J and L were handed over to buyers. This marked the completion of the high-rise development of Phase I and II. Block P, comprising 22 villas with aggregate GFA of about 7,000 *sq. m.*, will be completed soon and the show flat is ready to be launched for marketing.





CHUANG'S
LE PAPILLON

Block
H

Block
F

Block
I

Block
J

Block
K



Block
L

The Group is reviewing the product mix and plot ratio of future development, taking into account the local home-buyers' preferences on flat sizes and market condition. The Group plans to commence construction on our site, however, it requires the obtaining of approval by the relevant authorities in Guangzhou, including approval for development plans and land quota to be released by the relevant authorities in the PRC. As the approval will take some time to be obtained, the Group is in close liaison with the authorities to follow up the approval process and also to explore means on speeding up such process.

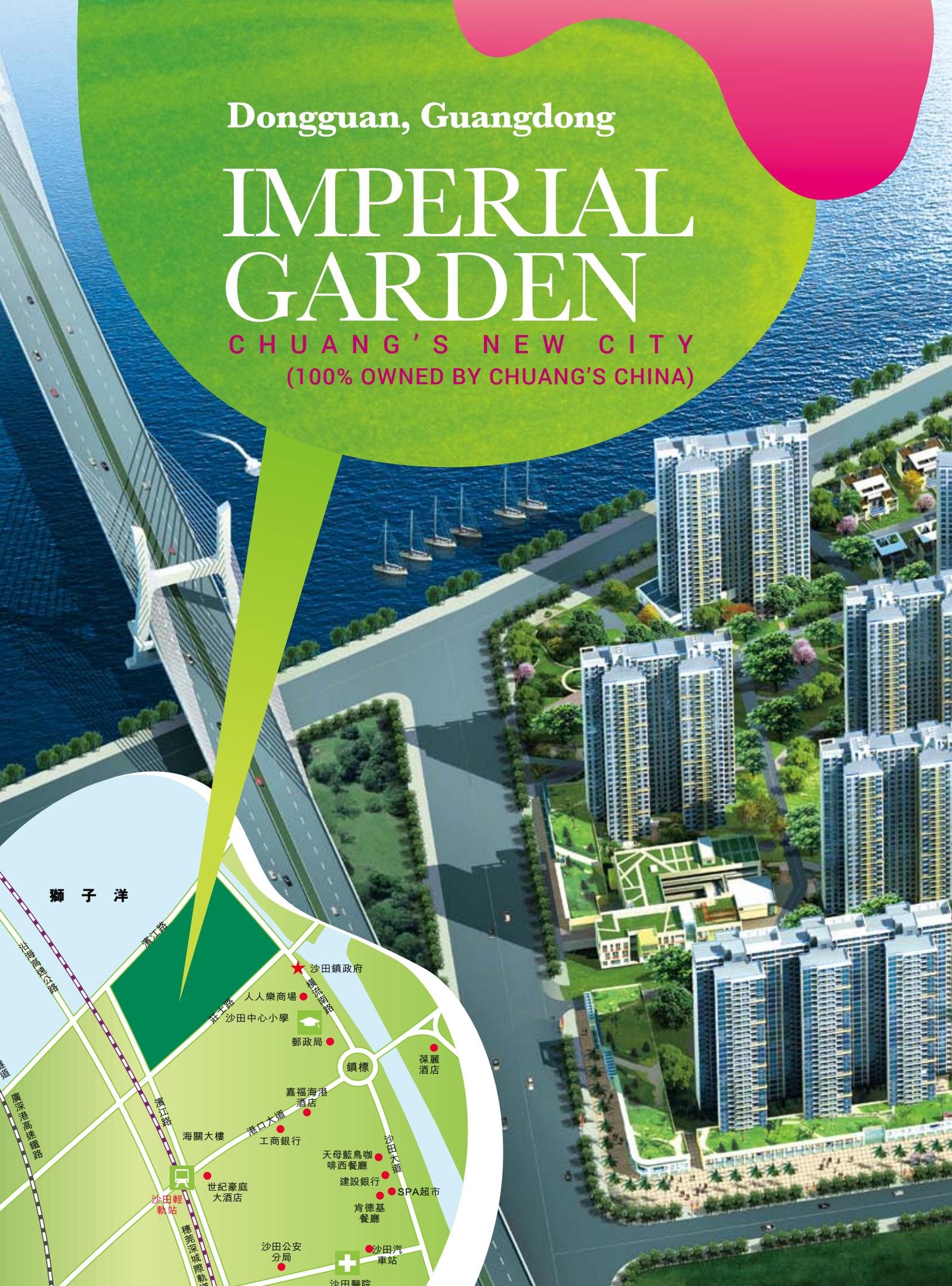
Regarding the sales progress for Phase I and II, all the 34 high-rise blocks (Block A to N) have been launched to the market. Marketing of the villas (Block P) will be launched in the coming months. As of to-date, unsold residential properties of this project of Block A to P amounted to about RMB290 million.



Dongguan, Guangdong

IMPERIAL GARDEN

CHUANG'S NEW CITY
(100% OWNED BY CHUANG'S CHINA)





Construction In Progress

Block 29 to 31



Block
14

Block
9



Chuang's New City has a total GFA of about 520,000 *sq. m.* and is divided into different phases. Phase I and II (Block 1 to 14) have an aggregate GFA of about 150,300 *sq. m.*. It provides 1,239 residential flats, a modern commercial shopping complex and 184 carparking spaces. It is well equipped with ancillary facilities such as club house, kindergarten and sports arena.

Occupancy of Block 1 to 8 were handed over to buyers in previous financial years. During the year under review, occupancy of Block 9 to 14 were handed over to buyers. As of to-date, unsold residential properties of Block 1 to 14 amounted to about RMB130 million.

Foundation works for Phase III (Block 29 to 31) with total GFA of about 40,000 *sq. m.* are completed. Superstructure works have commenced and is up to the 12th level. Marketing of these three blocks with flat sizes ranging from 82 *sq. m.* to 138 *sq. m.* will commence soon.

The Group will plan for development of Phase IV (Block 15 to 20) with total GFA of about 83,000 *sq. m.*. As for the remaining development with GFA of about 233,000 *sq. m.*, the Group will embark on development plan in accordance with local market sentiments and sales progress.



Anshan, Liaoning

CHUANG'S

MID-TOWN

(100% OWNED BY CHUANG'S CHINA)





Situated right next to the Anshan rail station, this site is located at the core city centre of Tie Dong Qu (鐵東區) near the bustling pedestrian street. The development will provide integrated community with residential, shopping areas, specialty business activities, SOHO and office space with a total GFA of about 100,000 *sq. m.*

The development consists of a 6-level commercial podium providing an aggregate GFA of about 29,600 *sq. m.* Above the podium will be a twin tower (Block A and B) with 27 and 33-storey respectively, offering total GFA of about 63,000 *sq. m.* as residential and service apartments. Superstructure works of the commercial podium are in satisfactory progress and has topped off. Pre-sale of Block A will commence soon.



CHUANG'S

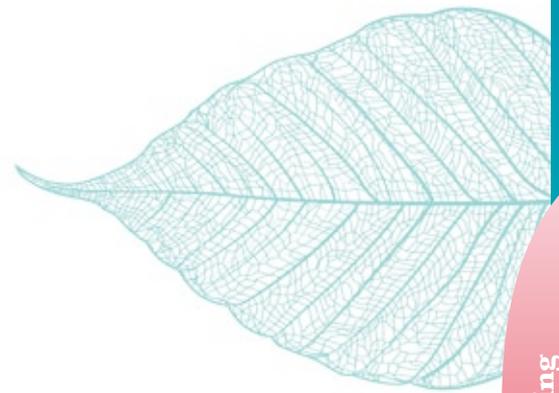
PLAZA

(100% OWNED BY CHUANG'S CHINA)





Adjacent to Chuang's Mid-town, the second site of the Group is located in the prime city centre of Tie Dong Qu (鐵東區). With a developable GFA of 390,000 *sq. m.*, the site will provide a mega integrated development including office towers, retail, food and beverage and entertainment facilities together with residential blocks. Master layout planning has been submitted to the relevant authority for approval.





**Yip Wong Road, Tuen Mun Town Lot No. 514, Tuen Mun, New Territories, Hong Kong
(100% owned by Chuang's China)**

The site at Yip Wong Road has an area of about 2,428 *sq. m.* and has developable GFA of 10,862 *sq. m.* for residential purpose and 2,428 *sq. m.* for commercial purpose.

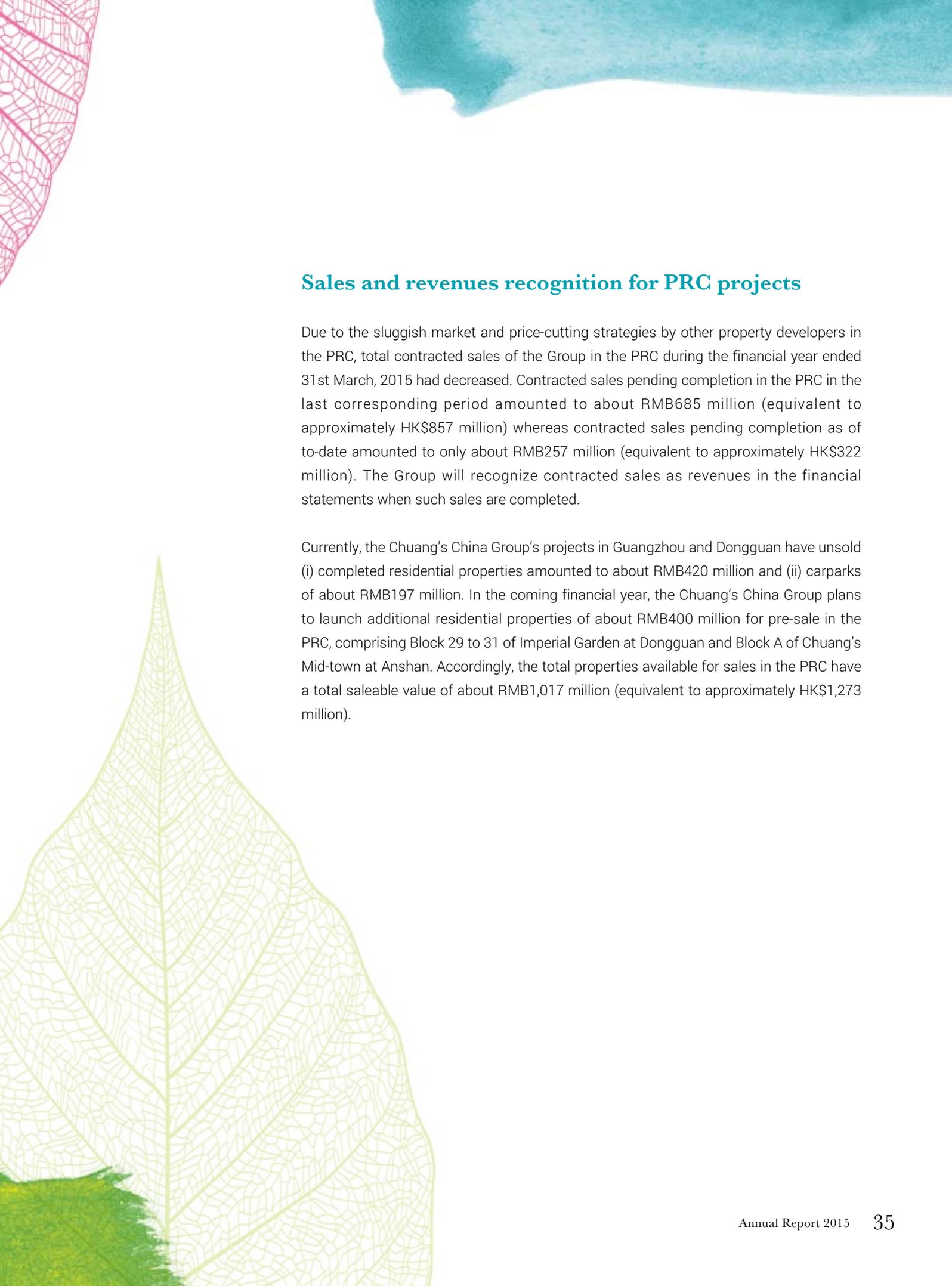
The site is located along the riverside recreation park, overlooking Tuen Mun River. Along the promenade right in front of the site, it is within leisure walking distance to the nearby landmark commercial mall. The site is easily accessible to the light rail station and Tuen Mun West Rail and is close to (i) the Tuen Mun-Chek Lap Kok Link under construction, which will connect Tuen Mun to the Hong Kong-Zhuhai-Macao Bridge Hong Kong port and the Hong Kong International Airport; and (ii) Shenzhen via the Hong Kong-Shenzhen Western Corridor (深港西部通道).

The site was handed over to the Group in March 2015. Ground investigation works are completed, and building plans are submitted for approval. Site formation and foundation works will commence once the plans are approved.

Other property projects in the PRC

The Chuang's China Group holds a 54% interest in a property development project in Changsha. As at 31st March, 2015, the Chuang's China Group's total investment costs amounted to about HK\$80 million. Properties available for sales (total residential GFA of 19,000 *sq. m.* and commercial GFA of 11,600 *sq. m.*) of this project have a total book costs of about HK\$121 million. The operating license of the joint venture company in the PRC has expired since 2012. The Group is considering ways of orderly dissolving this joint venture company in the PRC.

The Chuang's China Group holds a 51% development interest in a project in Chengdu. In view of the complexity of the project that involves resettlements, the Chuang's China Group has ongoing discussions with the local partner regarding disposal of this development interest by the Chuang's China Group. In the event the disposal alternative is not effected, the Chuang's China Group will evaluate the legal rights and procedures on unwinding the investment.



Sales and revenues recognition for PRC projects

Due to the sluggish market and price-cutting strategies by other property developers in the PRC, total contracted sales of the Group in the PRC during the financial year ended 31st March, 2015 had decreased. Contracted sales pending completion in the PRC in the last corresponding period amounted to about RMB685 million (equivalent to approximately HK\$857 million) whereas contracted sales pending completion as of to-date amounted to only about RMB257 million (equivalent to approximately HK\$322 million). The Group will recognize contracted sales as revenues in the financial statements when such sales are completed.

Currently, the Chuang's China Group's projects in Guangzhou and Dongguan have unsold (i) completed residential properties amounted to about RMB420 million and (ii) carparks of about RMB197 million. In the coming financial year, the Chuang's China Group plans to launch additional residential properties of about RMB400 million for pre-sale in the PRC, comprising Block 29 to 31 of Imperial Garden at Dongguan and Block A of Chuang's Mid-town at Anshan. Accordingly, the total properties available for sales in the PRC have a total saleable value of about RMB1,017 million (equivalent to approximately HK\$1,273 million).



Midas International Holdings Limited

(“Midas”, stock code: 1172)

Midas is a 60.8% owned listed subsidiary of the Group and Midas and its subsidiaries (the “Midas Group”) are principally engaged in the printing business and property business focusing on the development and operation of cemetery in the PRC. For the year ended 31st March, 2015, the Midas Group recorded revenues of HK\$274.6 million (2014: HK\$309.8 million) (which comprised revenues from the printing business of HK\$262.1 million (2014: HK\$300.3 million) and revenues from the property business of HK\$12.5 million (2014: HK\$9.5 million)) and loss attributable to equity holders of HK\$16.6 million (2014: HK\$42.5 million).

(i) Printing Business

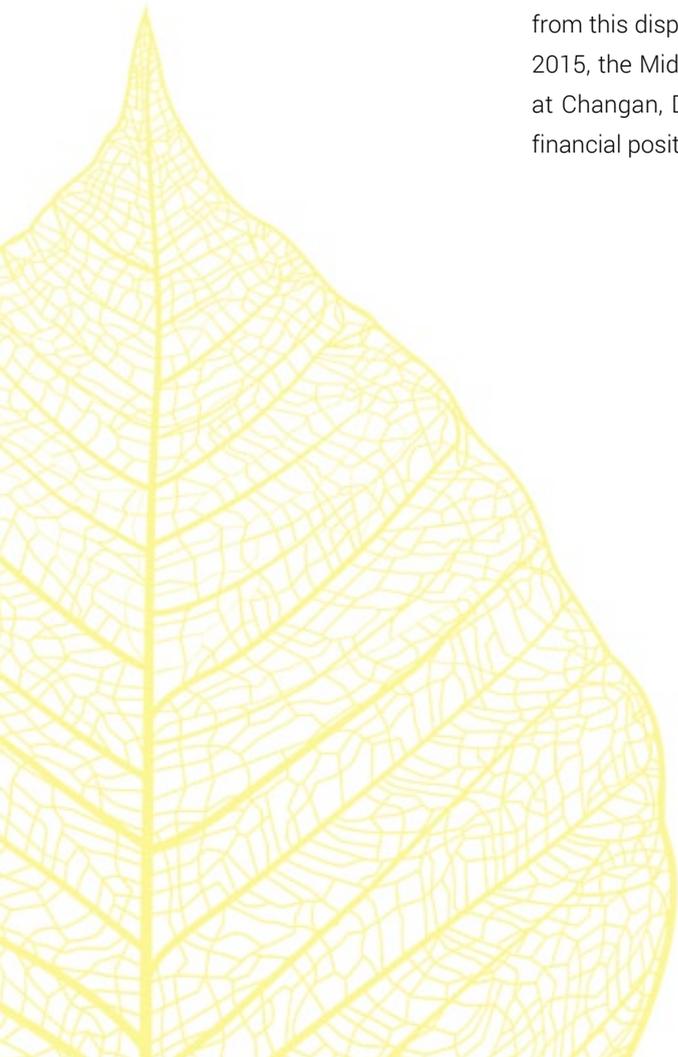
The uncertain economic outlook has dampened the global printing demand. Customer sentiment was adversely affected, causing them to take a cautious approach toward ordering and stocking. They withheld or reduced orders with shorter lead time, while intense competition in the printing industry brought down the price of orders. These trends affected the printing revenue of the Group. As a result, during the year under review, the Group recorded a decrease of sales of 12.7% in the printing division.

In the cost aspects, with further increase in minimum wages in the Southern China region, the Group experienced regular upward adjustments in labour cost during the year. Due to intense competition in the printing market, the additional costs could not be fully passed to the customers and, as a result, this has an adverse effect on the profit margin. In response to the harsh operating environment, the Group enhanced production efficiency through automation and lean manufacturing practices, and continued to search for materials with lower costs so as to ease the cost pressure. The Group also upheld strict control on its capital investment and closely monitored its stock level and customer credit.



In order to achieve improvement, the Group will concentrate its effort on enhancing sales. In this respect, the Group will strengthen its marketing team and delegate additional resources to strengthen the product development and engineering department aiming to improve product structure and to lower processing cost. Coupled with the cost saving measures as mentioned above, this will enable the Group to offer a more competitive price to its customers for orders. Furthermore, the Group will focus to develop various stationary products with original design and launch these into the PRC market in order to capture steady revenue.

Taking into account the anticipated printing demand, the Midas Group considered that the current production facilities at Boluo, Huizhou is sufficient for its requirement in the coming years. Accordingly, the Midas Group had taken steps to dispose of the other two factory premises in order to realize their capital values. In May 2014, the Midas Group disposed of the industrial land located at Coastal Industry Zone in Shatian, Dongguan to an independent third party. The net proceeds of HK\$77.4 million from this disposal were applied as general working capital of the Midas Group. In April 2015, the Midas Group entered into an agreement to dispose of the factory premises at Changan, Dongguan for RMB101.6 million. Upon completion of the disposal, the financial position of the Midas Group will be further strengthened.





(ii) Property Business

The Group operates a cemetery – “Fortune Wealth Memorial Park” in Sihui, Guangdong which comprises a site of 518 mu, of which 100 mu have commenced development inclusive of a martyr memorial cemetery as mentioned below, and an adjacent site of 4,482 mu, which has been reserved, making up a total of 5,000 mu.

During the year under review, local government has approved to establish a martyr memorial cemetery within Fortune Wealth Memorial Park for commemorating martyrs. Construction work of this martyr memorial cemetery commenced in July 2014 and was completed in early 2015. The Group believes that this martyr memorial cemetery can enhance customer awareness and improve sales in the long run.

In the sales aspect, the Group delegated more resources into the Guangzhou district, which was a major market for our cemetery business. The Group continued to strengthen its sales team by recruiting more salesmen and appointing new agencies for promoting the services of the cemetery. In order to expand our market presence and attract more customers, the Group has, during the year, set up two new sales offices in Guangzhou, making a total of four sales offices and the Group is planning to increase two more sales outlets in the Guangzhou district in the near future.

In the promotion aspect, the Group continued to allocate more resources in placing advertisements in newspapers or through funeral parlors. Our sales team continued to conduct regular visits to the home for the aged and to provide comprehensive caring and burial information and services to elderly so as to boost our publicity. All these efforts built up awareness among target customers and helped to boost cemetery sales and as a result, sales during the year under review increased by 31.6% over that of the last year.



In the development aspect, the Group has completed 8 graveyards (area M1 to M8) and a mausoleum which can accommodate niches on the 100 mu of land. There are 3,257 grave plots already built, of which 990 grave plots were sold at the balance sheet date, leaving 2,267 grave plots available for sales. The Group is in the process of constructing two new graveyards (area M9 and M10) which consisted of about 830 grave plots. These new graveyards are expected to be completed soon and the Group will launch these into the market once completed. In order to further enhance the value of the cemetery, the Group plans to add two more graveyards (area M11 and M12) comprising about 1,350 grave plots. Layout plan of these new graveyards is in the process of being finalized and construction work will commence soon. Upon completion of the above development, there will be about 4,447 grave plots available for sale in the initial 100 mu of land with sales value of about RMB250 million based on current market prices.

In anticipation of the growing demand of prestigious grave plots, the Midas Group is now in negotiation with the local government with a view to expand the cemetery by phases.

(iii) Information Technology Business

Since 2008, the Midas Group has established a subsidiary, namely Midas Solution and Consulting Limited (“MSCL”), to provide information technology services to group companies on a cost sharing basis. MSCL has an experienced software development team with various information technology skills. Throughout these years, this team has successfully established and implemented an Enterprises Resources Planning System for the Midas Group’s printing operation. The team has also developed and maintained a management information system for the Midas Group’s cemetery operation. All these systems optimized the operating process and provided monitoring and controlling functions within the Midas Group. Furthermore, MSCL has in the past years developed various Apps and a real time bidding system for an online auction company.

In view of experiences gained through the above developments and the substantial growth potential in the information technology business, the Midas Group will in future delegate more resources to strengthen the information technology team and explore investment opportunities (including the formation of strategic partnership) in the e-publishing, e-commerce and e-auction businesses.



(iv) Prospects of the Midas Group

The operating environment for the printing industry is challenging in the coming years. Moving forward, the Group is adopting a prudent approach in its resources allocation so as to enhance its competitive advantage. Furthermore, the Group will actively expand into the original design manufacturing business and explore other means to better utilize the Group's manufacturing network and resources. At the same time, the Group will be carefully monitoring the printing market and act swiftly and forcefully as and when opportunities arise.

As the majority of customers of the cemetery are from cities located nearby the cemetery in the Pearl River Delta, improvements in infrastructure in these areas are important to the development of the cemetery. In this respect, the Group noted that there are a number of major infrastructural development projects in progress within these areas and these projects are expected to be completed in the coming years. The Group is confident that, with the completion of these infrastructural development projects coupled with our continuous effort in sales and marketing, the return from our cemetery business should be promising in the long run.

In order to diversify the income base of the Midas Group and to restore the Midas Group into profitability soonest possible, in addition to looking into new business opportunities in the information technology business as stated above, the Midas Group will review the development strategies of the printing and property businesses and such development strategies will include, inter alia, enticement of new investor, formation of strategic partnership, or disposing part or whole of the printing or property business to realize their intrinsic values.



Other Businesses

(i) Sintex Nylon and Cotton Products (Pte) Limited (“Sintex”)

Sintex is engaged in the sales of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the year, Sintex recorded revenues of HK\$80.4 million, representing an increase of 5.7% over that of the last year, and profit of about HK\$1.2 million.

(ii) Securities Investment and Trading

During the year, securities investment and trading business of the Group recorded a loss of HK\$0.9 million, comprising realized gain on disposal of investments of HK\$4.2 million, dividend and interest income from investments of HK\$1.2 million, fair value loss on investments of HK\$6.1 million as a result of mark to market valuations as at the balance sheet date and exchange loss of HK\$0.2 million. As at 31st March, 2015, investments of the Group amounted to HK\$85.6 million comprised of securities listed on the Stock Exchange and high yield bonds.

FINANCIAL POSITION

As at 31st March, 2015, net assets attributable to equity holders of the Company was HK\$8,204.1 million. Net asset value per share was HK\$4.73, which is calculated based on the book costs of the Group’s properties for sale before taking into account their appreciated values.

As at 31st March, 2015, the Group’s cash, bank balances (including pledged bank balances) and investments held for trading amounted to HK\$2,113.1 million (2014: HK\$2,454.6 million, including those in assets held for sale). Bank borrowings as at the same date amounted to HK\$3,700.8 million (2014: HK\$3,252.3 million). The Group’s net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and investments held for trading over net assets attributable to equity holders of the Company, was 19.4% (2014: 10.2%).



Approximately 61.3% of the Group's cash, bank balances and investments held for trading were denominated in Hong Kong dollar and United States dollar, 38.1% were in Renminbi and the balance of 0.6% were in other currencies. Approximately 87.1% of the Group's bank borrowings were denominated in Hong Kong dollar, 8.4% were in Renminbi and the balance of 4.5% were in Malaysian Ringgit. Accordingly, there should not be material risk in foreign exchange fluctuation.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 22.2% of the Group's bank borrowings were repayable within the first year, 17.3% were repayable within the second year, 30.6% were repayable within the third to fifth years and the balance of 29.9% were repayable after the fifth year.

PROSPECTS

The Hong Kong SAR Government had in the past few years implemented a number of regulatory measures to curb speculative activities in the property market and there is no sign that these regulatory measures will be relaxed in the near term. On the other hand, the Central Government had recently adjusted its regulatory policies and introduced certain stimulus policies to ensure the long term healthy development of the property market in the PRC. The Group will monitor the above situations closely and will take appropriate steps to further replenish our land bank when opportunities arise.

With the completion of Parkes Residence in Jordan and No. 15 Gough Hill Road at The Peak in the financial year ending 2016 and 2017 respectively, the Group is confident that its value will be further enhanced. Furthermore, in the coming financial years, the Group will continue our mission to take steps to further enhance rental yield and return of our investment/hotel properties and thus their capital values, and to unlock the store value of our remaining development projects in Hong Kong, the PRC and elsewhere in the region by speeding up their development and sales in accordance with local market conditions so as to further create value for our shareholders.



STAFF

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 31st March, 2015, the Group (excluding the Chuang's China Group and the Midas Group) employed 414 staff, the Chuang's China Group employed 264 staff and the Midas Group employed 1,259 staff. The Group provides its staff with other benefits including discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

APPRECIATION

On behalf of the Board, I would like to thank my fellow Directors and our dedicated staff for their hard work and contribution during the year.

Alan Chuang Shaw Swee

Chairman

Hong Kong, 29th June, 2015



Corporate
Information

Directors

Alan Chuang Shaw Swee (*Chairman*)
 Ko Sheung Chi (*Managing Director*)
 Albert Chuang Ka Pun
 Candy Chuang Ka Wai
 Chong Ka Fung
 Lui Lop Kay
 Wong Chung Wai
 Chan Chun Man
 Abraham Shek Lai Him, G.B.S., J.P.*
 Fong Shing Kwong*
 Yau Chi Ming*
 David Chu Yu Lin, S.B.S., J.P.*

* *Independent Non-Executive Directors*

Audit Committee

Abraham Shek Lai Him, G.B.S., J.P.#
 Fong Shing Kwong
 Yau Chi Ming

Nomination Committee/ Remuneration Committee

Abraham Shek Lai Him, G.B.S., J.P.#
 Fong Shing Kwong
 David Chu Yu Lin, S.B.S., J.P.

Corporate Governance Committee

Ko Sheung Chi#
 Albert Chuang Ka Pun
 Candy Chuang Ka Wai

Chairman of the relevant committee

Company Secretary

Lee Wai Ching

Auditor

PricewaterhouseCoopers
 22nd Floor, Prince's Building,
 10 Chater Road,
 Central, Hong Kong

Corporate Information (Continued)

Registrars	Bermuda: MUFG Fund Services (Bermuda) Limited The Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda Hong Kong: Tricor Standard Limited Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
Principal Bankers	The Hongkong and Shanghai Banking Corporation Limited HSBC Bank (China) Company Limited Hang Seng Bank Limited Hang Seng Bank (China) Limited Bank of China (Hong Kong) Limited China Construction Bank Corporation CIMB Bank Berhad
Registered Office	Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
Principal Office in Hong Kong	25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong Telephone: (852) 2522 2013 Facsimile: (852) 2810 6213 Email address: chuangs@chuangs.com.hk Website: www.chuang-consortium.com

Singapore Office

245 Jalan Ahmad Ibrahim, Jurong Town,
Singapore 629144,
Republic of Singapore

Malaysia Office

16th Floor, Central Plaza,
34 Jalan Sultan Ismail, 50250 Kuala Lumpur,
Malaysia

Vietnam Office

Room 704, 7th Floor, Capital Place Building,
6 Thai Van Lung Street, District 1,
Ho Chi Minh City, Vietnam

Mongolia Office

3rd Floor, Eastern Section,
New Century Plaza,
Chinggis Avenue-15,
Sukhbaatar District-1,
14251 Ulaanbaatar, Mongolia

Stock Code

367



Biographical Details of
Directors and Senior Management

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Alan Chuang Shaw Swee (aged 63), the chairman, has extensive experience in business development and investment in Hong Kong, the People's Republic of China (the "PRC") and Southeast Asia. With his substantial connections, he has been actively involved in the development and management of investments in Hong Kong, the PRC and Southeast Asia. He is also the honorary chairman of Chuang's China Investments Limited ("Chuang's China") and Midas International Holdings Limited ("Midas"), both are subsidiaries of the Company and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was an Adviser of Hong Kong Affairs and a member of the Selection Committee for the Government of the Hong Kong Special Administrative Region. He is a member of the National Committee of The Chinese People's Political Consultative Conference, a standing committee member of All-China Federation of Returned Overseas Chinese, the Honorary President of the Association for the Promotion of Global Chinese Traders Fraternity Ltd., the Honorary member of Guangzhou Panyu Overseas Exchanges Association, the Vice President of China Federation of Overseas Chinese Entrepreneurs and the Committee for the Promotion of Fujian-Taiwan

Economic Cooperation, the Honorary President of Hunan Overseas Friendship Association and Fujian International Culture & Economy Exchange Foundation, an economic adviser to Chengdu, Sichuan, an overseas consultant to Sichuan Provincial Overseas Exchanges Association, an Honorary Citizen of Xiamen City, Guangzhou City and Chia-Yi, Taiwan and an executive director of the Board of Trustees of Jimei University, Xiamen City. He is also the Vice President of the Hong Kong Factory Owners Association, the Honorary President of the Hong Kong Federation of Overseas Chinese Association, a director of the Chinese General Chamber of Commerce, a director of The Real Estate Developers Association of Hong Kong, the Senate of the Democratic Alliance for the Betterment and Progress of Hong Kong, the Life Honorary President of the General Association of Xiamen (H.K.) Ltd., the Permanent President of Hong Kong Huian Natives Association, the Life Honorary President of Chuang & Yen Clansmen's General Association and a director of the Friends of Hong Kong Association Ltd.. He is the father of Mr. Albert Chuang Ka Pun, Miss Candy Chuang Ka Wai and Mr. Chong Ka Fung. He joined the Group in 1970.

Biographical Details of Directors and Senior Management (Continued)

Executive Directors (Continued)

Mr. Ko Sheung Chi (aged 59), the managing director, has over 35 years of experience in general management. He is a non-executive director of CNT Group Limited, a company listed on the Stock Exchange. He holds a bachelor degree in science and a master degree in business administration and is an associate member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in 1988.

Mr. Albert Chuang Ka Pun (aged 35), an executive director, has over 11 years of experience in property business and general management. He is the managing director of Chuang's China. He holds a bachelor degree of arts with major in economics. He is a committee member (the Hong Kong Special Administrative Region) of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and the Eleventh All-China Youth Federation. He is the son of Mr. Alan Chuang Shaw Swee and the brother of Miss Candy Chuang Ka Wai and Mr. Chong Ka Fung. He joined the Group in 2005.

Miss Candy Chuang Ka Wai (aged 33), an executive director, has 11 years of experience in general management, marketing and property business. She is an executive director of Midas and the chairman of Treasure Auctioneer International Limited. She is a member of The Chinese People's Political Consultative Conference, Xiamen Committee, Beijing Youth Federation, Fujian Youth Federation, Xiamen Overseas Friendship Association, The Y. Elites Association Limited and Hong Kong United Youth Association, the honorary president of the Hong Kong CPPCC of Fukien Province Members Association, the vice chairman of the General Association of Xiamen (H.K.) Ltd. and a member of the board of councillors of Public Art Hong Kong. Miss Chuang is the daughter of Mr. Alan Chuang Shaw Swee, the sister of Mr. Albert Chuang Ka Pun and Mr. Chong Ka Fung. She joined the Group in 2005.

Mr. Chong Ka Fung (aged 30), an executive director, has 5 years of experience in architecture, interior design and general management. He is also an executive director of Chuang's China. He holds a bachelor degree of fine arts in architecture design covering architecture; interior; and urban planning. He is a director of The Chinese General Chamber of Commerce and the Hong Kong Chang Sha Chamber of Commerce, the vice chairman of Youth Committee of the Hong Kong Huian Natives Association, a committee member of the Hunan Youth Federation, and a member of The Y. Elites Association Limited, the China Green Building (Hong Kong) Council and the Hong Kong-Shanghai Youth Exchange Promotion Association. He is the son of Mr. Alan Chuang Shaw Swee, the brother of Mr. Albert Chuang Ka Pun and Miss Candy Chuang Ka Wai. He joined the Group in 2012.

Mr. Lui Lop Kay (aged 59), an executive director, has over 33 years of experience in real estate in Hong Kong and the Asia Pacific region. He holds a bachelor degree of science in estate management and is a fellow member of the Hong Kong Institute of Surveyors and an associate member of the Royal Institution of Chartered Surveyors. He joined the Group in 1996.

Mr. Wong Chung Wai (aged 46), an executive director, has over 23 years of experience in architecture, project management and contract administration. He holds a bachelor degree of science in building technology and management and is an associate member of both the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors. He joined the Group in 2001.

Executive Directors (Continued)

Mr. Chan Chun Man (aged 39), an executive director, has over 16 years of experience in finance, accounting and auditing. He holds a bachelor degree in accountancy and a master degree in business administration. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of each of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. He is also a Chartered Financial Analyst of CFA Institute. He joined the Group in 2003.

Independent Non-Executive Directors

Mr. Abraham Shek Lai Him G.B.S., J.P. (aged 70), was appointed as an independent non-executive director in 2004. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region, the Court of The Hong Kong University of Science & Technology, the Court and the Council of The University of Hong Kong and a non-executive director of the Mandatory Provident Fund Schemes Authority of Hong Kong. He holds a bachelor degree of arts. He is the chairman and an independent non-executive director of Chuang's China, an independent non-executive director of Midas, Paliburg Holdings Limited, Lifestyle International Holdings Limited, NWS Holdings Limited, ITC Corporation Limited, Country Garden Holdings Company Limited, Hop Hing Group Holdings Limited, MTR Corporation Limited, SJM Holdings Limited, Dorsett Hospitality International Limited, ITC Properties Group Limited, China Resources Cement Holdings Limited, Lai Fung Holdings Limited, Cosmopolitan International Holdings Limited and Jinheng Automotive Safety Technology Holdings Limited, all are listed on the Stock Exchange, and a director of The Hong Kong Mortgage Corporation Limited. Mr. Shek is also an independent non-executive director of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust, and Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust, both trusts are listed on the Stock Exchange.

Biographical Details of Directors and Senior Management (Continued)

Independent Non-Executive Directors (Continued)

Mr. Fong Shing Kwong (aged 67), was appointed as an independent non-executive director in 2008. Mr. Fong has over 37 years of experience in the hospitality industry and has extensive experience in property development, asset and facility management and investment business in the PRC. He is an executive director of New World China Land Limited, a company listed on the Stock Exchange.

Mr. Yau Chi Ming (aged 61), was appointed as an independent non-executive director in 2012. He is a practising certified public accountant in Hong Kong with over 30 years of experience. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Certified General Accountants' Association in Canada. He is an independent non-executive director of Midas.

Mr. David Chu Yu Lin S.B.S., J.P. (aged 71), was appointed as an independent non-executive director in 2013. Mr. Chu has extensive experience in finance, banking and property investment. He holds a bachelor of science degree and a master of science degree, both from Northeastern University, and a master of business administration degree from Harvard University. Mr. Chu was conferred with an honorary doctorate degree in public service by Northeastern University. He is an independent non-executive director of Chuang's China, AVIC International Holding (HK) Limited and Zhuhai Holdings Investment Group Limited, all are listed on the Stock Exchange. Mr. Chu was elected as a deputy of the Hong Kong Special Administrative Region to the 10th National Congress of the PRC.

Senior Management

Mr. Chan Ka On (aged 47), the senior project manager, has 22 years of experience in construction and property development. He holds a bachelor of science degree in building surveying. He joined the Group in 2001.

Mr. Chan Hing Kwong (aged 39), the senior sales and marketing manager, has over 16 years of experience in property sales, leasing, marketing and management. He holds a bachelor degree in science and a master degree in housing management. He joined the Group in 2008.

Mr. George Wang (aged 54), the general manager of the hotel division of the Group, has over 30 years of experience in the hospitality industry. He holds a bachelor degree of science in management and in consumer marketing. He is a member of The Federation of Hong Kong Hotel Owners, the Hong Kong Hotels Association and The Hong Kong Management Association. He joined the Group in 2013.

Mr. Andrew Ho Kar Kin (aged 32), the senior accounting manager, has over 10 years of experience in finance, accounting and auditing. He holds a bachelor degree in accountancy. He is an associate member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England & Wales. He joined the Group in 2009.

Ms. Cici Wong Shi Wai (aged 40), the legal counsel, has over 16 years of experience in legal field. She holds a bachelor degree in laws, a postgraduate certificate in laws and a master of laws degree in corporate and financial law. She is a solicitor of the High Court of Hong Kong. She joined the Group in 2006.

Senior Management (Continued)

Ms. Lee Wai Ching (aged 54), the company secretary, is responsible for the Group's company secretarial matters. She has over 31 years of experience in corporate services and office administration. She holds a master degree in business administration and a master degree in laws. She is a fellow of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries. She joined the Group in 1998.

Mr. Cheung Loon Hoi (aged 69), a director and the general manager of the Singapore Division, is responsible for the Group's operation in Singapore. He holds a higher diploma in textile technology and is a member of the Textile Institute of the United Kingdom. He joined the Group in 1970.

Mr. Ng Kek Chong (aged 57), the chief executive officer of the Malaysia division, is responsible for the Group's operation in Malaysia. He has over 33 years of experience in project management and property development. He holds a bachelor degree in architecture and is a member of the Malaysian Institute of Architects. He joined the Group in 1994.

Mr. Tong Kwok Lun (aged 36), the chief representative of the Vietnam Division, is responsible for the Group's development projects in Vietnam. He has over 11 years of experience in property investment and development. He holds a bachelor degree in real estate. He joined the Group in 2007.

The background of the page is a close-up, monochromatic photograph of several overlapping leaves in shades of brown and tan. The veins of the leaves are clearly visible, creating a complex, organic pattern. In the lower-left quadrant, two leaves are highlighted with a white, etched or embossed effect, showing the intricate details of their venation. Centered on the page, the words "Corporate Governance Report" are written in a clean, white, serif font, stacked vertically.

Corporate Governance Report

Introduction

The Company is committed to achieving a high standard of corporate governance that properly protects and promotes the interests of its shareholders.

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Report on corporate governance practices

(A) The Board

The board of Directors (the “Board”) is responsible for overseeing the business and strategies of the Company and its subsidiaries (collectively as the “Group”) with the objective of enhancing value for its shareholders.

A Board diversity policy (the “Board Diversity Policy”) has been approved by the Board with effect from 1st September, 2013. A summary of the Board Diversity Policy is extracted below:

The Company continuously seeks to enhance the effectiveness of its Board and to maintain high standards of corporate governance and recognizes and embraces the benefits of diversity in the boardroom. The Company sees diversity as a wide concept and believes that a diversity of perspectives can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, and professional experience and skills. In informing its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time.

The Company endeavours to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy for sustainable and balanced development.

Board appointments shall be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable the Company to serve its shareholders and other stakeholders as a whole.

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(i) Board composition

The Board comprises 12 Directors as at the date of this report. The Board members are as follows:

Name	Position
Mr. Alan Chuang Shaw Swee* ("Mr. Alan Chuang")	Chairman
Mr. Ko Sheung Chi	Managing Director
Mr. Albert Chuang Ka Pun* ("Mr. Albert Chuang")	Executive Director
Miss Candy Chuang Ka Wai* ("Miss Candy Chuang")	Executive Director
Mr. Chong Ka Fung* ("Mr. Edwin Chong")	Executive Director
Mr. Lui Lop Kay	Executive Director
Mr. Wong Chung Wai	Executive Director
Mr. Chan Chun Man (appointed on 8th June, 2015)	Executive Director
Mr. Abraham Shek Lai Him ("Mr. Abraham Shek")	Independent Non-Executive Director
Mr. Fong Shing Kwong ("Mr. Fong")	Independent Non-Executive Director
Mr. Yau Chi Ming ("Mr. Yau")	Independent Non-Executive Director
Mr. David Chu Yu Lin ("Mr. David Chu")	Independent Non-Executive Director

* Mr. Alan Chuang is the father of Mr. Albert Chuang, Miss Candy Chuang and Mr. Edwin Chong. Mr. Albert Chuang, Miss Candy Chuang and Mr. Edwin Chong are siblings.

** Mrs. Alice Siu Chuang Siu Suen ("Mrs. Siu") retired on 31st March, 2015 and ceased to act as the Vice-Chairman and an Executive Director of the Company.

The composition of the Board is well balanced with each Director having sound knowledge, experience and/or expertise relevant to the business of the Group. The Board has on a regular basis reviewed the composition of the Board and the skills and experience required for both the Executive and Independent Non-Executive Directors of the Board, in the context of the business and strategies of the Company. Each of the Directors' respective biographical details are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(ii) Appointment, re-election and removal of Directors

There are formal, considered and transparent procedures for the appointment and removal of Directors. All Directors newly appointed to fill a casual vacancy are subject to election at the first general meeting after their appointment. Every Director is subject to retirement by rotation at least once every three years. All Independent Non-Executive Directors are appointed for a term of three years, subject to retirement by rotation as aforesaid.

(iii) Nomination Committee

A Nomination Committee was established by the Company with clear terms of reference to review the composition of the Board. The Nomination Committee of the Company shall review the Board Diversity Policy annually and recommend any proposed changes to the Board for approval. The Nomination Committee currently comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Fong and Mr. David Chu. The committee met once during the year to review the structure, size and composition of the Board and to assess the independence of each Independent Non-Executive Director.

The attendance record of each committee member is as follows:

Name	No. of meeting attended/held
Mr. Abraham Shek*	1/1
Mr. Fong	1/1
Mr. David Chu	1/1

* *Chairman of the Nomination Committee*

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(iv) Board meeting

The Board held four meetings during the year. Arrangements were in place to ensure that sufficient notice and adequate information were given to each Director prior to the Board meetings. The Chairman, together with the Managing Director, established the agenda for each Board meeting. Other Directors are invited to include items in the agenda. Minutes of Board meetings were kept in sufficient details to reflect the decisions made in the relevant meetings.

The attendance record of each Director in Board meetings is as follows:

Name	Position	No. of meetings attended/held
Mr. Alan Chuang	Chairman	3/4
Mr. Ko Sheung Chi	Managing Director	4/4
Mr. Albert Chuang	Executive Director	4/4
Miss Candy Chuang	Executive Director	4/4
Mr. Edwin Chong	Executive Director	4/4
Mr. Lui Lop Kay	Executive Director	3/4
Mr. Wong Chung Wai	Executive Director	4/4
Mr. Chan Chun Man (appointed on 8th June, 2015)	Executive Director	N/A
Mr. Abraham Shek	Independent Non-Executive Director	4/4
Mr. Fong	Independent Non-Executive Director	3/4
Mr. Yau	Independent Non-Executive Director	3/4
Mr. David Chu	Independent Non-Executive Director	4/4
Mrs. Siu (retired on 31st March, 2015)	Vice-Chairman	4/4

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(v) **Chairman and Chief Executive Officer**

The roles of Chairman and Chief Executive Officer are separated. Currently, Mr. Alan Chuang is the Chairman and Mr. Ko Sheung Chi, the Managing Director, is the Chief Executive Officer.

(vi) **Responsibilities of Directors**

Each Director of the Company is required to keep abreast of his/her responsibilities as a Director of the Company and each Director is provided in a timely manner with appropriate information of the Group to enable him/her to make an informed decision and to discharge his/her duties and responsibilities as a Director of the Company. On appointment, new Directors will be given a comprehensive induction to the Group's business.

(vii) **Directors' dealings in securities**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors of the Company, the Company received confirmations from all Directors that they have complied with the required standard as set out in the Model Code.

(viii) **Independence of Independent Non-Executive Directors**

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

(ix) **Directors' training**

According to the code provision A.6.5 of the CG Code, all Directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the Directors of the Company.

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(ix) Directors' training (Continued)

During the year, the Company has arranged seminars and provided reading materials to the Directors that are relevant to their duties and responsibilities. A summary of the training record of each Director received by the Company is as follows:

Name	Reading regulatory updates relating to the director's duties and responsibilities or information relevant to the Group or its business	Reading newspapers, journals and updates relating to the economy, environment and social issues or the director's duties and responsibilities	Attending in-house seminar(s) or seminar(s) organized by external professional institution(s) or attending conference(s) relevant to the director's duties and responsibilities
Mr. Alan Chuang	✓	✓	✓
Mr. Ko Sheung Chi	✓	✓	✓
Mr. Albert Chuang	✓	✓	✓
Miss Candy Chuang	✓	✓	✓
Mr. Edwin Chong	✓	✓	✓
Mr. Lui Lop Kay	✓	✓	✓
Mr. Wong Chung Wai	✓	✓	✓
Mr. Chan Chun Man (appointed on 8th June, 2015)	N/A	N/A	N/A
Mr. Abraham Shek	✓	✓	✓
Mr. Fong	✓	✓	✓
Mr. Yau	✓	✓	✓
Mr. David Chu	✓	✓	✓

Report on corporate governance practices (Continued)

(B) Remuneration of Directors and senior management

(i) Remuneration policy of Executive Directors and senior management

The Group's remuneration policy seeks to provide a fair market remuneration so as to attract, retain and motivate high quality staff. The Group will set levels of remuneration to ensure comparability and competitiveness with companies competing within a similar talent pool.

(ii) Fees paid to Independent Non-Executive Directors

Each Independent Non-Executive Director of the Company entitles to an annual fee of HK\$100,000. In determining such fee, the Board has taken into account the current market conditions. Such fee is also subject to the shareholders' approval in annual general meetings.

(iii) Remuneration Committee

A Remuneration Committee was established by the Company with clear terms of reference and is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the Company's establishment of a formal and transparent procedure for developing remuneration policy.

The Remuneration Committee comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Fong and Mr. David Chu. The committee met once during the year to review the remuneration policy of the Group and the management's remuneration proposals with reference to the Board's corporate goals and objectives. The committee performs an advisory role to the Board with the Board retaining the final authority to approve the remuneration packages of Directors and senior management and the model (c)(ii) as stipulated in code provision B.1.2 of the CG Code was adopted.

The attendance record of each committee member is as follows:

Name	No. of meeting attended/held
Mr. Abraham Shek*	1/1
Mr. Fong	1/1
Mr. David Chu	1/1

* Chairman of the Remuneration Committee

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(C) Accountability and audit

(i) Financial reporting

The Board acknowledges that it is its responsibility to prepare the consolidated financial statements and to present a balanced, clear and comprehensive assessment of the performance, position and prospects of the Group in the interim and annual reports of the Group.

The reporting responsibility of the Company's auditor on the consolidated financial statements of the Group is set out in the "Independent Auditor's Report" on pages 85 to 86 of this annual report.

(ii) Internal control

The Board acknowledges that it is its responsibility to ensure that the Group maintains an effective internal control system so as to safeguard the Group's assets and thus shareholders' investments.

In this respect, the Group has adopted internal control procedures relating to financial, operational, compliance and risk management. The objectives are to provide reasonable assurance that assets are safeguarded against unauthorized use or disposition, transactions are executed in accordance with management's authorization, the accounting records are reliable for preparing financial information within the business and for publication and risk is being identified and managed in an effective manner.

Qualified personnel throughout the Group maintains and monitors these internal control procedures on an ongoing basis. Upon the review of the effectiveness of the internal control system of the Group during the year and based on the assessment made by senior management of the Group, the Board, in conjunction with the Audit Committee, is satisfied that the existing internal control procedures of the Group are adequate for its present requirements.

(iii) Audit Committee

An Audit Committee was established by the Company with clear terms of reference to review and supervise the financial reporting process and internal controls of the Group. The Audit Committee comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Fong and Mr. Yau. The committee held four meetings during the year to discuss the relationship with the external auditor, to review the interim financial information and annual consolidated financial statements of the Group and to evaluate the internal control system of the Group. The committee has reviewed the consolidated results for the year ended 31st March, 2015 of the Group and this annual report.

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Mr. Abraham Shek*	3/4
Mr. Fong	4/4
Mr. Yau	4/4

* Chairman of the Audit Committee

Report on corporate governance practices (Continued)

(C) Accountability and audit (Continued)

(iv) Auditor's remuneration

During the year, the remuneration paid or payable to the principal auditor, PricewaterhouseCoopers, is set out as follows:

Services rendered	HK\$'000
Audit and audit related services	4,080
Non-audit services	2,218
	6,298

(D) Delegation by the Board

(i) Board Committees

The Company has established four committees, namely Audit Committee, Nomination Committee, Remuneration Committee and Corporate Governance Committee (the "CG Committee"). These committees were formed with specific clear written terms of reference which deal clearly with the committees' authorities and duties.

(ii) Management function

The Board has determined which matters are to be retained by the full Board sanction and which matters are to be delegated to the executive management. The executive management has been given clear terms of reference, in particular, circumstances where the executive management should report to and obtain prior approval from the Board. All delegations to executive management are reviewed periodically to ensure that they remain appropriate.

(E) Corporate Governance

The Board delegated the corporate governance functions to the CG Committee which was established with clear terms of reference and is responsible for developing and reviewing the Company's policies and practices on corporate governance. The CG Committee is also delegated the responsibility to review any potential inside information of the Group and to make recommendations to the Board for any disclosure requirement or actions required.

The CG Committee comprises three Executive Directors, Mr. Ko Sheung Chi, Mr. Albert Chuang and Miss Candy Chuang. The committee met twice during the year to review the corporate governance matters of the Company to ensure that the Company has complied with the principles and applicable code provisions of the CG Code.

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(E) Corporate Governance (Continued)

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Mr. Ko Sheung Chi *	2/2
Mr. Albert Chuang	2/2
Miss Candy Chuang	2/2

* Chairman of the CG Committee

(F) Communication with shareholders

The Company has established a shareholders communication policy with the objectives of enabling its shareholders to exercise their rights in an informed manner and to allow the shareholders and the investment communities to engage actively with the Company. The Board has the responsibility to review the policy regularly to ensure its effectiveness. A summary of the policy is set out below:

(i) Annual general meeting

The Board regards annual general meeting as the principal opportunity to meet the shareholders of the Company. With the exception of Mr. Fong and Mr. David Chu who did not attend the 2014 annual general meeting of the Company held on 19th September, 2014 (the "2014 AGM") due to other commitments, all Directors (including the Chairman of the Board and Chairmen of the respective Board Committees) attended the 2014 AGM to answer questions raised by the shareholders.

The attendance record of each Director in the 2014 AGM is as follows:

Name	Position	Attendance
Mr. Alan Chuang	Chairman	Yes
Mr. Ko Sheung Chi	Managing Director	Yes
Mr. Albert Chuang	Executive Director	Yes
Miss Candy Chuang	Executive Director	Yes
Mr. Edwin Chong	Executive Director	Yes
Mr. Lui Lop Kay	Executive Director	Yes
Mr. Wong Chung Wai	Executive Director	Yes
Mr. Chan Chun Man (appointed on 8th June, 2015)	Executive Director	N/A
Mr. Abraham Shek	Independent Non-Executive Director	Yes
Mr. Fong	Independent Non-Executive Director	No
Mr. Yau	Independent Non-Executive Director	Yes
Mr. David Chu	Independent Non-Executive Director	No
Mrs. Siu (retired on 31st March, 2015)	Vice-Chairman	Yes

Report on corporate governance practices (Continued)

(F) Communication with shareholders (Continued)

(ii) Significant issues

The Company has ensured that any significant issue to be dealt with in general meetings will be proposed as a separate resolution.

(iii) Voting by poll

Pursuant to Rule 13.39(4) of the Listing Rules, votes of shareholders in general meetings of the Company have been taken by poll and results of the poll have been announced in accordance with the procedures prescribed under Rule 13.39(5) of the Listing Rules.

(iv) Corporate documents available in the websites of the Company and the Stock Exchange

The Company has placed on the websites of the Company and the Stock Exchange the announcements, circulars, annual/interim reports, notices of general meetings and other information of the Company as required by the Listing Rules.

(v) Shareholders' enquiries

Shareholders of the Company may direct their questions about their shareholdings to the Company's share registrar and all other questions to the Board.

(G) Shareholders' rights

(i) Convening a special general meeting

Pursuant to Bye-law no. 58 of the Company, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting ("SGM") to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date. The written requisition must state the purposes of the general meeting and is signed by the shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those shareholders.

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(i) Convening a special general meeting (Continued)

If the requisition is in order, the secretary of the Company will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the shareholders. On the contrary, if the requisition is invalid, the shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

(ii) Enquiries to the Board

Shareholders of the Company will have the opportunity to ask questions to the Board in general meetings. Shareholders of the Company may also make enquiries to the Board at their discretion. Such enquiries shall be made in writing directed to "The Board of Directors, Chuang's Consortium International Limited" by one of the following means:

- By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
- By email to : consortium-board@chuangs.com.hk
- By facsimile to : (852) 2810 6213

The Board will respond promptly to proper enquiries raised by the shareholders.

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(iii) Putting forward proposals at shareholders' meetings

- (a) Shareholders may put forward proposals relating to the election of Directors in general meetings as follows:
- Pursuant to Bye-law no. 89 of the Company, a shareholder or shareholders (not being the person to be proposed) who holds or collectively hold not less than 5% in nominal value of the issued shares of any class of the Company may propose a person for election as a Director at any general meeting of the Company by giving the secretary of the Company a notice in writing:
 - of his/their intention to propose such person for election; and
 - signed by the person to be proposed of his willingness to be elected.
 - Any notice given for such proposal must include such person's information as may from time to time be required to be disclosed under Rule 13.51(2) of the Listing Rules in the event that such person is elected as a Director or any other applicable laws, rules and regulations which the Company may be subject to. Currently, the following information are required:
 - Full name and age;
 - Positions held with the Company and other members of the Group (if any);
 - Experience including (i) other directorships held in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;
 - Length or proposed length of service with the Company;
 - Relationships with any Directors, senior management or substantial or controlling shareholders of the Company;
 - His interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(iii) Putting forward proposals at shareholders' meetings (Continued)

- (a) (Continued)
 - (Continued)
 - Amount of the Director's or supervisor's emoluments and the basis of determining the Director's or supervisor's emoluments and how much of these emoluments are covered by a service contract; and
 - A declaration by the nominated person stating that he is not and has not been subject to any of the events provided for under Rule 13.51(2)(h) to (w) of the Listing Rules, or if any one or more of these provisions are applicable to him, full details thereof.
 - Any notice given for this purpose shall be directed to "The secretary, Chuang's Consortium International Limited" by one of the following means:
 - By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
 - By email to : chuangs@chuangs.com.hk
 - By facsimile to : (852) 2810 6213
 - Any such shareholder(s) shall be one(s) that is/are entitled to attend and vote at the meeting for which such notice is given.
 - The minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. If the notice is received less than fifteen (15) business days prior to that general meeting, the Company will need to consider adjournment of the general meeting in order to (i) assess the suitability of the proposed candidate; and (ii) publish an announcement or circulate a supplementary circular in relation to the proposal to the shareholders at least fourteen (14) clear days and not less than ten (10) business days prior to the general meeting.

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(iii) Putting forward proposals at shareholders' meetings (Continued)

- (b) Except for proposals relating to the election of Directors which should follow the procedures mentioned in (a) above, shareholders may put forward proposals at general meetings by following the requirements and procedures as set out in sections 79 and 80 of the Companies Act 1981 of Bermuda (the "Act"). Specifically, such shareholders should:
- Collectively hold not less than one-twentieth of the total voting rights of all shareholders of the Company having at the date of the requisition the right to vote at the meeting to which the requisition relates, or constitute not less than 100 shareholders.
 - Submit a written request stating the resolution intended to be moved at the annual general meeting ("AGM"), or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or business to be dealt with at that general meeting.
 - The written request/statement must be signed by such shareholders, or two more copies which between them contain the signatures of all such shareholders, and deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, for the attention of the secretary of the Company:
 - In the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
 - In the case of any other requisition, not less than one week before the meeting, provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the time required by section 80 of the Act shall be deemed to have been properly deposited for the purposes thereof.

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(iii) Putting forward proposals at shareholders' meetings (Continued)

(b) (Continued)

- If the written request is in order, the secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

- Any questions relating to putting forward proposals at shareholders' meetings should be directed in writing to "The Board of Directors, Chuang's Consortium International Limited" by one of the following means:
 - By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong

 - By email to : consortium-board@chuangs.com.hk

 - By facsimile to : (852) 2810 6213

Report on corporate governance practices (Continued)

(H) Amendments to constitutional documents of the Company

No amendments had been made to the constitutional documents of the Company during the year ended 31st March, 2015.

Conclusion

Except as mentioned above, the Company has complied with the code provisions of the CG Code for the year ended 31st March, 2015.

On behalf of the Board of

Chuang's Consortium International Limited

Ko Sheung Chi

Managing Director

Hong Kong, 29th June, 2015



Report of
the Directors

Report of the Directors

The board of Directors (the “Board”) presents the audited consolidated financial statements of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31st March, 2015.

Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out in note 46 to the consolidated financial statements.

Analysis of the performance by the Group for the year by business lines and geographical segments is set out in note 6 to the consolidated financial statements.

Results and dividends

The consolidated results of the Group for the year are set out in the consolidated income statement on page 87.

After taking into account the need to maintain sufficient financial resources for working capital of the Group’s projects and businesses, the Board has resolved to recommend for the shareholders’ approval at the forthcoming annual general meeting of the Company (the “AGM”) the payment of a final dividend of 3.0 HK cents (2014: 3.0 HK cents) per share for the year ended 31st March, 2015. The final dividend, if approved, will be paid on or before 30th October, 2015 by allotment of new shares with a cash option to the shareholders whose names appear on the Company’s register of members on 11th September, 2015.

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting listing of and permission to deal in the new shares to be issued pursuant to the scrip dividend scheme, new share entitlements will be calculated by reference to the par value of shares of the Company, being HK\$0.25, or the average of the closing prices on the Stock Exchange of the shares of the Company for the five consecutive trading days up to and including 11th September, 2015, whichever is higher.

An interim dividend of 2.0 HK cents (2014: 2.0 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 5.0 HK cents (2014: 5.0 HK cents) per share, and the total amount will be HK\$86.6 million (2014: HK\$85.7 million).

Subsidiaries

Particulars regarding the principal subsidiaries of the Company are set out in note 46 to the consolidated financial statements.

Report of the Directors (Continued)

Property, plant and equipment

Movements in property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

Share capital

Movements of share capital of the Company during the year are set out in note 35 to the consolidated financial statements.

Donations

During the year, the Group made charitable donations and sponsorships amounting to approximately HK\$7,456,000.

Pre-emptive rights

No pre-emptive rights exist in Bermuda being the jurisdiction in which the Company was incorporated.

Reserves

Movements in reserves of the Company and the Group during the year are set out in note 36 to the consolidated financial statements. Total distributable reserves of the Company amounted to approximately HK\$1,073,080,000 as at 31st March, 2015.

Particulars of principal properties

Particulars of principal properties held by the Group as at 31st March, 2015 are set out on pages 174 to 179.

Financial summary

A summary of financial information of the Group for the last five financial years is set out on page 180.

Directors

The Directors of the Company during the year and up to the date of this report are as follows:

Mr. Alan Chuang Shaw Swee
Mr. Ko Sheung Chi
Mr. Albert Chuang Ka Pun
Miss Candy Chuang Ka Wai
Mr. Chong Ka Fung
Mr. Lui Lop Kay
Mr. Wong Chung Wai
Mr. Chan Chun Man (appointed on 8th June, 2015)
Mr. Abraham Shek Lai Him
Mr. Fong Shing Kwong
Mr. Yau Chi Ming
Mr. David Chu Yu Lin
Mrs. Alice Siu Chuang Siu Suen (retired on 31st March, 2015)

At the AGM, Mr. Albert Chuang Ka Pun, Miss Candy Chuang Ka Wai, Mr. Lui Lop Kay and Mr. Chan Chun Man will retire from office in accordance with the Company's Bye-laws nos. 86(2) and 87(2) and Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and, being eligible, will offer themselves for re-election.

Directors' rights to acquire shares or debentures

Other than the share option schemes adopted by the Company and its subsidiaries as detailed in the section headed "Share option schemes" below and the rights issue of Midas International Holdings Limited ("Midas") announced on 2nd September, 2014, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Report of the Directors (Continued)

Directors' interests and short positions in shares, underlying shares and debentures

As at 31st March, 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Company

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	924,237,404	<i>Note 1</i>	53.31
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	1,299,676	Beneficial owner	0.07
Mr. Lui Lop Kay ("Mr. Lui")	119,602	Beneficial owner	0.007

(b) Interests in Chuang's China Investments Limited ("Chuang's China")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	907,869,949	<i>Notes 2 & 5</i>	56.47
Miss Candy Chuang Ka Wai ("Miss Candy Chuang")	1,177,375	Beneficial owner	0.07
Mr. Lui	12,838	Beneficial owner	0.001

(c) Interests in Midas

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	2,011,573,887	<i>Notes 3 & 5</i>	60.76
Mr. Abraham Shek Lai Him	30,000	Beneficial owner	0.0009

Directors' interests and short positions in shares, underlying shares and debentures (Continued)

(d) Interests in Treasure Auctioneer International Limited (“Treasure”)

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	800,000	Notes 4 & 5	80.0

Note 1: Such interests comprised 716,629,332 shares in the Company owned by Evergain Holdings Limited (“Evergain”), a company beneficially owned by Mr. Alan Chuang, and the remaining interests arose as a result of Mr. Alan Chuang being a discretionary object of a discretionary trust, the trustee of which held 207,608,072 shares in the Company. Mr. Alan Chuang, Mr. Albert Chuang, Miss Candy Chuang and Mr. Chong Ka Fung are directors of Evergain.

Note 2: Such interests are held by Profit Stability Investments Limited, a wholly-owned subsidiary of the Company.

Note 3: Such interests are held by Gold Throne Finance Limited, a wholly-owned subsidiary of the Company.

Note 4: Such interests comprised 550,000 shares in Treasure owned by a corporation beneficially owned by Mr. Alan Chuang and 250,000 shares in Treasure beneficially owned by a wholly-owned subsidiary of Chuang's China. Chuang's China is a subsidiary of the Company.

Note 5: Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of the Company.

Save as disclosed, during the year, none of the Directors and chief executive of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.

Other than as disclosed herein, as at 31st March, 2015, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Directors' interests in contracts

There was no contract of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a Director had, whether directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

Report of the Directors (Continued)

Directors' service contracts

None of the Directors has any service contract with the Company or any of its subsidiaries not terminable by the employing company within one year without payment of compensation (other than statutory compensation).

Directors' interests in competing business

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that Mr. Alan Chuang (the chairman and an Executive Director of the Company) holds equity interests and directorships in, and Mr. Ko Sheung Chi, Mr. Albert Chuang, Miss Candy Chuang and Mr. Chong Ka Fung (all are Executive Directors of the Company) hold directorships in, certain private companies (the "Private Companies") which are engaged in the businesses of luxurious residential property investment in Hong Kong. Mr. Ko Sheung Chi is also a non-executive director of CNT Group Limited ("CNT"), a company whose issued shares are listed on the Stock Exchange, the principal activities of which include property investments and developments in Hong Kong and the People's Republic of China. As the properties owned by the Private Companies and CNT are of different types and/or in different locations from those of the Group, the Group operates its businesses independently of the businesses of, and at arm's length from, the businesses of the Private Companies and CNT.

Substantial shareholders

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed "Directors' interests and short positions in shares, underlying shares and debentures" above, as at 31st March, 2015, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of Shareholder	Number of shares of the Company	Capacity	Percentage of shareholding
Evergain	716,629,332	Beneficial owner, <i>Note 1</i>	41.33
Mrs. Chong Ho Pik Yu	716,629,332	<i>Note 2</i>	41.33
Madam Chuang Shau Har ("Madam Chuang")	208,353,709	<i>Note 3</i>	12.02
Mr. Lee Sai Wai ("Mr. Lee")	208,353,709	<i>Note 4</i>	12.02

Note 1: Such interests have been mentioned in Note 1 to the section headed "Directors' interests and short positions in shares, underlying shares and debentures".

Note 2: Such interests arose by attribution through her spouse, Mr. Alan Chuang, whose interests have been mentioned in Note 1 to the section headed "Directors' interests and short positions in shares, underlying shares and debentures".

Note 3: Interests in 207,608,072 shares in the Company arose as a result of Madam Chuang being the trustee and a discretionary object of a discretionary trust which owned such shares in the Company. The remaining interests in 745,637 shares in the Company arose by attribution through her spouse, Mr. Lee.

Note 4: Interests in 207,608,072 shares in the Company arose by attribution through his spouse, Madam Chuang, whose interests have been mentioned in Note 3 above. The remaining interests in 745,637 shares in the Company are beneficially owned by Mr. Lee.

Substantial shareholders (Continued)

Save as disclosed above, as at 31st March, 2015, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

Controlling shareholders' interests in contracts

There was no contract of significance between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries at the balance sheet date or at any time during the year and up to the date of this report.

Borrowings

Bank borrowings of the Group are set out in note 37 to the consolidated financial statements.

Pledge of assets

As at 31st March, 2015, the Group had pledged certain assets including property, plant and equipment, investment properties, leasehold lands and land use rights, properties for sale and bank deposits, with an aggregate carrying value of HK\$8,259,166,000 (2014: HK\$7,083,739,000), to secure banking and financial guarantee facilities granted to the subsidiaries.

Purchase, sale or redemption of the Company's listed securities

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares during the year.

Major suppliers and customers

The aggregate purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for approximately 34% and 64% of the total purchases of the Group for the year respectively.

The aggregate turnover attributable to the five largest customers of the Group accounted for less than 30% of the total turnover of the Group for the year.

None of the Directors, their associates, or any shareholder (which to the knowledge of the Directors owns more than 5% of the share capital of the Company) has any interest in the five largest suppliers of the Group.

Retirement schemes

Details of retirement schemes of the Group are set out in note 9 to the consolidated financial statements.

Report of the Directors (Continued)

Share option schemes

Pursuant to the ordinary resolutions passed in the annual general meeting of the Company held on 31st August, 2012, a share option scheme of the Company (the "Scheme") has been adopted, and the share option scheme adopted by Chuang's China on 31st August, 2012 (the "Chuang's China Scheme") and the share option scheme adopted by Midas on 29th August, 2012 (the "Midas Scheme") have been approved respectively.

(a) A summary of the Scheme is set out as follows:

1. Purpose: To give incentive to Directors, employees or business consultants of the Group and any other party as approved under the Scheme
2. Participants: Including, inter alia, Directors, employees or business consultants of the Group
3. Total number of shares available for issue under the Scheme and percentage of the issued share capital that it represents as at the date of this report: 159,284,491 shares are available for issue under the Scheme, representing approximately 9.19% of the issued share capital as at the date of this report
4. Maximum entitlement of each participant: 1% of the maximum aggregate number of shares that may be issued within 12 months pursuant to the Scheme
5. Period within which the shares must be taken up under an option: Not applicable. No share option has been granted since the date of adoption of the Scheme on 31st August, 2012
6. Amount payable on acceptance of an option and the period within which payments shall be made: HK\$1.00 payable to the Company upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7. The basis of determining the exercise price: No less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of the Company
8. The remaining life of the Scheme: Valid until 30th August, 2022 unless otherwise terminated under the terms of the Scheme

Share option schemes (Continued)

(b) A summary of the Chuang's China Scheme is set out as follows:

1. Purpose: To give incentive to directors, employees or business consultants of Chuang's China and its subsidiaries (collectively as the "Chuang's China Group") and any other party as approved under the Chuang's China Scheme
2. Participants: Including, inter alia, directors, employees or business consultants of the Chuang's China Group
3. Total number of shares of Chuang's China available for issue under the Chuang's China Scheme and percentage of the issued share capital of Chuang's China that it represents as at the date of this report: 152,332,870 shares of Chuang's China are available for issue under the Chuang's China Scheme, representing approximately 9.48% of the issued share capital of Chuang's China as at the date of this report
4. Maximum entitlement of each participant: 1% of the maximum aggregate number of shares of Chuang's China that may be issued within 12 months pursuant to the Chuang's China Scheme
5. Period within which the shares of Chuang's China must be taken up under an option: Not applicable. No share option has been granted by Chuang's China since the date of adoption of the Chuang's China Scheme on 31st August, 2012
6. Amount payable on acceptance of an option and the period within which payments shall be made: HK\$1.00 payable to Chuang's China upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7. The basis of determining the exercise price: No less than the highest of (i) the closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of Chuang's China
8. The remaining life of the Chuang's China Scheme: Valid until 30th August, 2022 unless otherwise terminated under the terms of the Chuang's China Scheme

Report of the Directors (Continued)

Share option schemes (Continued)

(c) A summary of the Midas Scheme is set out as follows:

1. Purpose: To give incentive to directors, employees or business consultants of Midas and its subsidiaries (collectively as the "Midas Group") and any other party as approved under the Midas Scheme
2. Participants: Including, inter alia, directors, employees or business consultants of the Midas Group
3. Total number of shares of Midas available for issue under the Midas Scheme and percentage of the issued share capital of Midas that it represents as at the date of this report: 220,720,827 shares of Midas are available for issue under the Midas Scheme, representing approximately 6.67% of the issued share capital of Midas as at the date of this report
4. Maximum entitlement of each participant: 1% of the maximum aggregate number of shares of Midas that may be issued within 12 months pursuant to the Midas Scheme
5. Period within which the shares of Midas must be taken up under an option: Not applicable. No share option has been granted by Midas since the date of adoption of the Midas Scheme on 29th August, 2012
6. Amount payable on acceptance of an option and the period within which payments shall be made: HK\$1.00 payable to Midas upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7. The basis of determining the exercise price: No less than the highest of (i) the closing price of the shares of Midas as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of Midas as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of Midas
8. The remaining life of the Midas Scheme: Valid until 28th August, 2022 unless otherwise terminated under the terms of the Midas Scheme

Update on information of Directors pursuant to Rule 13.51B(1) of the Listing Rules

Save as disclosed in other sections of this annual report, other changes in the information of Directors during the year and up to the date of this report which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

The annual remuneration of the following Directors has been revised since 1st April, 2015:

Name of Director	Revised annual remuneration [#] HK\$'000
Mr. Chong Ka Fung	1,478
Mr. Wong Chung Wai	2,294

[#] The annual remuneration includes salary, retirement scheme contribution, other benefits and director's fee, which is determined by reference to the duties and experience as well as the prevailing market conditions.

Sufficiency of public float

The Company has maintained a sufficient public float of the Company's securities as required under the Listing Rules throughout the year ended 31st March, 2015 and up to the date of this report.

Auditor

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board of
Chuang's Consortium International Limited

Ko Sheung Chi
Managing Director

Hong Kong, 29th June, 2015

The background of the page is a close-up, warm-toned photograph of a corn cob. The husk is partially peeled back, revealing the golden kernels. Two oak leaves are overlaid on the image: one in the upper left and one in the lower left. The leaves are rendered in a light, golden-brown color, matching the overall aesthetic. The text "Financial Information" is centered in the middle of the page in a white, serif font.

Financial Information



羅兵咸永道

TO THE SHAREHOLDERS OF

CHUANG'S CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Chuang's Consortium International Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 87 to 173, which comprise the consolidated and company balance sheets as at 31st March, 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity 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 predecessor Hong Kong Companies Ordinance (Cap. 32), and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Independent Auditor's Report (Continued)

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March, 2015, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29th June, 2015

Consolidated Income Statement

For the year ended 31st March, 2015

	Note	2015 HK\$'000	2014 HK\$'000
Revenues	5	1,521,709	1,389,053
Cost of sales		(950,566)	(873,596)
Gross profit		571,143	515,457
Other income and net gain	7	103,680	163,084
Selling and marketing expenses		(96,926)	(99,536)
Administrative and other operating expenses		(470,814)	(390,858)
Change in fair value of investment properties	17	593,253	450,269
Operating profit	8	700,336	638,416
Finance costs	10	(66,769)	(59,042)
Share of results of associated companies	22	(1,350)	11,364
Share of results of joint ventures	23(a)	(44)	(69)
Profit before taxation		632,173	590,669
Taxation	12	(105,672)	(98,083)
Profit for the year		526,501	492,586
Attributable to:			
Equity holders	13	502,952	468,530
Non-controlling interests		23,549	24,056
		526,501	492,586
Dividends	14	86,550	85,739
		HK cents	HK cents
Earnings per share (basic and diluted)	15	29.17	27.71

The notes on pages 94 to 173 are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2015

	2015	2014
	HK\$'000	HK\$'000
Profit for the year	526,501	492,586
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Net exchange differences	(39,425)	(16,612)
Realization of exchange reserve upon disposal of subsidiaries	(1,094)	(423)
Change in fair value of available-for-sale financial assets	35,455	9,961
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	(371)	(171)
Other comprehensive loss for the year	(5,435)	(7,245)
Total comprehensive income for the year	521,066	485,341
Total comprehensive income attributable to:		
Equity holders	486,837	458,627
Non-controlling interests	34,229	26,714
	521,066	485,341

The notes on pages 94 to 173 are an integral part of the consolidated financial statements.

Consolidated Balance Sheet

As at 31st March, 2015

	Note	2015 HK\$'000	2014 HK\$'000
Non-current assets			
Property, plant and equipment	16	768,066	263,242
Investment properties	17	5,969,808	6,746,278
Leasehold lands and land use rights	18	938,207	32,749
Properties for/under development	19	778,800	740,330
Cemetery assets	20	561,692	558,300
Associated companies	22	48,782	52,765
Joint ventures	23(a)	–	–
Amounts due from joint ventures	23(b)	66,215	63,950
Available-for-sale financial assets	24	243,708	209,155
Loans and receivables	25	12,553	12,550
		9,387,831	8,679,319
Current assets			
Properties for sale	26	2,569,602	2,274,623
Inventories	27	185,912	128,722
Cemetery assets	20	108,064	110,142
Debtors and prepayments	28	528,267	558,338
Tax recoverable		–	339
Financial assets at fair value through profit or loss	30	85,621	77,898
Pledged bank balances	31	55,269	55,440
Cash and bank balances	31	1,972,173	2,313,185
		5,504,908	5,518,687
Assets of disposal group classified as held for sale	32	–	61,529
		5,504,908	5,580,216
Current liabilities			
Creditors and accruals	33	505,257	502,899
Sales deposits received	34	213,389	479,850
Short-term bank borrowings	37	243,466	29,335
Current portion of long-term bank borrowings	37	919,241	505,939
Convertible note	38	–	59,682
Taxation payable		348,808	297,852
		2,230,161	1,875,557
Liabilities of disposal group classified as held for sale	32	–	3,294
		2,230,161	1,878,851
Net current assets		3,274,747	3,701,365
Total assets less current liabilities		12,662,578	12,380,684

Consolidated Balance Sheet (Continued)
As at 31st March, 2015

	Note	2015 HK\$'000	2014 HK\$'000
Equity			
Share capital	35	433,432	430,515
Reserves	36	7,718,680	7,310,950
Proposed final dividend	36	52,012	51,662
Shareholders' funds		8,204,124	7,793,127
Non-controlling interests		1,526,873	1,478,027
Total equity		9,730,997	9,271,154
Non-current liabilities			
Long-term bank borrowings	37	2,538,079	2,716,983
Deferred taxation liabilities	39	361,405	360,550
Loans and payables with non-controlling interests	40	32,097	31,997
		2,931,581	3,109,530
		12,662,578	12,380,684

Ko Sheung Chi
Director

Albert Chuang Ka Pun
Director

The notes on pages 94 to 173 are an integral part of the consolidated financial statements.

Balance Sheet

As at 31st March, 2015

	Note	2015 HK\$'000	2014 HK\$'000
Non-current assets			
Property, plant and equipment	16	–	–
Subsidiaries	21	889,708	889,708
Loan receivable from a subsidiary	29	56,225	56,225
		945,933	945,933
Current assets			
Debtors and prepayments	28	498	1,385
Amounts due from subsidiaries	29	493,825	473,533
Cash and bank balances	31	886,139	1,038,851
		1,380,462	1,513,769
Current liabilities			
Creditors and accruals	33	2,131	2,216
Amount due to a subsidiary	29	–	66,691
		2,131	68,907
Net current assets		1,378,331	1,444,862
Net assets		2,324,264	2,390,795
Equity			
Share capital	35	433,432	430,515
Reserves	36	1,838,820	1,908,618
Proposed final dividend	36	52,012	51,662
Total equity		2,324,264	2,390,795

Ko Sheung Chi
Director

Albert Chuang Ka Pun
Director

The notes on pages 94 to 173 are an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31st March, 2015

	Note	2015 HK\$'000	2014 HK\$'000
Cash flows from operating activities			
Cash (used in)/from operations	43(a)	(501,982)	281,020
Interest paid		(100,964)	(82,040)
Tax paid		(55,051)	(66,435)
Net cash (used in)/from operating activities		(657,997)	132,545
Cash flows from investing activities			
Purchase of property, plant and equipment		(47,518)	(20,769)
Purchase of investment properties		(134,985)	(121,881)
Acquisition of associated companies		–	(29,838)
Purchase of available-for-sale financial assets		(4,099)	(91,553)
Proceeds from disposal of property, plant and equipment		13,316	828
Net proceeds from disposal of an investment property		38,284	–
Net proceeds from disposal of available-for-sale financial assets		5,516	4,040
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	43(c)	69,304	–
Increase in amounts due from associated companies		(3,233)	(4,308)
Increase in amounts due from joint ventures		(2,309)	(2,881)
Decrease/(increase) in pledged bank balances		171	(24,924)
Decrease/(increase) in bank deposits maturing more than three months from date of placement		43,877	(28,656)
Interest income received		31,664	24,536
Dividend income received		4,217	2,826
Net cash from/(used in) investing activities		14,205	(292,580)
Cash flows from financing activities			
New bank borrowings		796,627	1,230,582
Repayment of bank borrowings		(325,376)	(525,001)
Redemption of convertible note		(61,750)	–
Dividends paid to shareholders		(75,840)	(43,590)
Dividends paid to non-controlling interests		(28,691)	(13,959)
Capital injection by non-controlling interests		43,408	–
Net cash from financing activities		348,378	648,032
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		2,276,633	1,787,097
Exchange difference on cash and cash equivalents		(9,815)	1,539
Cash and cash equivalents at the end of the year	43(b)	1,971,404	2,276,633

The notes on pages 94 to 173 are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2015

	Attributable to equity holders of the Company					Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	Non- controlling interests HK\$'000	
At 1st April, 2013	420,138	1,249,436	5,708,516	7,378,090	1,465,272	8,843,362
Profit for the year	–	–	468,530	468,530	24,056	492,586
Other comprehensive income:						
Net exchange differences	–	(15,159)	–	(15,159)	(1,453)	(16,612)
Realization of exchange reserve upon disposal of a subsidiary	–	(241)	–	(241)	(182)	(423)
Change in fair value of available-for-sale financial assets	–	5,668	–	5,668	4,293	9,961
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	–	(171)	–	(171)	–	(171)
Total comprehensive (loss)/income for the year	–	(9,903)	468,530	458,627	26,714	485,341
Transactions with owners:						
2013 final scrip dividend paid	5,819	16,047	(50,417)	(28,551)	–	(28,551)
2014 interim scrip dividend paid	4,558	14,480	(34,077)	(15,039)	–	(15,039)
Dividends paid to non-controlling interests	–	–	–	–	(21,069)	(21,069)
Increase of interests in a subsidiary by non-controlling interests	–	–	–	–	7,110	7,110
At 31st March, 2014	430,515	1,270,060	6,092,552	7,793,127	1,478,027	9,271,154
Profit for the year	–	–	502,952	502,952	23,549	526,501
Other comprehensive income:						
Net exchange differences	–	(35,710)	–	(35,710)	(3,715)	(39,425)
Realization of exchange reserve upon disposal of subsidiaries	–	(665)	–	(665)	(429)	(1,094)
Change in fair value of available-for-sale financial assets	–	20,631	–	20,631	14,824	35,455
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	–	(371)	–	(371)	–	(371)
Total comprehensive (loss)/income for the year	–	(16,115)	502,952	486,837	34,229	521,066
Transactions with owners:						
2014 final scrip dividend paid	1,207	2,721	(51,662)	(47,734)	–	(47,734)
2015 interim scrip dividend paid	1,710	4,722	(34,538)	(28,106)	–	(28,106)
Dividends paid to non-controlling interests	–	–	–	–	(34,865)	(34,865)
Increase of interests in subsidiaries by non-controlling interests	–	–	–	–	49,482	49,482
At 31st March, 2015	433,432	1,261,388	6,509,304	8,204,124	1,526,873	9,730,997

The notes on pages 94 to 173 are an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31st March, 2015

1 General information

Chuang's Consortium International Limited (the "Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is 25th Floor, Alexandra House, 18 Chater Road, Central.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property development and investment, hotel operation and management, manufacturing, sales and trading of printed products, home finishing products, watch components and merchandises, securities investment and trading, development and operation of cemetery and information technology business.

2 Summary of significant accounting policies

The significant accounting policies adopted for the preparation of these consolidated financial statements are set out below, which have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss at fair values, and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

Effect of adopting amendments to standards and interpretation

For the financial year ended 31st March, 2015, the Group adopted the following amendments to standards and interpretation that are effective for the accounting periods beginning on or after 1st April, 2014 and relevant to the operations of the Group:

HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HK(IFRIC) - Int 21	Levies

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

Effect of adopting amendments to standards and interpretation (Continued)

The Group has assessed the impact of the adoption of these amendments to standards and interpretation and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the consolidated financial statements.

New standards and amendments to standards that are not yet effective

The following new standards and amendments to standards have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1st April, 2015, but have not yet been early adopted by the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements – Disclosure Initiative (effective from 1st January, 2016)
HKAS 16 (Amendment) and HKAS 38 (Amendment)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (effective from 1st January, 2016)
HKAS 19 (2011) (Amendment)	Employee Benefits: Defined Benefit Plans – Employee Contributions (effective from 1st July, 2014)
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method in Separate Financial Statements (effective from 1st January, 2016)
HKFRS 9	Financial Instruments (effective from 1st January, 2018)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1st January, 2016)
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception (effective from 1st January, 2016)
HKFRS 11 (Amendment)	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations (effective from 1st January, 2016)
HKFRS 14	Regulatory Deferral Accounts (effective from 1st January, 2016)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2017)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle (effective from 1st July, 2014)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle (effective from 1st July, 2014)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle (effective from 1st January, 2016)

The Group will adopt the above new standards and amendments to standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

In addition, the revised Rules Governing the Listing of Securities on the Stock Exchange on disclosure of financial information with reference to the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Group's first financial year ending on or after 31st March, 2016. The Group is in the process of making an assessment of expected impact of the changes. So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st March and include the share of post-acquisition results and reserves of its associated companies and joint ventures attributable to the Group.

Results attributable to subsidiaries, associated companies and joint ventures acquired or disposed of during the financial period are included in the consolidated income statement from the date of acquisition or up to the date of disposal as applicable.

The gain or loss on disposal of subsidiaries, associated companies or joint ventures is calculated by reference to the share of net assets at the date of disposal including the attributable amount of goodwill not yet written off.

(c) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

(i) Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree 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 at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by HKFRS.

2 Summary of significant accounting policies (Continued)

(c) Subsidiaries (Continued)

(i) Business combinations (Continued)

If the business combination is achieved in stages, the acquisition-date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognized in the consolidated income statement.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with HKAS 39 either in the consolidated income statement or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference (negative goodwill) is recognized directly in the consolidated income statement.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the subsidiary is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in the consolidated income statement. The fair value is the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to the consolidated income statement.

(iii) Separate financial statements

In the balance sheet of the Company, investments in subsidiaries are carried at cost less impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2 Summary of significant accounting policies (Continued)

(d) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(e) Associated companies

An associated company is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence is exercised in its management, accompanying a shareholding of between 20% to 50% of the voting rights.

Investments in associated companies are accounted for under the equity method of accounting and are initially recognized at cost. The investments in associated companies of the Group include goodwill, net of any accumulated impairment loss, identified on acquisition.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to the consolidated income statement where appropriate.

The share of post-acquisition profits or losses of associated companies attributable to the Group is recognized in the consolidated income statement, and the share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses of the Group in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associated company.

The Group determines at each balance sheet date whether there is any objective evidence that the investment in associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognizes the amount adjacent to “share of results of associated companies” in the consolidated income statement.

Unrealized gains on transactions between the Group and its associated companies are eliminated to the extent of the interest in the associated companies held by the Group. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group. Dilution gains and losses arising from investments in associated companies are recognized in the consolidated income statement.

2 Summary of significant accounting policies (Continued)

(f) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structures of the joint arrangements. The Group has assessed the nature of its joint arrangements and applied HKFRS 11 in preparing the consolidated financial statements.

Joint operation

A joint arrangement which does not involve the establishment of a separate entity but involves the joint control and ownership by the Group and other parties of assets contributed to, or acquired for the purpose of, the joint arrangement is accounted for as a joint operation. The Group's share of joint operation and any liabilities incurred jointly with other joint operation partners are recognized and classified according to the nature of the relevant items. Income from the sale or use of the Group's share of the output of joint operation is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group, while the Group's share of expenses in respect of joint operation is recognized as incurred.

Joint venture

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligation or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint venture are eliminated to the extent of the interest in the joint venture held by the Group. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint venture have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2 Summary of significant accounting policies (Continued)

(g) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets of the acquired subsidiaries, associated companies or joint ventures attributable to the Group at the effective date of acquisition, and in respect of an increase in holding in a subsidiary, it is regarded as a transaction with non-controlling interest. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Goodwill on acquisitions of subsidiaries is included in intangible assets while goodwill on acquisitions of associated companies or joint ventures is included in investments in associated companies or joint ventures respectively. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognized directly in the consolidated income statement.

Goodwill is tested for impairment at least annually and whenever there is an indication for impairment, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose has been identified according to operating segment.

Impairment testing of the investments in subsidiaries, associated companies and joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiaries, associated companies and joint ventures in the period the dividend is declared or if the carrying amounts of the investments in the separate financial statements exceeds the carrying amounts in the consolidated financial statements of the investee's net assets including goodwill.

(h) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives at the following annual rates:

Buildings	2% to 5%
Plant and machinery	6.7% to 33.3%
Furniture and fixtures	10% to 33.3%
Other assets	10% to 33.3%

2 Summary of significant accounting policies (Continued)

(h) Property, plant and equipment (Continued)

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. Where the estimated recoverable amounts have declined below their carrying amounts, the carrying amounts are written down to their estimated recoverable amounts.

Gain or loss on disposal is determined as the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognized in the consolidated income statement.

(i) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment properties. Investment properties also include properties that are being constructed or developed for future use as investment properties.

Investment properties comprise land held under operating leases and buildings held under finance leases. Land held under operating leases is classified and accounted for as investment properties when the rest of the definition of investment properties is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalized as part of its cost. Borrowing costs are capitalized while acquisition or construction is actively underway and will be ceased once the asset is substantially completed, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on valuations carried out by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non-standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar constructions
- Status of construction permits

2 Summary of significant accounting policies (Continued)

(i) Investment properties (Continued)

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as liabilities, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognized in the consolidated financial statements.

Subsequent expenditure is capitalized to the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

Changes in fair values of investment properties are recognized in the consolidated income statement. Investment property is derecognized either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Investment properties under construction have been valued at the balance sheet date. All fair value gains or losses, including those unrecognized fair value gains and losses (if the losses have not already been recognized through impairment), are recognized in the consolidated income statement as fair value gains or losses.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

The investment properties are classified under non-current assets except for those properties which are expected to be disposed of within one year and are classified under current assets.

(j) Leasehold lands and land use rights

Leasehold lands and land use rights represent non-refundable rental payments for lease of land. The up-front prepayments made for leasehold lands and land use rights are amortized on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the consolidated income statement. The amortization of the leasehold lands and land use rights is capitalized under the relevant assets when the properties on the lands are under construction. In all other cases, the amortization is recognized in the consolidated income statement. No amortization is provided for the leasehold lands and land use rights recorded under properties for sale.

2 Summary of significant accounting policies (Continued)

(k) Cemetery assets

Cost of cemetery assets comprises the leasehold lands and land use rights, costs of development expenditures incurred for the grave plots and niches for cremation urns and borrowing costs incurred during the construction period. Cemetery assets are classified under current assets unless the construction period of the relevant grave plots or niches for cremation urns is expected to complete beyond the normal operating cycle.

Grave plots and niches for cremation urns are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for cemetery assets less all estimated costs of completion and costs necessary to make the sale.

(l) Properties for/under development

Properties for/under development are stated at cost less impairment losses. Costs include land costs, amortization of leasehold lands and land use rights, development and construction expenditures incurred and any borrowing costs capitalized and other direct costs attributable to the development.

Properties under development are classified as properties for sale under current assets unless the construction period of the relevant development project is expected to complete beyond the normal operating cycle.

(m) Properties for sale

Properties for sale which include properties under development (note 2(l)), completed properties and leasehold lands and land use rights for sale are classified under current assets and comprise land costs, development and construction expenditures, any borrowing costs capitalized and other direct costs attributable to the development, less provision for foreseeable losses. Completed properties for sale are carried at the lower of cost and net realizable value. Net realizable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(n) Financial assets

The Group classifies its financial assets in the categories of financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition according to the purpose for which the financial assets are acquired.

Financial assets at fair value through profit or loss are classified as current assets if they are either held for trading or are expected to be realized within twelve months from the balance sheet date. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges. Financial assets at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the consolidated income statement, and subsequently carried at fair value.

2 Summary of significant accounting policies (Continued)

(n) Financial assets (Continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are carried at amortized cost using effective interest method.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months from the balance sheet date. Available-for-sale financial assets are initially recognized at fair value plus transaction costs, and subsequently carried at fair value.

Regular purchases and sales of investments are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Realized and unrealized gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss, including interest and dividend income, are included in the consolidated income statement in the financial period in which they arise. Unrealized gains and losses arising from the change in the fair value of available-for-sale financial assets are recognized in other comprehensive income. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are recognized in the consolidated income statement as gains or losses.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value below its cost is considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated income statement, is removed from equity and recognized in the consolidated income statement. Impairment losses recognized in the consolidated income statement on available-for-sale financial assets are not reversed through the consolidated income statement.

(o) Convertible note

Convertible note issued by a subsidiary of the Group that contains both the liability and conversion option components is classified by the subsidiary separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the subsidiary's own equity instruments is classified as an equity instrument of the subsidiary.

2 Summary of significant accounting policies (Continued)

(o) Convertible note (Continued)

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceed of the issue of the convertible note and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible note into equity, is included in equity (convertible note equity reserve) of the subsidiary.

In subsequent periods, the liability component of the convertible note is carried at amortized cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the subsidiary, will remain in convertible note equity reserve of the subsidiary until the embedded option is exercised (in which case the balance stated in convertible note equity reserve of the subsidiary will be transferred to share premium of the subsidiary). Where the option remains unexercised at the expiry date, the balance stated in convertible note equity reserve of the subsidiary will be released to the retained profits of the subsidiary. No gain or loss is recognized in the income statement of the subsidiary upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible note are allocated to the liability and equity components of the subsidiary in proportion to the allocation of the gross proceed. Transaction costs relating to the equity component are charged directly to equity of the subsidiary. Transaction costs relating to the liability component are included in the carrying amount of the liability portion of the subsidiary and amortized over the period of the convertible note using the effective interest method.

The liability component (or part of the liability component) of the convertible note of the subsidiary is derecognized when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

The liability component of the convertible note is classified under current liability unless the subsidiary has an unconditional right to defer settlement of the liability for at least twelve months from the balance sheet date.

(p) Inventories

Inventories, which mainly comprise printed products, home finishing products, watch components, merchandises and hotel consumables, are stated at the lower of cost and net realizable value. Cost is calculated on the first-in first-out basis, weighted average basis or specific identification basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2 Summary of significant accounting policies (Continued)

(q) Trade and other debtors

Trade and other debtors are amounts due from customers for properties and goods and merchandises sold or services performed in the ordinary course of business. If collection of trade and other debtors is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other debtors are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, which is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payments are considered as indicators that the receivable is impaired. The amount of the provision is recognized in the consolidated income statement.

(r) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the fair value of an asset less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

(s) Assets and liabilities of disposal groups classified as held for sale

Assets of disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The assets of disposal groups are stated at the lower of carrying amount and fair value less costs to sell. The related liabilities of disposal groups are also classified as held for sale at their carrying amounts correspondingly.

(t) Creditors and accruals

Creditors and accruals are obligations to pay for goods or merchandises or services that have been acquired in the ordinary course of business from suppliers. Creditors and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Creditors and accruals are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2 Summary of significant accounting policies (Continued)

(u) Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(v) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

(w) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial liability, including fees and commissions to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortized cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

2 Summary of significant accounting policies (Continued)

(w) Borrowings (Continued)

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

(x) Current and deferred taxation

The tax expenses for the year comprise current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group, its associated companies and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be payable to the tax authorities.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred taxation assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred taxation liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred taxation liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets are recognized on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(y) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the consolidated income statement on a straight-line basis over the period of lease.

2 Summary of significant accounting policies (Continued)

(z) Revenue and income recognition

Revenue is recognized when the amount can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria for each of the activities have been met. Revenue is shown net of sales tax, returns, rebates and discounts, allowances for credit and other revenue reducing factors. The Group recognizes its revenue and income on the following bases:

- (i) Sales of properties are recognized when the significant risks and rewards of the properties have been passed to the purchasers, which is when the construction of the relevant properties has been completed, notification of delivery of properties has been issued to the purchasers and the collectability of related receivables pursuant to the sale agreements is reasonably assured. Deposits and instalments received on properties sold prior to the transfer of the significant risks and rewards of the properties are included as sales deposits received under current liabilities.
- (ii) Rental income, net of incentives given to lessees, is recognized on a straight-line basis over the period of the respective leases.
- (iii) Income from hotel operation and management is recognized when the services are rendered.
- (iv) Sales of goods and merchandises and scraped materials are recognized on the transfer of risks and rewards of ownership, which generally coincide with the time when goods and merchandises and scraped materials are delivered to the customers and legal title has been passed.
- (v) Gain or loss from securities trading is recognized on the transaction date when the relevant sale and purchase contracts are entered into.
- (vi) Sales of cemetery assets are recognized when the Group has transferred to the customers the right to use the cemetery assets upon the execution of a binding agreement.
- (vii) Service and management fees are recognized when the services are rendered.
- (viii) Interest income is recognized on a time proportion basis, using the effective interest method, taking into account the principal amounts outstanding and the interest rates applicable.
- (ix) Dividend income is recognized when the right to receive payment is established.

(aa) Borrowing costs

Interest and related costs on borrowings attributable to the construction or acquisition of an asset that necessarily takes a substantial period of time to complete and prepare for its intended use or sale are capitalized as part of the cost of their assets. All other borrowing costs are charged to the consolidated income statement in the financial period in which they are incurred.

2 Summary of significant accounting policies (Continued)

(ab) Employee benefits

Contributions to defined contribution retirement schemes such as the Mandatory Provident Fund Scheme in Hong Kong and the respective government employee retirement benefit schemes are charged to the consolidated income statement in the financial period to which the contributions relate. The Group has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee entitlements to annual leaves are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick and maternity leaves are not recognized until the time of leaves.

Provisions for bonus entitlements are recognized when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Such bonuses are payable within twelve months from the balance sheet date.

(ac) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, deposits with banks and financial institutions with maturity within three months from the date of placement.

(ad) Translation of foreign currencies

Transactions included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollar, which is the functional and presentation currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates ruling at the balance sheet date are recognized in the consolidated income statement.

The results and financial position of all the entities in the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the rate of exchange ruling at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- (iii) all resulting exchange differences are recognized as a separate component of equity.

2 Summary of significant accounting policies (Continued)

(ad) Translation of foreign currencies (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to the consolidated income statement.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in the consolidated income statement.

(ae) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors and senior management.

(af) Dividend distribution

Dividend distribution to the shareholders of the Company is recognized as a liability in the consolidated financial statements in the financial period in which the dividends are approved by the Company's shareholders or Directors as applicable.

(ag) Financial guarantee liabilities

Financial guarantee liabilities are recognized in respect of the financial guarantee provided by the Group to banks for mortgage loans made by the banks to certain purchasers of the Group's properties in the People's Republic of China (the "PRC").

Financial guarantee liabilities are recognized initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such guarantees are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognized less cumulative amortization.

Financial guarantee liabilities are derecognized from the consolidated balance sheet when, and only when, the obligation specified in the guarantees is discharged or cancelled or expired.

3 Financial risk management

(a) Financial risk factors

The activities of the Group expose it to a variety of financial risks including credit risk, liquidity risk, cash flow and fair value interest rate risk, foreign exchange risk and price risk. The overall risk management programme of the Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Financial risk management is carried out by the finance department under policies approved by the board of Directors (the "Board"). The Board provides principles for overall risk management, as well as written policies covering specific areas.

(i) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial assets (other than available-for-sale financial assets and financial assets at fair value through profit or loss) after deducting any impairment provision in the consolidated balance sheet. The Group's exposure to credit risk arising from debtors and prepayments is set out in note 28.

Credit risk of the Group is primarily attributable to deposits with banks and financial institutions and non-current loans and receivables, as well as credit exposures to customers and other debtors. The Group has credit policies in place and exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions by monitoring credit ratings and only places deposits with banks and financial institutions with no history of defaults. As at 31st March, 2015, the monies (including pledged bank balances and those in assets held for sale for 2014) placed with Hong Kong and the PRC banks and financial institutions amounted to approximately HK\$1,279 million (2014: HK\$1,650 million) and HK\$733 million (2014: HK\$716 million) respectively.

In respect of credit exposures to customers, the Group normally receives deposits or progress payments from customers prior to the completion of sales of properties or goods or merchandises transactions. Customers are assessed and rated individually based on the credit quality by taking into account their financial position, credit history and other factors. Rentals in respect of investment properties are payable in advance by tenants in accordance with the lease agreements. The Group has policies in place to ensure that rental deposits are required from tenants prior to commencement of leases. Loans and receivables are generally supported by the respective underlying assets. Sales of hotel rooms are made either in cash, via credit cards or to customers with appropriate credit history. For some customers of sales of goods and merchandises transactions, the Group has also purchased credit insurances from Export Credit Insurance Corporation on certain overseas sales to compensate for losses from debts that are not collectible.

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

In addition, the Group has other monitoring procedures to ensure that follow up action is taken to recover overdue debts. The Group reviews regularly the recoverable amount of each individual debtor to ensure that adequate impairment provision are made for irrecoverable amounts. The Group has no significant concentrations of credit risk as the receivables consist of a large number of customers, and the customers are widely dispersed across diverse geographical areas.

In respect of the other debtors, amounts due from associated companies and joint ventures and loans and receivables, the Group monitors the recoverability of the balances closely and ensures that adequate impairment provision has been made for the estimated irrecoverable amounts.

The Group has provided guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Since the Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Group to the banks, the management considers that the Group's credit risk is minimal (see also note 42).

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of prudent ratios regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group has put in place a policy of obtaining long-term banking facilities to match its long-term investments in Hong Kong, the PRC and other countries. The Group also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the ordinary course of business. In addition, as at 31st March, 2015, the Group has standby banking facilities to provide contingent liquidity support which amounted to approximately HK\$386 million (2014: HK\$463 million). Details of the bank borrowings are disclosed in note 37.

The table below analyzes the Group's and the Company's financial liabilities that will be settled in relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Specifically, bank borrowings 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 amounts disclosed in the table are the contractual undiscounted cash flows including interest payment.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

	Within the first year HK\$'000	Within the second year HK\$'000	Within the third to fifth years HK\$'000	After the fifth year HK\$'000	Total HK\$'000
Group					
2015					
Creditors and accruals	505,257	–	–	–	505,257
Bank borrowings	1,255,334	401,465	1,222,404	1,120,964	4,000,167
Loans and payables with non-controlling interests	–	–	–	32,097	32,097
	1,760,591	401,465	1,222,404	1,153,061	4,537,521
Financial guarantees (note 42)	–	–	–	795,441	795,441
2014					
Creditors and accruals	502,899	–	–	–	502,899
Bank borrowings	628,045	832,345	1,282,874	792,956	3,536,220
Convertible note	51,421	–	–	–	51,421
Loans and payables with non-controlling interests	–	–	–	31,997	31,997
	1,182,365	832,345	1,282,874	824,953	4,122,537
Financial guarantees (note 42)	–	–	–	593,591	593,591

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

	Within the first year HK\$'000	Within the second year HK\$'000	Within the third to fifth years HK\$'000	After the fifth year HK\$'000	Total HK\$'000
Company					
2015					
Creditors and accruals	2,131	–	–	–	2,131
Financial guarantees (note 42)					
Bank borrowings of subsidiaries	569,348	396,451	1,206,201	1,120,964	3,292,964
Bank borrowing of a joint venture	119,094	–	–	–	119,094
	688,442	396,451	1,206,201	1,120,964	3,412,058
2014					
Creditors and accruals	2,216	–	–	–	2,216
Amount due to a subsidiary	66,691	–	–	–	66,691
	68,907	–	–	–	68,907
Financial guarantees (note 42)					
Bank borrowings of subsidiaries	295,662	675,816	1,261,465	792,956	3,025,899
Bank borrowing of a joint venture	117,077	–	–	–	117,077
	412,739	675,816	1,261,465	792,956	3,142,976

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the position of the Group may be adversely affected by the changes in market interest rate. The policy of the Group involves close monitoring of interest rate movements and replacing and entering into new banking facilities when favourable pricing opportunities arise.

The interest rate risk of the Group arises from interest-bearing bank deposits, bank borrowings and convertible note. Bank deposits and bank borrowings issued at variable rates expose the Group to cash flow interest rate risk. The convertible note issued at fixed rate exposes the Group to fair value interest rate risk. The Group has not hedged its interest rate risk.

As at 31st March, 2015, if interest rates had been 0.5% higher/lower with all other variables held constant, the pre-tax result of the Group would have decreased/increased by approximately HK\$2,197,000 (2014: HK\$1,415,000).

(iv) Foreign exchange risk

Foreign exchange risk arises on monetary assets and liabilities being denominated in a currency that is not the functional currency; differences resulting from the translation of financial statements into the presentation currency of the Group are not taken into consideration.

The Group mainly operates in Hong Kong, the PRC, Singapore, Malaysia, Vietnam, Mongolia, Taiwan and Philippines. The Group has no significant foreign exchange risk due to limited foreign currency transactions other than the functional currencies of the respective entities.

(v) Price risk

The Group is exposed to securities price risk because investments held by the Group are classified as available-for-sale financial assets and financial assets at fair value through profit or loss. Unrealized gains and losses arising from the change in the fair value of available-for-sale financial assets and financial assets at fair value through profit or loss are recognized in other comprehensive income and the consolidated income statement respectively. When available-for-sale financial assets are impaired, the accumulated fair value adjustments are recognized in the consolidated income statement as losses. To manage its price risk arising from investments in securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(v) Price risk (Continued)

The table below summarizes the impact of increase/decrease of the market price of the Group's publicly-traded investments by 5% with all other variables held constant:

	Impact on pre-tax result		Impact on investment revaluation reserve	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
5% change in market price	4,281	3,895	5,041	4,147

(b) Capital risk management

The objectives of the Group when managing capital are to safeguard the ability of the Group to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings (including short-term and long-term bank borrowings as shown in the consolidated balance sheet) less cash and bank balances (including pledged bank balances and those in assets held for sale for 2014) and financial assets at fair value through profit or loss. Total capital represents shareholders' funds as shown in the consolidated balance sheet. The gearing ratio at 31st March, 2015 is 19.4% (2014: 10.2%).

(c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price and the appropriate quoted market price for financial liabilities is the current ask price.

The fair values of long-term bank borrowings are estimated using the expected future payments discounted at market interest rates. The carrying values of the long-term bank borrowings approximate their fair values since they are floating interest rate borrowings.

The carrying values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, including debtors and prepayments, cash and bank balances, amounts due from/to subsidiaries, creditors and accruals and current bank borrowings approximate their fair values.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

The Group adopted the amendment to HKFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level in the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Group's financial assets that are measured at fair value at 31st March, 2015 and 2014. The investment properties are measured at fair value and disclosed in note 17.

	Level 1 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Group			
2015			
Assets			
Available-for-sale financial assets			
– Listed securities	156,168	–	156,168
– Unlisted investments	–	87,540	87,540
	156,168	87,540	243,708
Financial assets at fair value through profit or loss			
– Listed securities and bonds	85,621	–	85,621
Total assets	241,789	87,540	329,329
2014			
Assets			
Available-for-sale financial assets			
– Listed securities	119,006	–	119,006
– Unlisted investments	–	90,149	90,149
	119,006	90,149	209,155
Financial assets at fair value through profit or loss			
– Listed securities and bonds	77,898	–	77,898
Total assets	196,904	90,149	287,053

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for these financial assets held by the Group, which are listed securities in Hong Kong, is the closing price in stock market. These instruments are included in level 1 which comprise primarily investments classified as available-for-sale financial assets (listed securities) and financial assets at fair value through profit or loss.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3 which comprises primarily investments classified as available-for-sales financial assets (unlisted investments).

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- Other techniques, such as discounted cash flow analysis and option pricing models, are used to determine fair value for the remaining financial instruments

The following table presents the changes in level 3 instruments of the Group for the years ended 31st March, 2015 and 2014.

	Assets
	Available- for-sale financial assets
	HK\$'000
Group	
At 1st April, 2013	16,898
Additions	76,660
Disposals	(2,317)
Change in exchange rates	(1,092)
At 31st March, 2014	90,149
Additions	992
Disposals	(5,019)
Change in fair value recognized in other comprehensive income	1,400
Changes in exchange rates	18
At 31st March, 2015	87,540

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

3 Financial risk management (Continued)

(d) Financial instruments by category

Group
2015

	Loans and receivables HK\$'000	Financial assets at fair value through profit or loss HK\$'000	Available- for-sale financial assets HK\$'000	Total HK\$'000
Assets as per the consolidated balance sheet				
Amounts due from joint ventures	66,215	—	—	66,215
Available-for-sale financial assets	—	—	243,708	243,708
Loans and receivables	12,553	—	—	12,553
Debtors and prepayments excluding prepayments	476,984	—	—	476,984
Financial assets at fair value through profit or loss	—	85,621	—	85,621
Pledged bank balances	55,269	—	—	55,269
Cash and bank balances	1,972,173	—	—	1,972,173
Total	2,583,194	85,621	243,708	2,912,523
Financial liabilities at amortized cost HK\$'000				
Liabilities as per the consolidated balance sheet				
Creditors and accruals excluding accrued expenses				462,984
Bank borrowings				3,700,786
Loans and payables with non-controlling interests				32,097
Total				4,195,867

3 Financial risk management (Continued)

(d) Financial instruments by category (Continued)

Group (Continued)

2014

	Loans and receivables HK\$'000	Financial assets at fair value through profit or loss HK\$'000	Available- for-sale financial assets HK\$'000	Total HK\$'000
Assets as per the consolidated balance sheet				
Amount due from a joint venture	63,950	—	—	63,950
Available-for-sale financial assets	—	—	209,155	209,155
Loans and receivables	12,550	—	—	12,550
Debtors and prepayments excluding prepayments	530,325	—	—	530,325
Financial assets at fair value through profit or loss	—	77,898	—	77,898
Pledged bank balances	55,440	—	—	55,440
Cash and bank balances	2,313,185	—	—	2,313,185
Total	2,975,450	77,898	209,155	3,262,503
Financial liabilities at amortized cost HK\$'000				
Liabilities as per the consolidated balance sheet				
Creditors and accruals excluding accrued expenses				456,325
Bank borrowings				3,252,257
Convertible note				59,682
Loans and payables with non-controlling interests				31,997
Total				3,800,261

3 Financial risk management (Continued)

(d) Financial instruments by category (Continued)

Company

	Loans and receivables	
	2015 HK\$'000	2014 HK\$'000
Assets as per the balance sheet		
Loan receivable from a subsidiary	56,225	56,225
Debtors and prepayments excluding prepayments	442	1,329
Amounts due from subsidiaries	493,825	473,533
Cash and bank balances	886,139	1,038,851
Total	1,436,631	1,569,938
Financial liabilities at amortized cost		
	2015 HK\$'000	2014 HK\$'000
Liabilities as per the balance sheet		
Creditors and accruals excluding accrued expenses	2,131	2,216
Amount due to a subsidiary	–	66,691
Total	2,131	68,907

4 Critical accounting estimates and judgments

Estimates and judgments used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant effect on the carrying values of assets and liabilities are discussed below:

(a) Estimate of fair value of investment properties

The valuation of investment properties is mainly performed in accordance with "The HKIS Valuation Standards 2012 Edition" published by the Hong Kong Institute of Surveyors and other international valuation standards. The valuation is reviewed annually by qualified valuers by considering the information from a variety of sources including:

- (i) current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences;

4 Critical accounting estimates and judgments (Continued)

(a) Estimate of fair value of investment properties (Continued)

- (ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices;
- (iii) rental income derived from the terms of any existing lease and other contracts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using capitalization rates that reflect current market assessments of the uncertainty in the amount and timing of the rental income; and
- (iv) estimated costs to completion for investment properties under construction with reference to past experience and committed contracts as well as allowances for contingencies.

If the information on current or recent prices of investment properties is not available, the fair values of investment properties are mainly determined using income capitalization valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals; expected future market rentals; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(b) Fair values of financial assets

The fair values of quoted investments are based on closing price in stock market. If the market for a financial asset is not active, and for unlisted investments, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the specific circumstances of the issuer. Details of the carrying values of the financial assets are disclosed in note 3(c).

(c) Classification of investment in associated company

An entity which an investor has significant influence and that is neither a subsidiary nor an interest in a joint arrangement is classified as an associated company. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Management judgment is required in determining whether significant influence exists. Management considers all facts and circumstances before arriving at the appropriate conclusion. Changing the classification selected by management could significantly affect the accounting treatment and measurement of the investee and as a result affect the Group's results of operations and financial position.

4 Critical accounting estimates and judgments (Continued)

(d) **Impairment of property, plant and equipment**

The Group assesses the carrying values of property, plant and equipment with their recoverable amounts, which are the higher of the net realizable value and the value-in-use. In determining the value-in-use, the management assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life at the appropriate discount rate based on cash flow projections. Provision for impairment is made when events or changes in circumstances indicate that the carrying values may not be realized. The assessment requires the use of judgment and estimates.

(e) **Impairment of properties for/under development and properties for sale**

The Group assesses the carrying values of properties for/under development and properties for sale according to their estimated recoverable amounts or net realizable values based on assessment of the realizability of these properties, taking into account costs to completion based on past experience and net sales value based on prevailing market conditions. Provision for impairment is made when events or changes in circumstances indicate that the carrying values may not be realized. The assessment requires the use of judgment and estimates.

(f) **Impairment of the Group's printing business**

The management conducts an impairment review of the cash generating unit of the Group's printing business and determines the recoverable amount of the printing business based on the value-in-use model. This calculation takes into account the cash flow projections during the estimated useful lives of the property, plant and equipment and their projected disposal values at the end of their estimated useful lives. The cash flow projections are based on the detailed financial budgets approved by the management covering a 5-year period with a discount rate of 13% and annual growth rate of 5% and by extrapolating the cash flow projections based on these financial budgets using a steady growth rate of 5% for year 6 to year 13. Estimates and judgments are applied in determining the growth rate, the discount rate and the disposal values of the property, plant and equipment. Management estimates the growth rate and the discount rate based on certain assumptions, such as sales growth, unit price, production cost and production capacity. This evaluation is also subject to changes in factors such as industry performance and changes in technology. The management determined that there was no impairment of the Group's printing business as at 31st March, 2015.

(g) **Impairment of the Group's cemetery business**

The Group assesses the estimated recoverable amount of the cash generating unit of the Group's cemetery business. The estimated recoverable amount is based on the valuation report from an independent valuer, in which the report is prepared according to the cash flow projections from the management.

The detailed financial budget for the cash flow projections approved by the management was prepared for a 10-year period with a discount rate of 15.9% and annual growth rates for various types of products ranging from 21% to 58% and by extrapolating the cash flow projections based on the financial budget using a steady unit growth rates ranging from 30% to 40% for various types of products which would be available for sale by phases with a steady price increment over another 26-year period. Estimates and judgments are applied in determining the growth rate and the discount rate. Management estimates the growth rate and the discount rate based on certain assumptions, such as sales growth, unit price, development plan and development cost. This evaluation is also subject to changes in factors such as government regulations, demographic growth rate and death rate. The management determined that there was no impairment of the Group's cemetery business as at 31st March, 2015.

4 Critical accounting estimates and judgments (Continued)

(h) Impairment of inventories

The Group assesses the carrying values of inventories by reviewing the inventory listing and aging analysis on a product-by-product basis at each balance sheet date, and makes impairment for those obsolete, slow-moving inventories and items that are no longer suitable for use in production. Provision for impairment is made by reference to the latest market value and current market conditions for those inventories identified. The assessment requires the use of judgment and estimates.

(i) Impairment of receivables

The Group assesses the carrying values of receivables based on the evaluation of collectabilities and aging analysis of receivables, and management's judgment regarding the creditworthiness and the past collection history of each customer. Provision for impairment is made by reference to the estimates of the extent and timing of future cash flows using applicable discount rates. The final outcome of the recoverability and cash flows of these receivables will impact the amount of impairment required.

(j) Income taxes, land use taxes, land appreciation taxes and deferred taxes

The Group is subject to income taxes, land use taxes, land appreciation taxes and deferred taxes mainly in Hong Kong and the PRC. Significant judgment is required in determining the provision for taxation for each entity of the Group. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these estimates is different from the amounts that are initially recorded, such differences will impact the current and deferred taxation in the financial period in which such determination is made.

(k) Capitalization of borrowing costs and amortization of leasehold lands and land use rights

Borrowing costs directly attributable to the construction of investment properties under development, properties under development and cemetery assets, and amortization of leasehold lands and land use rights of properties not for sale, are capitalized from the date that expenditure is incurred and development activities on the qualifying assets commence. As part of this assessment, judgment is required in determining the unit of account in circumstances where development will be performed in phases. Management assesses the date from which capitalization of borrowing costs and amortization of leasehold lands and land use rights should commence on a project-by-project basis. Key indicators used by the management to identify a standalone development include that all assets in the development are:

- (i) subject to a single development plan; and
- (ii) expected to be completed within the Group's normal operating cycle.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

5 Revenues

Revenues (representing turnover) recognized during the year are as follows:

	2015 HK\$'000	2014 HK\$'000
Sales of properties	993,778	797,959
Rental income and management fees	164,593	152,735
Income from hotel operation and management	6,185	–
Sales of goods and merchandises	345,401	387,300
Securities trading	(1,942)	29,207
Interest income from financial assets at fair value through profit or loss	986	1,497
Dividend income from listed investments	236	10,868
Sales of cemetery assets	12,472	9,487
	1,521,709	1,389,053

6 Segment information

(a) Segment information by business lines

The CODM has been identified as the Executive Directors and senior management. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business from a business perspective, including property development and investment, hotel operation and management, sales of goods and merchandises, securities investment and trading, cemetery and others (including information technology business). The CODM assesses the performance of the operating segments based on a measure of segment result.

6 Segment information (Continued)

(a) Segment information by business lines (Continued)

The segment information by business lines is as follows:

	Property development and investment HK\$'000	Hotel operation and management HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Cemetery HK\$'000	Others and corporate HK\$'000	2015 Total HK\$'000
Revenues	1,158,371	6,185	345,401	(720)	12,472	-	1,521,709
Other income and net gain/(loss)	17,380	(4)	41,260	(165)	10,393	34,816	103,680
Operating profit/(loss)	958,173	(67,648)	(29,119)	(885)	5,466	(165,651)	700,336
Finance (costs)/income	(55,229)	(7,087)	(4,474)	-	21	-	(66,769)
Share of results of associated companies	80	(656)	-	-	-	(774)	(1,350)
Share of results of joint ventures	(44)	-	-	-	-	-	(44)
Profit/(loss) before taxation	902,980	(75,391)	(33,593)	(885)	5,487	(166,425)	632,173
Taxation (charge)/credit	(107,513)	-	(2,797)	-	4,638	-	(105,672)
Profit/(loss) for the year	795,467	(75,391)	(36,390)	(885)	10,125	(166,425)	526,501
Segment assets	10,139,465	1,463,380	422,258	86,356	689,348	1,976,935	14,777,742
Associated companies	153	41,053	-	-	-	7,576	48,782
Joint ventures	-	-	-	-	-	-	-
Amounts due from joint ventures	66,215	-	-	-	-	-	66,215
Total assets	10,205,833	1,504,433	422,258	86,356	689,348	1,984,511	14,892,739
Total liabilities	4,046,056	748,647	121,569	-	164,820	80,650	5,161,742
Other segment items are as follows:							
Capital expenditure	960,513	100,754	8,772	-	5,490	4,637	1,080,166
Depreciation	3,111	12,170	25,760	-	644	13,978	55,663
Amortization of leasehold lands and land use rights							
– charged to the consolidated income statement	32	20,395	1,002	-	74	-	21,503
– capitalized into properties	4,000	-	-	-	-	-	4,000
Provision for impairment of inventories	-	-	2,855	-	-	-	2,855
Provision for impairment of trade debtors	91	-	697	-	1,066	-	1,854
Provision for impairment of other deposits	29,000	-	-	-	-	-	29,000
Reversal of provision for impairment of trade debtors	-	-	(523)	-	-	-	(523)
Write-back of provision for expenses undertaking	-	-	-	-	(10,224)	-	(10,224)

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

6 Segment information (Continued)

(a) Segment information by business lines (Continued)

	Property development and investment HK\$'000	Hotel operation and management HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Cemetery HK\$'000	Others and corporate HK\$'000	2014 Total HK\$'000
Revenues	950,694	–	387,300	41,572	9,487	–	1,389,053
Other income and net gain	128,488	–	14,888	–	64	19,644	163,084
Operating profit/(loss)	825,521	(9,181)	(46,675)	41,572	(4,850)	(167,971)	638,416
Finance costs	(54,123)	–	(4,550)	–	(369)	–	(59,042)
Share of results of associated companies	59	10,477	–	–	–	828	11,364
Share of result of a joint venture	(69)	–	–	–	–	–	(69)
Profit/(loss) before taxation	771,388	1,296	(51,225)	41,572	(5,219)	(167,143)	590,669
Taxation (charge)/credit	(98,939)	–	(564)	–	1,420	–	(98,083)
Profit/(loss) for the year	672,449	1,296	(51,789)	41,572	(3,799)	(167,143)	492,586
Segment assets	11,119,069	4,037	453,948	85,724	688,734	1,791,308	14,142,820
Associated companies	2,706	41,709	–	–	–	8,350	52,765
Joint venture	–	–	–	–	–	–	–
Amount due from a joint venture	63,950	–	–	–	–	–	63,950
Total assets	11,185,725	45,746	453,948	85,724	688,734	1,799,658	14,259,535
Total liabilities	4,548,075	486	112,730	–	178,135	148,955	4,988,381
Other segment items are as follows:							
Capital expenditure	855,797	–	11,619	–	10,300	6,789	884,505
Depreciation	3,505	–	28,499	–	687	12,572	45,263
Amortization of leasehold lands and land use rights							
– charged to the consolidated income statement	32	–	2,183	–	74	–	2,289
– capitalized into properties	4,000	–	–	–	–	–	4,000
Provision for impairment of property, plant and equipment	–	–	2,321	–	–	–	2,321
Provision for impairment of inventories	–	–	2,423	–	–	–	2,423
Provision for impairment of trade debtors	1,266	–	623	–	819	–	2,708
Provision for impairment of other deposits	7,272	–	–	–	–	–	7,272
Reversal of provision for impairment of trade debtors	–	–	(919)	–	–	–	(919)

6 Segment information (Continued)

(b) Geographical segment information

The business of the Group operates in different geographical areas. Revenues are presented by the countries where the customers are located. Non-current assets, total assets and capital expenditure are presented by the countries where the assets are located. The segment information by geographical area is as follows:

	Revenues		Capital expenditure	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Hong Kong	156,801	194,448	706,684	292,772
The PRC	1,019,777	812,673	303,959	506,433
Other countries	345,131	381,932	69,523	85,300
	1,521,709	1,389,053	1,080,166	884,505

	Non-current assets (Note)		Total assets	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Hong Kong	7,260,475	6,534,791	9,942,201	8,983,771
The PRC	1,355,657	1,344,472	4,051,567	4,380,030
Other countries	515,438	578,351	898,971	895,734
	9,131,570	8,457,614	14,892,739	14,259,535

Note: Non-current assets in geographical segment represent non-current assets other than available-for-sale financial assets and loans and receivables.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

7 Other income and net gain

	2015 HK\$'000	2014 HK\$'000
Interest income from bank deposits	32,261	24,769
Dividend income from available-for-sale financial assets	3,784	2,776
Sales of scrapped materials	3,237	5,325
Reversal of provision for impairment of trade debtors	523	919
Gain on disposal of subsidiaries (Note a)	17,107	40,491
Write-back of provision for expenses undertaking (Note b)	10,224	–
Fair value gain on transfer of properties from properties for sale to investment properties	4,283	78,215
Gain on disposal of an investment property	11,252	–
Net gain/(loss) on disposal of property, plant and equipment	11,948	(60)
Loss on disposal of leasehold lands and land use rights	(333)	–
Gain on disposal of available-for-sale financial assets	868	1,894
Net exchange (loss)/gain	(2,794)	159
Sundries	11,320	8,596
	103,680	163,084

Notes:

- (a) (i) On 27th May, 2013, a subsidiary (the "Vendor") of the Group entered into an agreement with an independent third party (the "Purchaser") to dispose of its investment in a wholly-owned subsidiary at a consideration of HK\$1. The Vendor also executed an indemnity deed amounting to RMB48.8 million (equivalent to HK\$60.9 million) in favour of the Purchaser for a period of two years from the date of completion of the disposal on 15th August, 2013 (note 33(c)). Details of the transaction were set out in the announcement of the Company on 27th May, 2013.
- (ii) On 14th May, 2014, a subsidiary of the Group entered into an agreement with an independent third party to dispose of its investment in the wholly-owned subsidiaries at a consideration of approximately HK\$78.2 million. The whole consideration was received on 21st May, 2014 and the transaction was completed during the year ended 31st March, 2015. Details of the transaction were set out in the announcement of Midas International Holdings Limited ("Midas") (a listed subsidiary of the Group) dated 14th May, 2014, note 32 and note 43(c).
- (b) The write-back of provision for expenses undertaking was related to the disposal of certain subsidiaries by the Midas group in September 2007 as the respective undertaking expired in September 2014.

8 Operating profit

	2015 HK\$'000	2014 HK\$'000
Operating profit is stated after crediting:		
Gross rental income from investment properties	132,953	125,581
Net realized gain of financial assets at fair value through profit or loss	4,188	23,750
Fair value gain of financial assets at fair value through profit or loss	–	5,457
and after charging:		
Cost of properties sold	605,047	511,531
Cost of inventories sold	210,478	232,281
Depreciation	55,663	45,263
Amortization of leasehold lands and land use rights	21,503	2,289
Fair value loss of financial assets at fair value through profit or loss	6,130	–
Provision for impairment of property, plant and equipment	–	2,321
Provision for impairment of inventories	2,855	2,423
Provision for impairment of trade debtors	1,854	2,708
Provision for impairment of other deposits	29,000	7,272
Staff costs, including Directors' emoluments		
Wages and salaries	235,185	215,497
Retirement benefit costs (<i>note 9</i>)	8,476	7,777
Operating lease rental on land and buildings	20,117	19,763
Outgoings in respect of investment properties	41,011	46,902
Auditors' remuneration		
Audit and audit related services	4,681	4,456
Non-audit services	2,218	1,350

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

9 Employee retirement benefits

The Group operates defined contribution schemes in Hong Kong for all eligible employees. Contributions to these schemes are calculated based on certain percentages of the applicable payroll costs or pre-determined fixed sums. The assets of the schemes are held separately from those of the Group in independently administered funds. Contributions to one of the schemes can be reduced by contributions forfeited by those employees who leave that scheme prior to vesting fully in those contributions.

The Group participates in respective government retirement benefit schemes in the PRC, Singapore, Malaysia, Vietnam and Mongolia pursuant to the relevant regulations whereby the Group is required to contribute to the schemes to fund the retirement benefits of the eligible employees. Contributions made to the schemes are calculated either based on certain percentages of the applicable payroll costs or fixed sums as stipulated under the requirements in the respective countries. The governments of the respective countries are responsible for the entire retirement benefit obligations payable to the retired employees. The Group has no other obligations apart from making ongoing contributions under the schemes.

The retirement benefit costs represent the contributions by the Group to the above schemes.

10 Finance costs

	2015 HK\$'000	2014 HK\$'000
Interest expenses		
Bank borrowings wholly repayable within five years	67,095	61,121
Bank borrowings wholly repayable after five years	32,960	20,496
Bank overdraft wholly repayable within five years	326	166
Convertible note wholly repayable within five years	2,688	7,750
	103,069	89,533
Fair value adjustment of trade debtors	(21)	369
Amounts capitalized into		
Investment properties	(5,799)	(1,124)
Properties for/under development	(3,632)	(2,561)
Properties for sale	(24,160)	(19,425)
Cemetery assets	(2,688)	(7,750)
	(36,279)	(30,860)
	66,769	59,042

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements. The capitalization rates applied to funds borrowed for the development of properties range from 1.59% to 7.20% (2014: 2.36% to 7.38%) per annum, whereas the capitalized effective rate for cemetery assets is 14.86% (2014: 14.86%) per annum.

11 Directors', five highest paid individuals' and senior management's emoluments

(a) Directors' emoluments

Name of Director	Salaries and		Other	Retirement	Total
	Fees	bonuses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2015					
Mr. Alan Chuang Shaw Swee	30	2,440	2,400	288	5,158
Mrs. Alice Siu Chuang Siu Suen ³	20	600	–	45	665
Mr. Ko Sheung Chi ¹	20	3,000	–	18	3,038
Mr. Albert Chuang Ka Pun	20	–	–	–	20
Miss Candy Chuang Ka Wai	20	1,200	–	18	1,238
Mr. Chong Ka Fung	20	1,200	–	18	1,238
Mr. Lui Lop Kay	20	1,620	–	122	1,762
Mr. Wong Chung Wai	20	2,268	–	18	2,306
Mr. Chan Chun Man ⁴	–	–	–	–	–
Mr. Abraham Shek Lai Him ²	100	–	–	–	100
Mr. Fong Shing Kwong ²	100	–	–	–	100
Mr. Yau Chi Ming ²	100	–	–	–	100
Mr. David Chu Yu Lin ²	100	–	–	–	100
	570	12,328	2,400	527	15,825
2014					
Mr. Alan Chuang Shaw Swee	30	2,440	2,400	288	5,158
Mrs. Alice Siu Chuang Siu Suen	20	600	–	45	665
Mr. Ko Sheung Chi ¹	20	3,000	–	15	3,035
Mr. Albert Chuang Ka Pun	20	–	–	–	20
Miss Candy Chuang Ka Wai	20	1,200	–	15	1,235
Mr. Chong Ka Fung	20	600	–	15	635
Mr. Lui Lop Kay	20	1,620	–	122	1,762
Mr. Wong Chung Wai	20	2,100	–	15	2,135
Mr. Abraham Shek Lai Him ²	100	–	–	–	100
Mr. Fong Shing Kwong ²	100	–	–	–	100
Mr. Yau Chi Ming ²	100	–	–	–	100
Mr. David Chu Yu Lin ²	100	–	–	–	100
	570	11,560	2,400	515	15,045

¹ The Chief Executive Officer/Managing Director

² The Independent Non-Executive Directors

³ Retired on 31st March, 2015

⁴ Appointed on 8th June, 2015

The emoluments paid to the Independent Non-Executive Directors amounted to HK\$400,000 (2014: HK\$400,000).

11 Directors', five highest paid individuals' and senior management's emoluments (Continued)

(b) Five highest paid individuals' emoluments

The five highest paid individuals in the Group include three (2014: three) Directors. Details of the emoluments paid to the two (2014: two) individuals, whose emoluments were the five highest in the Group and who are not Directors, are set out below:

	2015	2014
	HK\$'000	HK\$'000
Salaries, bonuses and other benefits	4,280	3,988
Retirement scheme contributions	195	722
	4,475	4,710

The emoluments of these individuals fall within the following band:

Emolument band	Number of individuals	
	2015	2014
HK\$2,000,001 to HK\$2,500,000	2	2

The Directors represent key management personnel of the Company having authority and responsibility for planning, directing and controlling the activities of the Group.

During the years ended 31st March, 2015 and 2014, the Group did not pay to the Directors or the five highest paid individuals any inducement to join or upon joining the Group, or as compensation for loss of office. No Directors waived or agreed to waive any emoluments during the years ended 31st March, 2015 and 2014.

(c) Senior management's emoluments

The emoluments of senior management whose profiles are included in the section "Biographical Details of Directors and Senior Management" of this report fall within the following bands:

Emolument band	Number of individuals	
	2015	2014
HK\$1,000,000 or below	5	3
HK\$1,000,001 to HK\$1,500,000	4	4
	9	7

12 Taxation

	2015 HK\$'000	2014 HK\$'000
Current taxation		
Hong Kong profits tax – over-provision in previous years	(75,458)	(7,605)
Overseas profits tax	79	378
PRC corporate income tax	64,544	46,825
PRC land appreciation tax	118,153	51,177
Deferred taxation (<i>note 39</i>)	(1,646)	7,308
	105,672	98,083

No provision for Hong Kong profits tax has been made as the Group has sufficient tax losses brought forward to set off against the estimated assessable profits for the year (2014: Nil). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

Share of taxation charge of associated companies for the year ended 31st March, 2015 of HK\$99,000 (2014: HK\$170,000) is included in the consolidated income statement as share of results of associated companies. There is no taxation charge/credit of the joint ventures for the year ended 31st March, 2015 (2014: Nil).

The tax of the profit before taxation of the Group differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2015 HK\$'000	2014 HK\$'000
Profit before taxation	632,173	590,669
Share of results of associated companies	1,350	(11,364)
Share of results of joint ventures	44	69
	633,567	579,374
Tax charge at the rate of 16.5% (2014: 16.5%)	104,539	95,597
Effect of different taxation rates in other countries	4,555	16,856
Income not subject to taxation	(104,711)	(90,061)
Expenses not deductible for taxation purposes	11,755	9,590
PRC land appreciation tax deductible for taxation purposes	(19,495)	(12,089)
Utilization of previously unrecognized tax losses	(2,150)	(7,251)
Over-provision in previous years	(75,458)	(7,605)
Dividend income withholding tax	10,000	–
Other temporary differences and tax losses not recognized and others	58,484	41,869
	(12,481)	46,906
PRC land appreciation tax	118,153	51,177
Taxation	105,672	98,083

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31st March, 2015

13 Profit attributable to equity holders

Profit attributable to equity holders includes profit of HK\$9,309,000 (2014: HK\$32,430,000) which is dealt with in the financial statements of the Company.

14 Dividends

	2015 HK\$'000	2014 HK\$'000
Interim scrip dividend with a cash option of 2.0 HK cents (2014: 2.0 HK cents) per share	34,538	34,077
Proposed final scrip dividend with a cash option of 3.0 HK cents (2014: 3.0 HK cents) per share	52,012	51,662
	86,550	85,739

On 29th June, 2015, the Board proposed a final scrip dividend with a cash option of 3.0 HK cents (2014: 3.0 HK cents) per share amounting to HK\$52,012,000 (2014: HK\$51,662,000). The amount of HK\$52,012,000 is calculated based on 1,733,729,517 issued shares as at 29th June, 2015. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but will be reflected and accounted for as an appropriation of reserves in the year ending 31st March, 2016 upon the approval by the shareholders.

15 Earnings per share

The calculation of the earnings per share is based on the profit attributable to equity holders of HK\$502,952,000 (2014: HK\$468,530,000) and the weighted average number of 1,724,432,370 (2014: 1,690,630,402) shares in issue during the year.

The diluted earnings per share is equal to the basic earnings per share since there are no dilutive potential shares in issue during the years and the convertible notes issued by a subsidiary are anti-dilutive.

16 Property, plant and equipment

Group

	Buildings HK\$'000	Plant and machinery HK\$'000	Furniture and fixtures HK\$'000	Other assets HK\$'000	Total HK\$'000
Cost					
At 1st April, 2013	199,802	333,150	92,740	143,849	769,541
Changes in exchange rates	(694)	(26)	(467)	(225)	(1,412)
Additions	3,637	6,389	1,887	8,856	20,769
Disposals	–	(300)	(19,426)	(4,289)	(24,015)
Provision for impairment	–	(2,259)	(147)	(498)	(2,904)
Reclassified as assets held for sale	(7,219)	–	–	–	(7,219)
At 31st March, 2014	195,526	336,954	74,587	147,693	754,760
Changes in exchange rates	(3,709)	(137)	(477)	(476)	(4,799)
Additions	14,227	4,420	18,410	10,011	47,068
Transfer from investment properties (<i>note 17(g)</i>)	517,000	–	–	–	517,000
Disposals	–	(50,211)	(4,395)	(4,708)	(59,314)
At 31st March, 2015	723,044	291,026	88,125	152,520	1,254,715
Accumulated depreciation and provision for impairment					
At 1st April, 2013	59,281	276,805	78,022	56,561	470,669
Changes in exchange rates	(291)	(24)	(230)	(159)	(704)
Charge for the year	9,571	16,458	5,518	13,716	45,263
Disposals	–	(300)	(19,083)	(3,744)	(23,127)
Provision for impairment	–	(398)	(27)	(158)	(583)
At 31st March, 2014	68,561	292,541	64,200	66,216	491,518
Changes in exchange rates	(1,703)	(132)	(327)	(424)	(2,586)
Charge for the year	21,074	14,976	4,292	15,321	55,663
Disposals	–	(49,266)	(4,266)	(4,414)	(57,946)
At 31st March, 2015	87,932	258,119	63,899	76,699	486,649
Net book value					
At 31st March, 2015	635,112	32,907	24,226	75,821	768,066
At 31st March, 2014	126,965	44,413	10,387	81,477	263,242

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

16 Property, plant and equipment (Continued)

Company

	Other assets	
	2015 HK\$'000	2014 HK\$'000
Cost		
At the beginning of the year	157	532
Disposals	(157)	(375)
At the end of the year	–	157
Accumulated depreciation		
At the beginning of the year	157	522
Charge for the year	–	10
Disposals	(157)	(375)
At the end of the year	–	157
Net book value		
At the end of the year	–	–

- (a) Buildings of the Group include hotel property. Other assets comprise computer equipment, motor vehicles and yachts.
- (b) Buildings and plant and machinery of the Group with net book value of HK\$595,065,000 (2014: HK\$31,421,000) have been pledged as securities for the borrowing facilities granted to the Group (note 37).
- (c) Buildings of the Group are situated on land with the following lease terms:

	2015 HK\$'000	2014 HK\$'000
In Hong Kong:		
Medium-term leases	519,831	–
Outside Hong Kong:		
Long-term leases	8,844	20,218
Medium-term leases	106,437	106,747
	115,281	126,965
	635,112	126,965

- (d) Depreciation of the Group of HK\$15,588,000 (2014: HK\$17,131,000), HK\$8,000 (2014: Nil) and HK\$40,067,000 (2014: HK\$28,132,000) have been included in cost of sales, selling and marketing expenses and administrative and other operating expenses, respectively.

16 Property, plant and equipment (Continued)

- (e) In view of the respective performance of the hotel operation and management segment and the sales of goods and merchandises segment, management performed impairment assessment on the related property, plant and equipment respectively and determined that there is no impairment as at 31st March, 2015. The recoverable amounts were determined based on the respective cash flow projections from the management, taking into account the estimated useful lives of the respective property, plant and equipment.

In 2014, in view of the restructuring of the manufacturing division of the watch component business under the sales of goods and merchandises segment, management had made full provision for impairment of HK\$2,321,000 on the respective property, plant and equipment after assessment.

17 Investment properties

Group

	Properties under development	Completed properties	Total
	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2013	1,943,227	4,117,183	6,060,410
Changes in exchange rates	(1,490)	(20,234)	(21,724)
Additions	154,486	1,768	156,254
Interest expenses capitalized	1,124	–	1,124
Transfer from properties for sale (note 26(d))	18,758	2,972	21,730
Fair value gain on transfer of properties from properties for sale to investment properties (note 7)	77,534	681	78,215
Change in fair value	43,485	406,784	450,269
At 31st March, 2014	2,237,124	4,509,154	6,746,278
Changes in exchange rates	7	(47,245)	(47,238)
Additions	115,332	19,653	134,985
Interest expenses capitalized	5,799	–	5,799
Disposal	–	(27,032)	(27,032)
Transfer from properties for sale (note 26(d))	–	4,480	4,480
Transfer to property, plant and equipment (note g and note 16)	(517,000)	–	(517,000)
Transfer to leasehold lands and land use rights (note g and note 18(e))	(928,000)	–	(928,000)
Reclassification (note h)	(165,000)	165,000	–
Fair value gain on transfer of properties from properties for sale to investment properties (note 7)	–	4,283	4,283
Change in fair value	121,009	472,244	593,253
At 31st March, 2015	869,271	5,100,537	5,969,808

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

17 Investment properties (Continued)

- (a) Investment properties of the Group are held under the following lease terms:

	2015 HK\$'000	2014 HK\$'000
In Hong Kong:		
Long-term leases	1,551,500	1,377,060
Medium-term leases	3,822,000	4,731,000
	5,373,500	6,108,060
Outside Hong Kong:		
Freehold	344,652	380,528
Long-term leases	–	257,690
Medium-term leases	251,656	–
	596,308	638,218
	5,969,808	6,746,278

- (b) Investment properties in Hong Kong, Malaysia and the PRC were revalued at 31st March, 2015 on an open market value basis by Savills Valuation and Professional Services Limited, VPC Alliance (KL) Sendirian Berhad and DTZ Debenham Tie Leung Limited, independent professional property valuers, respectively.
- (c) Investment properties of HK\$5,711,652,000 (2014: HK\$6,476,802,000) have been pledged as securities for the borrowing facilities granted to the Group (note 37).
- (d) Valuation processes of the Group

The Group's investment properties were valued at 31st March, 2015 by independent professional valuers who hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department and property department review the valuations performed by the independent valuers for financial reporting purposes and report directly to the senior management of the Group. Discussions of the valuation processes and results are held between the management and valuers at least once every six months, in line with the Group's interim and annual reporting processes. The finance department and property department:

- verify all major inputs to the independent valuation report;
- assess property valuation movements when compared to the prior period valuation report; and
- hold discussions with the independent valuers

17 Investment properties (Continued)

(e) Valuation techniques

Fair value of completed properties in Hong Kong, Malaysia and the PRC is generally derived using the income capitalization method and direct comparison method, wherever appropriate. Income capitalization method is based on the capitalization of the net income and reversionary income potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties. Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

Fair value of properties under development in Hong Kong and the PRC is generally derived using the residual method. This valuation method is essentially a mean of valuing the completed properties by reference to its development potential by deducting development costs to completion together with developer's profit and risk from the estimated capital value of the proposed development assuming completed as at the date of valuation.

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

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

(f) Significant unobservable inputs used to determine fair value

Capitalization rates are estimated by valuers based on the risk profile of the investment properties being valued. The higher the rates, the lower the fair value. The following capitalization rates are used in the income capitalization method for the completed properties in respective locations:

	Hong Kong	The PRC
2015		
Capitalization rates used for:		
Commercial properties	2.7%–4.0%	4.0%–6.5%
Residential properties	2.6%	N/A
2014		
Capitalization rates used for:		
Commercial properties	3.3%–10.0%	5.0%–6.5%
Residential properties	2.4%–3.0%	N/A

Prevailing market rents are estimated based on valuers' view of recent lettings, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

Estimated costs to completion, developer's profit and risk margins required are estimated by valuers based on market conditions at 31st March, 2015 for investment properties under development in Hong Kong and the PRC. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The higher the costs and the margins, the lower the fair value.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

17 Investment properties (Continued)

- (g) During the year ended 31st March, 2015, the Group has transferred a Hong Kong investment property at its fair value of HK\$1,445,000,000 (2014: Nil) to hotel property upon completion of the redevelopment, and accordingly HK\$517,000,000 (2014: Nil) and HK\$928,000,000 (2014: Nil) were recorded as property, plant and equipment (note 16), and leasehold lands and land use rights (note 18(e)) respectively.
- (h) Investment properties with fair value of HK\$165,000,000 (2014: Nil) were reclassified from properties under development to completed properties within investment properties upon completion of the redevelopment during the year ended 31st March, 2015.

18 Leasehold lands and land use rights

	Group	
	2015	2014
	HK\$'000	HK\$'000
Leasehold lands and land use rights	938,207	32,749

- (a) The interests in leasehold lands and land use rights represent prepaid operating lease payments.
- (b) Leasehold lands and land use rights of the Group are held under the following lease terms:

	2015	2014
	HK\$'000	HK\$'000
In Hong Kong:		
Medium-term leases	907,605	–
Outside Hong Kong:		
Long-term leases	–	1,632
Medium-term leases	30,602	31,117
	30,602	32,749
	938,207	32,749

- (c) Leasehold lands and land use rights of HK\$926,961,000 (2014: Nil) have been pledged as securities for the borrowing facilities granted to the Group (note 37).
- (d) Amounts of HK\$415,000 (2014: HK\$424,000) and HK\$21,088,000 (2014: HK\$1,865,000) of amortization charged to the consolidated income statement from leasehold lands and land use rights have been included in cost of sales and administrative and other operating expenses, respectively.
- (e) During the year, leasehold lands and land use rights of hotel property with the fair value of HK\$928,000,000 (2014: Nil) has been transferred from the investment properties upon completion of the redevelopment (note 17(g)).

19 Properties for/under development

	Group	
	2015 HK\$'000	2014 HK\$'000
At the beginning of the year	740,330	530,120
Changes in exchange rates	18	(749)
Additions	78,347	202,179
Interest expenses capitalized	3,632	2,561
Transfer from other deposits included in debtors and prepayments (note 28)	–	6,219
Transfer to properties for sale (note 26(a))	(43,527)	–
At the end of the year	778,800	740,330

(a) Properties for/under development of the Group are held under the following lease terms:

	2015 HK\$'000	2014 HK\$'000
In Hong Kong:		
Long-term leases	295,267	269,279
Outside Hong Kong:		
Long-term leases	151,778	151,742
Medium-term leases	237,657	200,704
Short-term leases	94,098	118,605
	483,533	471,051
	778,800	740,330

(b) During the year, amortization of leasehold lands and land use rights classified under properties for/under development of HK\$4,000,000 (2014: HK\$4,000,000) was capitalized therein.

20 Cemetery assets

	Group	
	2015 HK\$'000	2014 HK\$'000
Total cemetery assets	669,756	668,442
Current portion included in current assets	(108,064)	(110,142)
	561,692	558,300

As at 31st March, 2015, included in the cemetery assets which are classified as current assets are grave plots and niches for cremation urns of cemetery business with the aggregate carrying value of HK\$102,736,000 (2014: HK\$105,864,000) that are expected to be realized after more than twelve months from the balance sheet date.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

21 Subsidiaries

	Company	
	2015 HK\$'000	2014 HK\$'000
Unlisted investments, at cost	889,708	889,708

Particulars of the principal subsidiaries which, in the opinion of the Directors, materially affect the results or net assets of the Group are set out in note 46 to the consolidated financial statements.

Set out below are the summarized consolidated financial information for the respective groups of Chuang's China Investments Limited ("Chuang's China") and Midas, both are listed subsidiaries of the Group, that have non-controlling interest of 43.5% (2014: 43.1%) and 39.2% (2014: 39.2%) respectively which are material to the Group.

Summarized consolidated balance sheets as at 31st March, 2015 and 2014:

	Chuang's China		Midas (Note)	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Current				
Assets	3,149,309	3,150,286	348,777	387,339
Liabilities	(1,265,092)	(1,117,702)	(149,233)	(255,320)
Total current net assets	1,884,217	2,032,584	199,544	132,019
Non-current				
Assets	976,958	919,473	692,626	710,306
Liabilities	(201,233)	(335,474)	(177,644)	(201,747)
Total non-current net assets	775,725	583,999	514,982	508,559
Net assets	2,659,942	2,616,583	714,526	640,578

21 Subsidiaries (Continued)

Summarized consolidated income statements for the years ended 31st March, 2015 and 2014:

	Chuang's China		Midas (Note)	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Revenues	1,008,613	804,719	274,582	309,846
Profit/(loss) before taxation	263,012	210,784	(34,692)	(50,475)
Taxation (charge)/credit	(171,867)	(104,384)	1,920	1,234
Profit/(loss) for the year	91,145	106,400	(32,772)	(49,241)
Other comprehensive income/(loss)	26,071	5,988	(730)	(370)
Total comprehensive income/(loss)	117,216	112,388	(33,502)	(49,611)
Total comprehensive loss attributable to non-controlling interests	(3,265)	(3,856)	(858)	(669)

Summarized consolidated cash flow statements for the years ended 31st March, 2015 and 2014:

	Chuang's China		Midas	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Cash flows from operating activities				
Cash (used in)/from operations	(343,482)	237,684	(31,976)	(4,994)
Interest paid	(25,768)	(19,460)	(5,273)	(5,530)
Tax paid	(55,161)	(55,422)	(357)	(346)
Net cash (used in)/from operating activities	(424,411)	162,802	(37,606)	(10,870)
Net cash from/(used in) investing activities	49,886	(76,533)	86,644	(34,994)
Net cash from/(used in) financing activities	144,418	56,844	(18,515)	(2,419)
Net (decrease)/increase in cash and cash equivalents	(230,107)	143,113	30,523	(48,283)
Cash and cash equivalents at the beginning of the year	1,108,191	965,777	68,917	117,252
Exchange difference on cash and cash equivalents	(6,977)	(699)	2	(52)
Cash and cash equivalents at the end of the year	871,107	1,108,191	99,442	68,917

The information above is the amount before inter-company eliminations.

Note: The summarized consolidated financial information of the Midas group includes the fair value adjusted amounts for the identifiable assets acquired and liabilities assumed by the Group in 2011 when Midas became a subsidiary of the Group after its rights issue (formerly an associated company of the Group).

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

21 Subsidiaries (Continued)

On 2nd September, 2014, a wholly-owned subsidiary of the Company entered into an irrevocable undertaking with Midas (the "Irrevocable Undertaking") in relation to the proposed rights issue of Midas on the basis of one rights share for every two existing ordinary shares at the subscription price of HK\$0.10 per share to raise a net proceed of approximately HK\$107.4 million (the "Rights Issue"). According to the Irrevocable Undertaking, the Group had undertaken to subscribe in full for its entitlement under the Rights Issue in the amount of approximately HK\$67.1 million. The Rights Issue was completed during the year ended 31st March, 2015 and Midas continues to be a 60.8% owned subsidiary of the Group. Details of the transaction were set out in the announcements of Midas dated 2nd September, 2014 and 4th November, 2014, and the circular of Midas dated 14th October, 2014 respectively.

22 Associated companies

	Group	
	2015	2014
	HK\$'000	HK\$'000
Share of net assets	47,388	51,371
Loan receivable	1,394	1,394
	48,782	52,765
Unlisted investments, at cost, net	43,118	43,118

The movements of the associated companies are analyzed as follows:

	2015	2014
	HK\$'000	HK\$'000
At the beginning of the year	52,765	10,219
Acquisition of associated companies	–	29,838
Loan receivable	–	1,394
Share of (loss)/profit before taxation	(3,451)	733
Share of taxation charge	(99)	(170)
Negative goodwill	–	10,801
Share of results	(3,550)	11,364
Dividend income received	(433)	(50)
At the end of the year	48,782	52,765

22 Associated companies (Continued)

Share of results of associated companies in the consolidated income statement includes a write-off of an amount payable to an associated company of HK\$2,200,000 (2014: Nil) (note 33(b)) and that associated company has made a provision for impairment of the same receivable correspondingly as included in the share of results above. In 2014, share of results of associated companies in the consolidated income statement included a negative goodwill of HK\$10,801,000 arising from the acquisition of associated companies during the year ended 31st March, 2014.

Loan receivable from an associated company is unsecured, interest free and not receivable within the next twelve months from the balance sheet date.

Particulars of the principal associated companies which, in the opinion of the Directors, materially affect the results or net assets of the Group are set out in note 47 to the consolidated financial statements.

The Group's share of the revenues and results of its associated companies for the year, and their aggregate assets and liabilities are as follows:

	2015	2014
	HK\$'000	HK\$'000
Revenues	9,191	7,715
(Loss)/profit for the year	(3,550)	563
Assets	71,614	72,203
Liabilities	(22,832)	(19,438)
Net assets	48,782	52,765

23 Joint ventures

(a) Investments in joint ventures

Particulars of the principal joint venture which, in the opinion of the Directors, materially affects the results or net assets of the Group are set out below:

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2015	2014	
Ample Excellent Limited	Hong Kong	HK\$2 with 2 shares	50.0%	50.0%	Property development and investment

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

23 Joint ventures (Continued)

(a) Investments in joint ventures (Continued)

The Group's share of the revenues and results of its joint ventures for the year, and their aggregate assets and liabilities are as follows:

	Group	
	2015	2014
	HK\$'000	HK\$'000
Revenues	–	–
Loss for the year	(44)	(69)
Assets	183,465	181,030
Liabilities	(183,873)	(181,394)
Net liabilities	(408)	(364)

As at 31st March, 2015, the Group had made advances to the joint ventures amounting to HK\$66,623,000 (2014: HK\$64,314,000) (note 23(b)). During the year, loss of HK\$44,000 (2014: HK\$69,000) was shared from the joint ventures and the accumulated losses shared were set off against the advances made by the Group to it. The proportionate interest of the Group in the joint ventures' commitment was HK\$5,994,000 (2014: HK\$5,954,000).

As at 31st March, 2015, the Company had provided a guarantee of HK\$117,000,000 (2014: HK\$117,000,000) for the borrowing facility granted to a joint venture (note 42).

(b) Amounts due from joint ventures

Amounts due from joint ventures include advances to joint ventures for the acquisition of leasehold lands and land use rights in Hong Kong, and the financing of the property development as well as the operation of the joint ventures (note 23(a)). They are unsecured, interest free and not receivable within the next twelve months from the balance sheet date. The advances will be repaid from the Group's share of the net proceeds upon the sale of properties.

24 Available-for-sale financial assets

	Group	
	2015 HK\$'000	2014 HK\$'000
Listed securities in Hong Kong, at market value	156,168	119,006
Unlisted investments, at fair value	87,540	90,149
	243,708	209,155

(a) The movements of the available-for-sale financial assets of the Group are analyzed as follows:

	2015 HK\$'000	2014 HK\$'000
At the beginning of the year	209,155	111,050
Changes in exchange rates	18	(1,092)
Additions	4,099	91,553
Disposals	(5,019)	(2,317)
Change in fair value recognized in other comprehensive income	35,455	9,961
At the end of the year	243,708	209,155

(b) The listed securities in Hong Kong are denominated in Hong Kong dollar, whereas the unlisted investments are denominated in United States dollar and Renminbi. The listed securities in Hong Kong represent the Chuang's China group's interest in a listed company in Hong Kong. The unlisted investments in United States dollar represent the Group's interest in an investment fund established and managed by an investment bank for investments in various long-term projects. The unlisted investments in Renminbi represent the Chuang's China group's interest in a PRC company established for investments in various long-term projects in the PRC.

25 Loans and receivables

	Group	
	2015 HK\$'000	2014 HK\$'000
Loans to the joint venture partner	12,553	12,550

Loans to the joint venture partner are provided for financing the property project in the PRC and carry interests at prevailing lending rate quoted by the People's Bank of China. The loans and interests accrued thereon will be repaid from the joint venture partner's share of net proceeds upon the sale of properties.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

26 Properties for sale

	Group	
	2015	2014
	HK\$'000	HK\$'000
Completed properties	803,960	755,352
Properties under development	1,765,642	1,519,271
	2,569,602	2,274,623

(a) The movements of properties under development of the Group are analyzed as follows:

	2015	2014
	HK\$'000	HK\$'000
At the beginning of the year	1,519,271	1,700,515
Changes in exchange rates	(2,677)	84
Property development expenditure	735,575	424,253
Interest expenses capitalized	24,160	19,425
Disposal	–	(12)
Transfer from properties for/under development (note 19)	43,527	–
Transfer from other deposits included in debtors and prepayments (note 28)	–	67,909
Transfer to investment properties (note 17)	–	(18,758)
Transfer to completed properties	(554,214)	(674,145)
At the end of the year	1,765,642	1,519,271

(b) Properties for sale of the Group are held under the following lease terms:

	2015	2014
	HK\$'000	HK\$'000
In Hong Kong:		
Long-term leases	449,276	374,951
Medium-term leases	450,362	21,171
	899,638	396,122
Outside Hong Kong:		
Freehold	120,331	76,755
Long-term leases	632,484	1,623,401
Medium-term leases	873,622	178,345
Short-term leases	43,527	–
	1,669,964	1,878,501
	2,569,602	2,274,623

26 Properties for sale (Continued)

- (c) Properties for sale of HK\$970,219,000 (2014: HK\$520,076,000) have been pledged as securities for the borrowing facilities granted to the Group (note 37).
- (d) During the year, completed properties of HK\$4,480,000 (2014: HK\$2,972,000) have been transferred to investment properties (note 17). In 2014, deposits of HK\$5,000,000 included in debtors and prepayments (note 28) had been transferred to completed properties.

27 Inventories

	Group	
	2015 HK\$'000	2014 HK\$'000
Raw materials	19,551	21,249
Work in progress	14,716	12,840
Finished goods and merchandises	151,645	94,633
	185,912	128,722

28 Debtors and prepayments

	Group		Company	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Trade debtors	100,875	113,014	–	–
Other debtors and prepayments	97,575	83,136	498	1,385
Utility and other deposits	329,817	362,188	–	–
	528,267	558,338	498	1,385

Rental income and management fees are received in advance whereas receivables from cemetery operation are settled in accordance with the terms of respective contracts. Credit terms of hotel income and sales of goods and merchandises mainly range from 30 days to 45 days and 30 days to 180 days respectively.

As at 31st March, 2015, trade debtors from the cemetery business with the aggregate carrying value of HK\$2,644,000 (2014: HK\$6,859,000) are expected to be recovered after more than twelve months from the balance sheet date.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

28 Debtors and prepayments (Continued)

The aging analysis of the trade debtors of the Group is as follows:

	Group	
	2015	2014
	HK\$'000	HK\$'000
Below 30 days	48,637	61,053
31 to 60 days	23,339	10,495
61 to 90 days	11,767	20,559
Over 90 days	17,132	20,907
	100,875	113,014

As at 31st March, 2015, trade debtors of HK\$78,053,000 (2014: HK\$84,730,000) of the Group were neither past due nor impaired.

As at 31st March, 2015, trade debtors of HK\$22,822,000 (2014: HK\$28,284,000) of the Group were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debtors is as follows:

	Group	
	2015	2014
	HK\$'000	HK\$'000
Below 30 days	5,218	4,893
31 to 60 days	3,010	1,087
61 to 90 days	1,092	5,442
Over 90 days	13,502	16,862
	22,822	28,284

Other deposits of the Group include net deposits of HK\$286,008,000 (2014: HK\$321,515,000) for property projects and acquisition of properties and leasehold lands and land use rights in Hong Kong, the PRC and Vietnam after the accumulated provision for impairment of HK\$67,272,000 (2014: HK\$38,272,000) as at 31st March, 2015. In 2014, deposits of HK\$6,219,000 and HK\$72,909,000 had been transferred to properties for/under development (note 19) and properties for sale (note 26) respectively.

Other debtors of the Group include an amount receivable from an associated company of HK\$5,737,000 (2014: HK\$2,914,000) which is unsecured, interest free and receivable on demand.

The maximum exposure to credit risk at the balance sheet is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Debtors and prepayments are mainly denominated in Hong Kong dollar, Renminbi and United States dollar. The carrying values of debtors and prepayments approximate their fair values.

29 Loan receivable and amounts due from/(to) subsidiaries

	Company	
	2015 HK\$'000	2014 HK\$'000
Loan receivable	56,225	56,225
Amounts receivable	1,904,061	1,883,769
Provision for impairment	(1,410,236)	(1,410,236)
	493,825	473,533
Amount payable	–	66,691

The loan receivable is unsecured, interest-bearing at prevailing market rate and is not receivable within the next twelve months from the balance sheet date.

The amounts receivable are unsecured, interest free and receivable on demand.

The amount payable in 2014 was unsecured, interest free and repayable on demand.

30 Financial assets at fair value through profit or loss

	Group	
	2015 HK\$'000	2014 HK\$'000
Listed securities and bonds in Hong Kong, at market value	85,621	77,898

31 Pledged bank balances and cash and bank balances

	Group		Company	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Pledged bank balances	55,269	55,440	–	–
Cash and bank balances				
Cash at bank and in hand	853,389	833,945	3,261	2,448
Short-term deposits	1,118,784	1,487,334	882,878	1,036,403
	1,972,173	2,321,279	886,139	1,038,851
Reclassified as assets held for sale	–	(8,094)	–	–
	1,972,173	2,313,185	886,139	1,038,851
	2,027,442	2,368,625	886,139	1,038,851

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

31 Pledged bank balances and cash and bank balances (Continued)

The effective interest rates on short-term deposits range from 0.001% to 4.10% (2014: 0.001% to 2.50%) per annum and these deposits have maturities ranged from 1 to 365 days (2014: 1 to 365 days).

Pledged bank balances of HK\$55,000,000 (2014: HK\$55,000,000) and HK\$269,000 (2014: HK\$440,000) have been pledged as securities for the borrowing facilities (note 37) and the financial guarantee facilities (note 42) granted to the Group, respectively.

Cash and bank balances of HK\$84,644,000 (2014: HK\$78,019,000) are restricted and can only be used for the payments of construction costs of certain properties for sale, and the repayment of bank borrowings on these properties.

The conversion of Renminbi denominated balances into foreign currencies and the remittance of such foreign currencies denominated cash and bank balances out of the PRC are subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

Cash and bank balances (including pledged bank balances and those in assets held for sale for 2014) are denominated in the following currencies:

	Group		Company	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Hong Kong dollar	1,206,305	1,451,647	885,486	1,038,618
Renminbi	805,631	771,215	125	–
United States dollar	3,400	145,703	457	153
Others	12,106	8,154	71	80
	2,027,442	2,376,719	886,139	1,038,851

32 Assets and liabilities of disposal group classified as held for sale

	Group	
	2015	2014
	HK\$'000	HK\$'000
Assets		
Leasehold lands and land use rights	–	46,216
Property, plant and equipment	–	7,219
Cash and bank balances	–	8,094
	–	61,529
Liabilities		
Deferred taxation liabilities	–	(3,294)
	–	58,235

On 14th May, 2014, a subsidiary of the Group entered into an agreement with an independent third party to dispose of its investment in the wholly-owned subsidiaries at a consideration of approximately HK\$78.2 million. All the related assets and liabilities had been reclassified as “assets of disposal group classified as held for sale” and “liabilities of disposal group classified as held for sale” respectively as at 31st March, 2014. The transaction was completed during the year ended 31st March, 2015 and a gain on disposal was recorded by the Group in “Other income and net gain” (note 7(a)(ii) and note 43(c)).

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

33 Creditors and accruals

	Group		Company	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Trade creditors (<i>note a</i>)	67,448	51,269	–	–
Other creditors and accrued expenses (<i>note b</i>)	334,381	348,930	2,131	2,216
Provision for indemnity (<i>note c</i>)	60,901	60,886	–	–
Amounts payable to non-controlling interests (<i>note d</i>)	1,825	1,825	–	–
Tenant and other deposits	40,702	39,989	–	–
	505,257	502,899	2,131	2,216

(a) The aging analysis of the trade creditors of the Group is as follows:

	Group	
	2015 HK\$'000	2014 HK\$'000
Below 30 days	32,484	16,397
31 to 60 days	11,287	13,777
Over 60 days	23,677	21,095
	67,448	51,269

- (b) Other creditors and accrued expenses of the Group include the construction cost payables and accruals of HK\$189,295,000 (2014: HK\$225,361,000) for the property projects of the Group. In 2014, other creditors of the Group included an amount payable to an associated company of HK\$2,610,000 which was unsecured, interest free and repayable on demand. After certain settlements, the remaining outstanding amount of HK\$2,200,000 was written off during the year ended 31st March, 2015 (note 22).
- (c) On 27th May, 2013, the Vendor entered into an agreement with the Purchaser to dispose of its investment in a wholly-owned subsidiary at a consideration of HK\$1. The Vendor also executed an indemnity deed amounting to RMB48.8 million in favour of the Purchaser for a period of two years from the date of completion of the disposal on 15th August, 2013. This provision represents the Group's estimated liabilities under this indemnity deed as at 31st March, 2015.
- (d) Amounts payable to non-controlling interests are unsecured, interest free and repayable on demand.
- (e) Creditors and accruals are mainly denominated in Hong Kong dollar and Renminbi. The carrying values of creditors and accruals approximate their fair values.

34 Sales deposits received

Sales deposits received represents deposits received from the sales of properties of the Group in Hong Kong and the PRC which have not yet been recognized as revenues for the year.

35 Share capital

	2015	2014
	HK\$'000	HK\$'000
Authorized:		
2,500,000,000 shares of HK\$0.25 each	625,000	625,000
	Number of	Amount
	shares	HK\$'000
Issued and fully paid at HK\$0.25 each:		
At 1st April, 2013	1,680,550,531	420,138
2013 final scrip dividend and 2014 interim scrip dividend (<i>note 14</i>)	41,509,659	10,377
At 31st March, 2014	1,722,060,190	430,515
2014 final scrip dividend and 2015 interim scrip dividend (<i>note 14</i>)	11,669,327	2,917
At 31st March, 2015	1,733,729,517	433,432

All new shares rank pari passu with the existing shares.

The Company has adopted a share option scheme (the "Scheme") pursuant to the annual general meeting of the Company held on 31st August, 2012, which is valid and effective for a term of ten years from the date of its adoption. Under the Scheme, the Directors may grant options to the eligible persons as defined in the Scheme, inter alia, any Directors, employees or business consultants of the Company and its subsidiaries, to subscribe for shares in the Company under the terms and conditions stipulated therein. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company as at the adoption date which is 31st August, 2012. No options have been granted under the Scheme since its adoption.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

36 Reserves

Group

	Capital		Capital reserve	Statutory reserve	Investment		Retained profits	Total
	Share premium	redemption reserve			revaluation reserve	Exchange reserve		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2013	775,320	4,462	418,329	349	24,206	26,770	5,708,516	6,957,952
Profit for the year	-	-	-	-	-	-	468,530	468,530
Net exchange differences	-	-	-	-	-	(15,159)	-	(15,159)
Realization of exchange reserve upon disposal of a subsidiary	-	-	-	-	-	(241)	-	(241)
Change in fair value of available-for- sale financial assets	-	-	-	-	5,668	-	-	5,668
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	-	-	-	-	(171)	-	-	(171)
2013 final scrip dividend paid	16,047	-	-	-	-	-	(50,417)	(34,370)
2014 interim scrip dividend paid	14,480	-	-	-	-	-	(34,077)	(19,597)
At 31st March, 2014	805,847	4,462	418,329	349	29,703	11,370	6,092,552	7,362,612
Profit for the year	-	-	-	-	-	-	502,952	502,952
Net exchange differences	-	-	-	-	-	(35,710)	-	(35,710)
Realization of exchange reserve upon disposal of subsidiaries	-	-	-	-	-	(665)	-	(665)
Change in fair value of available-for- sale financial assets	-	-	-	-	20,631	-	-	20,631
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	-	-	-	-	(371)	-	-	(371)
2014 final scrip dividend paid	2,721	-	-	-	-	-	(51,662)	(48,941)
2015 interim scrip dividend paid	4,722	-	-	-	-	-	(34,538)	(29,816)
At 31st March, 2015	813,290	4,462	418,329	349	49,963	(25,005)	6,509,304	7,770,692

Statutory reserve represents enterprise expansion fund and general reserve fund set aside by subsidiaries in accordance with the relevant laws and regulations in the PRC.

36 Reserves (Continued)

Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st April, 2013	775,320	4,462	1,202,035	1,981,817
Profit for the year	–	–	32,430	32,430
2013 final scrip dividend paid	16,047	–	(50,417)	(34,370)
2014 interim scrip dividend paid	14,480	–	(34,077)	(19,597)
At 31st March, 2014	805,847	4,462	1,149,971	1,960,280
Profit for the year	–	–	9,309	9,309
2014 final scrip dividend paid	2,721	–	(51,662)	(48,941)
2015 interim scrip dividend paid	4,722	–	(34,538)	(29,816)
At 31st March, 2015	813,290	4,462	1,073,080	1,890,832

Total distributable reserves of the Company amounted to HK\$1,073,080,000 (2014: HK\$1,149,971,000) as at 31st March, 2015.

37 Borrowings

	Group	
	2015 HK\$'000	2014 HK\$'000
Unsecured bank borrowings		
Short-term bank borrowings	4,045	16,676
Long-term bank borrowings	190,245	189,536
	194,290	206,212
Secured bank borrowings		
Short-term bank borrowings	239,421	12,659
Long-term bank borrowings	3,267,075	3,033,386
	3,506,496	3,046,045
Total bank borrowings	3,700,786	3,252,257

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

37 Borrowings (Continued)

The total bank borrowings are analyzed as follows:

	2015 HK\$'000	2014 HK\$'000
Short-term bank borrowings	243,466	29,335
Long-term bank borrowings	3,457,320	3,222,922
	3,700,786	3,252,257

The long-term bank borrowings are analyzed as follows:

	2015 HK\$'000	2014 HK\$'000
Long-term bank borrowings		
Wholly repayable within five years *	1,859,504	1,851,532
Wholly repayable after five years *	1,597,816	1,371,390
	3,457,320	3,222,922
Current portion included in current liabilities		
Portion due within one year	(579,415)	(122,997)
Portion due after one year which contains a repayment on demand clause	(339,826)	(382,942)
	(919,241)	(505,939)
	2,538,079	2,716,983

* *Ignoring the effect of any repayment on demand clause*

The bank borrowings of the Group are secured by certain assets including property, plant and equipment, investment properties, leasehold lands and land use rights, properties for sale and bank deposits with an aggregate carrying value of HK\$8,258,897,000 (2014: HK\$7,083,299,000), shares of certain subsidiaries and guaranteed by the Company, Chuang's China, Midas and a subsidiary, and bank borrowings of HK\$2,695,816,000 (2014: HK\$2,494,990,000) are also secured by the assignment of rental income.

The bank borrowings are repayable in the following periods based on the agreed scheduled repayment dates set out in the loan agreements:

	2015 HK\$'000	2014 HK\$'000
Within the first year	822,881	152,332
Within the second year	639,087	888,589
Within the third to fifth years	1,133,374	1,400,209
After the fifth year	1,105,444	811,127
	3,700,786	3,252,257

37 Borrowings (Continued)

The effective interest rates of the bank borrowings at the balance sheet date range from 1.57% to 7.80% (2014: 1.46% to 7.56%) per annum. The fair values of the bank borrowings, based on the cash flows discounted at the borrowing rates of 1.57% to 7.80% (2014: 1.46% to 7.56%) per annum, approximate their carrying values and are within level 2 of the fair value hierarchy.

Bank borrowings of the Midas group amounted to HK\$10,730,000 as at 31st March, 2014 included covenants that require the maintenance of certain financial covenants by the Midas group. As at 31st March, 2014, certain of these financial covenants were not met by the Midas group. Consequently, these bank borrowings became repayable on demand as at 31st March, 2014 and were classified as current liabilities. Subsequent to 31st March, 2014, the Midas group had obtained written consent from the relevant bank that the bank agreed not to demand immediate payment as a result of the breach of financial covenants. The Board was of the opinion that the breach of covenants would not affect the financial positions of the Midas group and the Group.

As at 31st March, 2015, the Midas group had complied with all financial covenants of its bank borrowings.

The bank borrowings are denominated in the following currencies:

	2015 HK\$'000	2014 HK\$'000
Hong Kong dollar	3,222,693	2,713,256
Renminbi	310,989	366,073
Malaysian Ringgit	167,104	172,928
	3,700,786	3,252,257

The exposure of the bank borrowings to interest rate changes and the contractual repricing dates are as follows:

	2015 HK\$'000	2014 HK\$'000
6 months or less	3,594,427	3,073,461
7 to 12 months	106,359	178,796
	3,700,786	3,252,257

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

38 Convertible note

	Group	
	2015	2014
	HK\$'000	HK\$'000
At carrying value	–	59,682
At principal amount	–	61,750

The convertible note was issued by Midas to its shareholder at the principal amount of HK\$130 million on 19th September, 2007. It was denominated in Hong Kong dollar. Its coupon rate was 1% per annum and the conversion price was HK\$0.223 per share. The effective interest rate during the year was 14.86% (2014: 14.86%) per annum.

The convertible note entitles the holder an option to convert, in whole or in part, the principal amount into ordinary shares of Midas on any business day prior to five business days before its maturity date. Unless previously converted, the convertible note will be redeemed at par on its maturity date.

The convertible note was redeemed in full at par on its maturity date on 3rd August, 2014.

Midas also issued two convertible notes to the Group in the past years, in which one was redeemed in full at par on its maturity date during the year ended 31st March, 2012. The remaining one was issued to the Group at the principal amount of HK\$60 million in August 2009. There was no conversion of such convertible note into new shares of Midas during the years ended 31st March, 2015 and 2014. The remaining principal amount was approximately HK\$51.3 million as at 31st March, 2014. It was denominated in Hong Kong dollar. Its coupon rate was 1% per annum and the conversion price was HK\$0.223 per share. This convertible note was also redeemed in full at par on its maturity date on 3rd August, 2014. The respective portions of this convertible note were eliminated in the consolidated financial statements of the Group.

39 Deferred taxation liabilities

The net movements of the deferred taxation liabilities of the Group are as follows:

Group	HK\$'000
At 1st April, 2013	356,972
Changes in exchange rates	(436)
Charged to the consolidated income statement (<i>note 12</i>)	7,308
Reclassified as liabilities held for sale	(3,294)
At 31st March, 2014	360,550
Changes in exchange rates	(793)
Charged to the consolidated income statement	1,648
At 31st March, 2015	361,405

In 2015, the deferred taxation recorded in the consolidated income statement includes the write-back of the deferred taxation liabilities reclassified as liabilities held for sale of HK\$3,294,000 (2014: Nil).

39 Deferred taxation liabilities (Continued)

The movements in deferred taxation assets and liabilities of the Group (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

	Deferred taxation liabilities				Deferred taxation assets	
	Fair value gains	Revaluation of investment properties	Accelerated tax depreciation	Dividend income withholding tax	Total	Tax losses
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2013	342,140	12,622	35,739	–	390,501	(33,529)
Changes in exchange rates (Credited)/charged to the consolidated income statement	(134)	(290)	(12)	–	(436)	–
Reclassified as liabilities held for sale	(14,668)	19,973	319	–	5,624	1,684
	(3,294)	–	–	–	(3,294)	–
At 31st March, 2014	324,044	32,305	36,046	–	392,395	(31,845)
Changes in exchange rates (Credited)/charged to the consolidated income statement	133	(861)	(65)	–	(793)	–
	(18,255)	8,106	5,872	10,000	5,723	(4,075)
At 31st March, 2015	305,922	39,550	41,853	10,000	397,325	(35,920)

Deferred taxation liabilities for the fair value gains represent the deferred taxation on the differences between the carrying values of the properties and assets as included in the consolidated financial statements and the carrying values of these properties and assets as included in the financial statements of the relevant subsidiaries. The values were based on the dates of acquisition of those subsidiaries by the Group.

Deferred taxation liabilities, which are expected to be settled after twelve months from the balance sheet date, have been provided in full on temporary differences under the liability method using the applicable tax rates prevailing in the countries in which the Group operates.

Deferred taxation assets of HK\$422.3 million (2014: HK\$323.5 million) arising from unused tax losses of HK\$2,478.6 million (2014: HK\$1,894.1 million) and HK\$0.7 million (2014: HK\$0.1 million) on temporary differences in respect of accelerated tax depreciation of HK\$4.0 million (2014: HK\$0.9 million) have not been recognized in the consolidated financial statements respectively. The tax losses have no expiry dates or will expire within five years for those from the PRC.

Deferred taxation liabilities of HK\$0.9 million (2014: HK\$37.7 million) arising from withholding tax on the unremitted earnings of certain PRC subsidiaries have not been recognized in the consolidated financial statements as these earnings are expected to be reinvested.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

40 Loans and payables with non-controlling interests

Loans and payables with non-controlling interests of the Group are unsecured, interest free and not repayable within the next twelve months from the balance sheet date.

41 Commitments

(a) Capital commitments

	Group	
	2015 HK\$'000	2014 HK\$'000
Contracted but not provided for:		
Property projects and property, plant and equipment	428,034	402,393
Available-for-sale financial assets	49,964	49,952
	477,998	452,345

(b) Operating lease rental payable

The future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings is payable in the following periods:

	Group	
	2015 HK\$'000	2014 HK\$'000
Within the first year	19,503	18,416
Within the second to fifth years	17,650	34,723
	37,153	53,139

(c) Operating lease rental receivable

The future aggregate minimum lease rental income under non-cancellable operating leases in respect of properties is receivable in the following periods:

	Group	
	2015 HK\$'000	2014 HK\$'000
Within the first year	103,946	102,834
Within the second to fifth years	84,727	94,704
After the fifth year	2,275	2,140
	190,948	199,678

The Group leases properties under various agreements which will be terminated between 2015 to 2025 (2014: 2014 to 2025).

42 Financial guarantees

	Group		Company	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
Guarantees for outstanding bank borrowings of subsidiaries as at the balance sheet date (<i>note 37</i>)	–	–	3,022,216	2,778,850
Guarantee for outstanding bank borrowing of a joint venture as at the balance sheet date (<i>note 23(a)</i>)	–	–	117,000	117,000
Guarantees for mortgage loans to purchasers of properties of the Group in the PRC (<i>note</i>)	795,441	593,591	–	–
	795,441	593,591	3,139,216	2,895,850

*Note: The financial guarantees provided by the Group represented the guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees will be terminated upon the earlier of (i) the issuance of the property ownership certificates which is generally available within six months to one year after the purchasers take possession of the relevant properties; or (ii) the satisfaction of mortgage loans by the purchasers of properties. Since the Group is able to retain the purchaser's deposits and sell the properties to recover any amounts paid by the Group to the banks, the estimated net amounts required to be settled by the Group and the fair value of the financial guarantees as calculated are not material and hence not recognized in the consolidated financial statements. Bank deposits of HK\$269,000 (2014: HK\$440,000) have been pledged for such financial guarantees provided by the Group (*note 31*).*

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

43 Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to cash (used in)/from operations

	2015 HK\$'000	2014 HK\$'000
Operating profit	700,336	638,416
Interest income	(32,261)	(24,769)
Dividend income from available-for-sale financial assets	(3,784)	(2,776)
Depreciation	55,663	45,263
Amortization of leasehold lands and land use rights	21,503	2,289
Change in fair value of investment properties	(593,253)	(450,269)
Reversal of provision for impairment of trade debtors	(523)	(919)
Gain on disposal of subsidiaries	(17,107)	(40,491)
Write-back of provision for expenses undertaking	(10,224)	–
Fair value gain on transfer of properties from properties for sale to investment properties	(4,283)	(78,215)
Gain on disposal of an investment property	(11,252)	–
Net (gain)/loss on disposal of property, plant and equipment	(11,948)	60
Loss on disposal of leasehold lands and land use rights	333	–
Gain on disposal of available-for-sale financial assets	(868)	(1,894)
Provision for impairment of property, plant and equipment	–	2,321
Provision for impairment of inventories	2,855	2,423
Provision for impairment of trade debtors	1,854	2,708
Provision for impairment of other deposits	29,000	7,272
Operating profit before working capital changes	126,041	101,419
Decrease in loans and receivables	–	2,011
Increase in properties for/under development and properties for sale	(350,644)	(98,640)
(Increase)/decrease in inventories	(60,045)	1,559
Decrease in cemetery assets	1,853	1,148
Decrease/(increase) in debtors and prepayments	3,120	(24,551)
(Increase)/decrease in financial assets at fair value through profit or loss	(7,723)	169,847
Increase in creditors and accruals	51,877	14,643
(Decrease)/increase in sales deposits received	(266,461)	113,584
Cash (used in)/from operations	(501,982)	281,020

43 Notes to the consolidated cash flow statement (Continued)

(b) Analysis of cash and cash equivalents

	2015 HK\$'000	2014 HK\$'000
Cash and bank balances	1,972,173	2,313,185
Bank deposits maturing more than three months from date of placement	(769)	(44,646)
Cash and bank balances included in assets of disposal group classified as held for sale	–	8,094
Cash and cash equivalents	1,971,404	2,276,633

(c) Disposal of subsidiaries with assets and liabilities classified as held for sale

	2015 HK\$'000	2014 HK\$'000
Consideration	78,219	–
Less: Transaction costs	(821)	–
Net proceeds	77,398	–
Net assets disposed of		
Leasehold lands and land use rights	46,216	–
Property, plant and equipment	7,669	–
Other deposits	40	–
Cash and bank balances	8,094	–
Other creditors and accrued expenses	(634)	–
Net assets disposed of	61,385	–
Realization of exchange reserve upon disposal of subsidiaries	(1,094)	–
	60,291	–
Gain on disposal of subsidiaries before taxation (<i>note 7(a)(ii)</i>)	17,107	–
Less: PRC withholding corporate income tax	(6,300)	–
Add: Write-back of deferred taxation liabilities	3,294	–
Gain on disposal of subsidiaries after taxation	14,101	–

Analysis of net cash flow in respect of the disposal of subsidiaries is as follows:

Net cash consideration received	77,398	–
Less: Cash and cash balances disposed of	(8,094)	–
Net cash flow from disposal of subsidiaries	69,304	–

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31st March, 2015

44 Event after the reporting period

On 21st April, 2015, Chuang's China and its wholly-owned subsidiary entered into a sale and purchase agreement with Midas and its wholly-owned subsidiary to acquire the entire registered capital of a PRC wholly-owned subsidiary of Midas (the major assets are the land and property in the PRC) at a consideration of RMB101.6 million (equivalent to approximately HK\$127.0 million) (subject to adjustment). The transaction will be completed on the seventh business day after the last outstanding conditions precedent is fulfilled. Details of the transaction were set out in the announcement of the Company dated 21st April, 2015.

45 Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board on 29th June, 2015.

46 Principal subsidiaries

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2015	2014	
Accurate Development Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Property development and investment
Anshan Chuang's Property Development Company Limited	PRC	RMB170,000,000 (2014: RMB130,000,000)	56.5%	56.9%	Property development and investment
Anshan Chuang's Real Estate Development Company Limited	PRC	RMB210,000,000	56.5%	56.9%	Property development and investment
Chengdu Chuang's Investment Services Limited	PRC	HK\$80,000,000	56.5%	56.9%	Property development and investment
China Cyberworld Limited	Hong Kong	HK\$2 with 2 shares	56.5%	56.9%	Property development and investment
China Policy Limited	British Virgin Islands/ Vietnam	US\$1 with 1 share	100.0%	100.0%	Investment holding
Chinaculture.com Limited	British Virgin Islands/ Hong Kong	US\$1 with 1 share	56.5%	56.9%	Investment holding
* Chuang's China Investments Limited	Bermuda/Hong Kong	HK\$80,384,728 with 1,607,694,567 shares (2014: HK\$79,784,157 with 1,595,683,140 shares)	56.5%	56.9%	Investment holding
Chuang's China Realty Limited	Bermuda/Hong Kong	HK\$100,000 with 2,000,000 shares	56.5%	56.9%	Investment holding

46 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2015	2014	
Chuang's China Treasury Limited	Cayman Islands/ Hong Kong	US\$1 with 1 share	56.5%	56.9%	Investment holding
@ Chuang's Consortium Limited	Hong Kong	HK\$455,141,193 with 4,000 shares	100.0%	100.0%	Investment holding
Chuang's Credit Limited	Hong Kong	HK\$10,300,000 with 10,300,000 shares	100.0%	100.0%	Money lending
Chuang's Development (Chengdu) Limited	Hong Kong	HK\$20 with 2 shares HK\$1,000,000 with 100,000 non-voting deferred shares	56.5%	56.9%	Property investment
Chuang's Development (Dong Guan) Limited	Hong Kong	HK\$2 with 2 shares	56.5%	56.9%	Investment holding
Chuang's-Edelweiss LLC	Mongolia	US\$100,000 with 100,000 shares	53.0%	53.0%	Property development and investment
Chuang's Engineering Limited	Hong Kong	HK\$20 with 2 shares	100.0%	100.0%	Project management
Chuang's Finance & Investments Limited	Hong Kong	HK\$1,100,000 with 110,000 shares	100.0%	100.0%	Property investment
Chuang's Industrial (Holdings) Limited	Hong Kong	HK\$196,825,069 with 189,231,936 shares	100.0%	100.0%	Investment holding, hire of assets and trading of merchandises
Chuang's Properties (Central Plaza) Sdn. Bhd.	Malaysia	MYR5,000,000 with 5,000,000 shares	100.0%	100.0%	Property investment
@ Chuang's Properties International Limited	British Virgin Islands/ Hong Kong	US\$10 with 10 shares	100.0%	100.0%	Investment holding, property development and investment
Chuang's Properties Limited	Hong Kong	HK\$300,000,000 with 300,000,000 shares	100.0%	100.0%	Investment holding
Chuang's Properties Mongolia Limited	British Virgin Islands/ Mongolia	US\$1 with 1 share	100.0%	100.0%	Investment holding

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

46 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2015	2014	
Chuang's Properties Vietnam Limited	British Virgin Islands/ Vietnam	US\$10 with 10 shares	100.0%	100.0%	Investment holding
Chuang's Real Estate Agency Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Property agency services
Dongguan Chuang's Real Estate Development Company Limited	PRC	RMB135,420,000	56.5%	56.9%	Property development and investment
Dongguan Midas Printing Company Limited (note 44)	PRC	HK\$160,000,000	60.8%	60.8%	Book printing and binding and property investment
[^] Dragon Rich Investments Limited	Hong Kong	HK\$100 with 100 shares	48.0%	48.4%	Investment holding
Equity King Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Securities trading
Ever Favour Limited	Hong Kong	HK\$1 with 1 share	100.0%	100.0%	Property development and investment
Fanus Limited	British Virgin Islands/ Hong Kong	US\$100 with 100 shares	100.0%	100.0%	Investment holding
Farmtec (Malaysia) Sdn. Bhd.	Malaysia	MYR1,000,000 with 1,000,000 shares	100.0%	100.0%	Property development and investment
Fortune Wealth Memorial Park Limited	Hong Kong	HK\$10,000 with 1,000 shares	53.2%	53.2%	Investment holding
Fortune Wealth Memorial Park (Si Hui) Limited	PRC	HK\$45,700,000	50.7%	50.7%	Development and construction of cemetery and provision of related management services in the PRC
General Nominees Limited	Hong Kong	HK\$5,000 with 500 shares	100.0%	100.0%	Nominee and secretarial services
[@] Gold Throne Finance Limited	British Virgin Islands/ Hong Kong	US\$1 with 1 share	100.0%	100.0%	Investment holding
Guangdong Boluo Yuanzhou Midas Printing Limited	PRC	US\$12,500,000	60.8%	60.8%	Book printing and binding

46 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2015	2014	
Guangzhou Chuang's Investment Services Limited	PRC	RMB22,500,000	56.5%	56.9%	Investment holding and property investment
Guangzhou Panyu Chuang's Real Estate Development Company Limited	PRC	RMB60,000,000	56.5%	56.9%	Property development and investment
[^] Hunan Han Ye Real Estate Development Company Limited	PRC	RMB25,000,000	30.5%	30.7%	Property development and investment
Ilham Kencana Sdn. Bhd.	Malaysia	MYR10,000 with 10,000 shares	100.0%	100.0%	Property development and investment
Income Holdings Limited	British Virgin Islands/ Hong Kong	US\$1 with 1 share	100.0%	100.0%	Investment holding
Jannerson Limited	Hong Kong	HK\$5,000 with 5,000 shares	100.0%	100.0%	Property investment
Koledo Company Limited	Hong Kong	HK\$200 with 2 shares HK\$200 with 2 non-voting deferred shares	100.0%	100.0%	Property investment
Ladona Limited	British Virgin Islands/ Vietnam	US\$10 with 10 shares	100.0%	100.0%	Investment holding
Lambda Industrial Limited	Hong Kong	HK\$3,000,000 with 3,000,000 shares	100.0%	100.0%	Property investment
Mega Well Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Hotel operation and property investment
[*] Midas International Holdings Limited	Cayman Islands/ Hong Kong	HK\$331,081,242 with 3,310,812,417 ordinary shares (2014: HK\$220,720,828 with 2,207,208,278 ordinary shares)	60.8%	60.8%	Investment holding

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2015

46 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2015	2014	
Midas Printing International Limited	Hong Kong	HK\$7,000 with 7,000 shares	60.8%	60.8%	Trading of printed products
Midas Solution and Consulting Limited	Hong Kong	HK\$2 with 2 shares	60.8%	60.8%	Provision of information technology services
Mongolia Property Development LLC	Mongolia	US\$100,000 with 1,000 shares	100.0%	100.0%	Property development and investment
On Profit Investment Limited	Hong Kong	HK\$2 with 2 shares	56.5%	56.9%	Property development and investment
Option Success Limited	British Virgin Islands/ Mongolia	US\$1 with 1 share	100.0%	100.0%	Investment holding
@ Profit Stability Investments Limited	British Virgin Islands/ Hong Kong	US\$1 with 1 share	100.0%	100.0%	Investment holding
@ Sav Hospitality Limited	Hong Kong	HK\$1,000,000 with 1,000,000 shares	100.0%	100.0%	Hotel management
Silver Chase Investment Limited	Hong Kong	HK\$2 with 2 shares	56.5%	56.9%	Property development and investment
Silver Dragon Investment Limited	Hong Kong	HK\$2 with 2 shares	56.5%	56.9%	Property development and investment
Sintex Nylon and Cotton Products (Pte) Limited	Singapore	S\$850,000 with 8,500 shares	88.2%	88.2%	Manufacture and sale of home finishing products
Supreme Property Services Limited	Hong Kong	HK\$1,000 with 1,000 shares	100.0%	100.0%	Property management
Uniworld Property Management Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Property management
[^] Xiamen Mingjia Binhai Resort Company Limited	PRC	RMB140,000,000 (2014: RMB75,000,000)	33.6%	33.9%	Property and hotel development and investment

* Listed in Hong Kong

@ Directly held by the Company

[^] As at 31st March, 2015, these companies are subsidiaries of Chuang's China of which the Group holds 56.5% (2014: 56.9%) equity interest. Accordingly, these companies are classified as subsidiaries of the Group.

47 Principal associated companies

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2015	2014	
Marigondon Realty & Development Co., Inc.	Philippines	PHP6,000,000 with 6,000 shares	40.0%	40.0%	Hotel operation
Pacific Cebu Resort International, Inc.	Philippines	PHP70,000,000 with 70,000 shares	40.0%	40.0%	Hotel operation
[^] Treasure Auctioneer International Limited	British Virgin Islands/ Hong Kong	US\$1,000,000 with 1,000,000 shares	14.1%	14.2%	Auction services

[^] As at 31st March, 2015, it is an associated company of Chuang's China of which the Group holds 56.5% (2014: 56.9%) equity interest. Accordingly, it is classified as an associated company of the Group.

Particulars of Principal Properties

The following list contains only properties held by the Group as at 31st March, 2015 which are material to the Group as the Directors are of the opinion that a complete list will be of excessive length.

1. Investment/Hotel properties

Location	Term	Usage	Group's interest
Hong Kong			
Chuang's Tower, Nos. 30–32 Connaught Road Central, Central, M.L. Nos. 376, 410 and 375	Long lease	Commercial/Offices	100.0%
Chuang's London Plaza, No. 219 Nathan Road, Tsim Sha Tsui, K.I.L. No. 6345	Medium lease	Commercial	100.0%
No. 15 Gough Hill Road, The Peak, R.B.L. No. 723	Medium lease	Residential	100.0%
House A, No. 37 Island Road, Deep Water Bay, R.B.L. No. 599	Medium lease	Residential	100.0%
Hotel sáv No. 83 Wuhu Street, Hungom, H.H.I.L. Nos. 428, 440 S.A., 440 R.P., 304, 305, 394, 462, 443, 456, 455, 470, 466 and 452	Medium lease	Hotel/Commercial	100.0%

1. Investment/Hotel properties (Continued)

Location	Term	Usage	Group's interest
Malaysia			
Central Plaza, No. 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Lot no. 1262, Section 57, Kuala Lumpur, Federal Territory	Freehold	Commercial/Offices/ Carparking spaces	100.0%
The People's Republic of China			
Chuang's Le Papillon, Guangzhou, Guangdong			
– Phase II: Commercial podium	Medium lease	Commercial	56.5%
– Remaining: Commercial podium	Medium lease	Commercial, planning stage	56.5%
Chuang's New City, Dongguan, Guangdong			
– Gold Coast: Club house	Medium lease	Commercial	56.5%
– Imperial Garden Phase I: Commercial podium	Medium lease	Commercial	56.5%
– Imperial Garden Phase III: Commercial podium	Medium lease	Commercial, works in progress	56.5%
6th Floor, Chengdu Digital Plaza, No. 1 Renmin South Road, Section 4, Wuhou District, Chengdu, Sichuan Province	Medium lease	Commercial	56.5%
Commercial podium, Chuang's Mid-town, Anshan, Liaoning	Medium lease	Commercial, works in progress	56.5%

Particulars of Principal Properties (Continued)

2. Property projects

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Hong Kong					
Parkes Residence, No. 101 Parkes Street, K.I.L. No. 1511, R.P.S.A., S.D., S.E., S.S.2.S.C., R.P.S.C. and S.B. of K.I.L. No. 1510	Internal and external finishing works in progress	Within the financial year ending 2016	Residential/ Commercial	Site area – about 4,882 sq. ft. Gross floor area – about 44,000 sq. ft.	100.0%
Villa 28 and Villa 30, Po Shan Road, I.L. No. 6070	Demolition works completed, plans for site formation and foundation works approved	N/A	Residential	Site area – about 10,000 sq. ft. Gross floor area – about 40,632 sq. ft.	50.0%
Yip Wong Road, Tuen Mun Town Lot No. 514, Tuen Mun, New Territories	Ground investigation works completed	2019	Residential/ Commercial	Site area – about 2,428 sq. m. Gross floor area – about 13,290 sq. m.	56.5%
Taiwan					
sáv Residence, Xinyi District, Taipei City	Completed	Completed	Residential	Site area – about 12,500 sq. ft. Gross floor area for registration – about 20,600 sq. ft.	100.0%
Vietnam					
Greenview Garden, Thu Duc District, Ho Chi Minh City	Construction permit obtained	N/A	Residential/ Commercial	Site area – about 20,300 sq. m. Gross floor area – about 94,000 sq. m.	100.0%

2. Property projects (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Mongolia					
International Finance Centre, Sukhbaatar District, Ulaanbaatar	Foundation works completed	N/A	Commercial/ Offices	Site area – about 3,272 sq. m. Gross floor area – estimated to be about 40,000 sq. m.	100.0%
The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar					
– First tower	Superstructure works in progress	First quarter of 2017	Residential/ Commercial	Site area – about 3,600 sq. m. Gross floor area – about 19,000 sq. m.	53.0%
The People's Republic of China					
Chuang's Le Papillon, Guangzhou, Guangdong					
– Phase I and II: Block A to N	Completed	Completed	Residential/ Commercial	Site area – about 119,721 sq. m. Gross floor area – about 27,697 sq. m. (and 1,114 carparking spaces)	56.5%
Block P	Superstructure works completed	Second half of 2015	Residential	Site area – about 3,309 sq. m. Gross floor area – about 6,987 sq. m.	56.5%
– Remaining	Strategic planning stage	N/A	Comprehensive development area	Site area – about 93,476 sq. m.	56.5%

Particulars of Principal Properties (Continued)

2. Property projects (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
The People's Republic of China (Continued)					
Imperial Garden, Chuang's New City, Dongguan, Guangdong					
- Phase I and II: Block 1 to 14	Completed	Completed	Residential	Site area - about 33,275 sq. m. Gross floor area - about 26,905 sq. m. (and 113 carparking spaces)	56.5%
- Phase III: Block 29 to 31	Superstructure works in progress	2016-2017	Residential/ Commercial	Site area - about 6,610 sq. m. Gross floor area - about 40,341 sq. m.	56.5%
- Phase IV: Block 15 to 20	Planning stage	N/A	Residential	Site area - about 22,763 sq. m. Gross floor area - about 83,000 sq. m.	56.5%
- Remaining: Block 21 to 55 (excluding Block 29 to 31)	Planning stage	N/A	Comprehensive development area	Site area - about 129,203 sq. m. Gross floor area - about 232,501 sq. m.	56.5%

2. Property projects (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
The People's Republic of China (Continued)					
sáv Resort & Spa, Xiamen, Fujian	Fitting out works in progress	Second half of 2015	Resort and villa	Site area – about 27,574 sq. m. Gross floor area – about 18,000 sq. m.	33.6%
Chuang's Mid-town, Anshan, Liaoning	Superstructure works in progress	2016–2017	Comprehensive development area	Site area – about 11,000 sq. m. Gross floor area – about 100,000 sq. m.	56.5%
Chuang's Plaza, Anshan, Liaoning	Master planning in progress	N/A	Comprehensive development area	Site area – about 39,500 sq. m. Gross floor area – about 390,000 sq. m.	56.5%
Phase I, Beverly Hills, Changsha, Hunan	Completed	Completed	Residential	Site area – about 95,948 sq. m. Gross floor area – about 19,000 sq. m.	30.5%
	Superstructure works completed	N/A	Commercial	Gross floor area – about 11,600 sq. m.	30.5%

Summary of Financial Information

Results

	2011 HK\$'000	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000
Revenues	382,785	2,207,128	1,100,345	1,389,053	1,521,709
Profit attributable to equity holders	789,686	901,313	1,147,641	468,530	502,952
Earnings per share (HK cents)	51.20	57.07	70.88	27.71	29.17
Dividend per share (HK cents)					
Interim	1.80	2.00	2.00	2.00	2.00
Final	3.20	3.50	3.00	3.00	3.00
Total	5.00	5.50	5.00	5.00	5.00

Assets and liabilities

	2011 HK\$'000	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000
Non-current assets	5,202,504	6,372,086	7,719,567	8,679,319	9,387,831
Current assets	4,895,714	4,883,002	5,138,575	5,580,216	5,504,908
Total assets	10,098,218	11,255,088	12,858,142	14,259,535	14,892,739
Total liabilities	(3,750,536)	(3,536,371)	(4,014,780)	(4,988,381)	(5,161,742)
Non-controlling interests	(952,616)	(1,477,061)	(1,465,272)	(1,478,027)	(1,526,873)
Shareholders' funds	5,395,066	6,241,656	7,378,090	7,793,127	8,204,124
Net asset value per share (HK\$)	3.42	3.92	4.39	4.53	4.73

Net debt to equity ratio

	2011 HK\$'M	2012 HK\$'M	2013 HK\$'M	2014 HK\$'M	2015 HK\$'M
Cash and bank balances and investments held for trading	1,788.9 [@]	2,220.7	2,081.3 [#]	2,454.6 [#]	2,113.1[#]
Bank borrowings	2,562.6	2,335.7	2,557.8	3,252.3	3,700.8
Net debt to equity ratio (%)	14.3	1.8	6.5	10.2	19.4

[@] Included restricted bank balance which was released as bank balances of the Group in April 2011.

[#] Included pledged bank balances and those in assets held for sale.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of Chuang's Consortium International Limited (the "Company") will be held at Chater Room, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Monday, 31st August, 2015 at 12:00 noon for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and the auditor for the year ended 31st March, 2015.
2. To declare a final dividend.
3.
 - (a) To re-elect Mr. Albert Chuang Ka Pun as an executive Director;
 - (b) To re-elect Miss Candy Chuang Ka Wai as an executive Director;
 - (c) To re-elect Mr. Lui Lop Kay as an executive Director;
 - (d) To re-elect Mr. Chan Chun Man as an executive Director;
 - (e) To authorize the board of Directors to fix the remuneration of the Directors.
4. To re-appoint PricewaterhouseCoopers as the auditor and to authorize the board of Directors to fix its remuneration.
5. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

Ordinary Resolutions

- (A) **"THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of HK\$0.25 each (the "Shares") in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of Shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the number of the issued Shares of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

Notice of Annual General Meeting (Continued)

- (c) for the purpose of this Resolution, "**Relevant Period**" means the period from the date of the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution."

(B) **"THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares of the Company and to make or grant offers, agreements, options and other rights, or issue warrants and other securities, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and other rights, and issue warrants and other securities, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or to be allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:
 - (i) a Rights Issue (as defined below); or
 - (ii) the exercise of any option under any option scheme of the Company; or
 - (iii) an issue of Shares upon exercise of the subscription or conversion rights attaching to or under the terms of any warrants of the Company; or
 - (iv) any scrip dividend or similar arrangement in accordance with the Bye-laws of the Company; or
 - (v) a specific authority granted by the shareholders of the Company in general meeting,

shall not in aggregate exceed 20 per cent. of the number of the issued Shares of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution; and

“Rights Issue” means an offer of Shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors of the Company, to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to be offered to them) on a fixed record date in proportion to their then holdings of Shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong.”

- (C) **“THAT** subject to the passing of Resolutions numbered 5(A) and 5(B), the general mandate granted to the Directors of the Company to allot, issue and deal with unissued Shares in the capital of the Company pursuant to Resolution numbered 5(B) be and is hereby extended by the addition thereto of the number of Shares of the Company repurchased by the Company under the authority granted pursuant to the general mandate to repurchase Shares (as referred to in Resolution numbered 5(A) set out in the notice convening this meeting), provided that such amount of securities so repurchased shall not exceed 10 per cent. of the number of the issued Shares of the Company at the date of the ordinary resolution approving the said general mandate to repurchase Shares.”

6. To transact any other business.

By order of the Board of
Chuang’s Consortium International Limited
Lee Wai Ching
Company Secretary

Hong Kong, 30th July, 2015

Notice of Annual General Meeting (Continued)

Notes:

1. Any member entitled to attend and vote at the annual general meeting of the Company (the "AGM") is entitled to appoint one or more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
3. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25th August, 2015 to Monday, 31st August, 2015, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24th August, 2015.
4. The board of Directors has recommended a final scrip dividend (with a cash option) of 3.0 HK cents per share.
5. The proposed final dividend is subject to the approval of the shareholders at the AGM. The record date for entitlement to the proposed final dividend is Friday, 11th September, 2015. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 7th September, 2015 to Friday, 11th September, 2015, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 4th September, 2015.
6. Concerning Resolutions numbered 3 and 5 above, the information necessary to enable the shareholders to make decisions on whether to vote for or against the Resolutions, as required by the Listing Rules, will be set out in a separate document from the Company to be enclosed with the 2015 Annual Report.



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www.chuang-consortium.com

Stock Code: 367