Vision Fame International Holding Limited

允升國際控股有限公司

(incorporated in the Cayman Islands with limited liability)
Stock Code: 1315

Annual Report 2016

Contents

Corporate Information

Executive Directors

Chau Chit *(Chairman)*
(appointed as executive director on 22 July 2015 and as Chairman on 23 September 2015)
Hu Baoyue *(Acting Chief Executive Officer)*
Kwan Ngai Kit
Wang Zhijun *(ex-Chairman)*
(resigned as Chairman and executive director on 23 September 2015)

Non-executive Director

Chen Guobao (appointed on 23 September 2015)

Independent Non-Executive Directors

Tam Tak Kei Raymond
Wong Kai Tung Simon
Wong Wai Kwan (appointed on 22 July 2015)
Chiu Sai Chuen Nicholas (resigned on 23 September 2015)

Company Secretary

Kwan Ngai Kit

Audit Committee

Tam Tak Kei Raymond *(Chairman)*
Wong Kai Tung Simon
Wong Wai Kwan (appointed on 22 July 2015)
Chiu Sai Chuen Nicholas (resigned on 23 September 2015)

Remuneration Committee

Wong Kai Tung Simon *(Chairman)*
Chau Chit (appointed on 22 July 2015)
Chen Guobao (appointed on 23 September 2015)
Hu Baoyue
Tam Tak Kei Raymond
Wong Wai Kwan (appointed on 22 July 2015)
Wang Zhijun (resigned on 23 September 2015)
Chiu Sai Chuen Nicholas (resigned on 23 September 2015)

Nomination Committee

Chau Chit *(Chairman)*
(appointed as committee member on 22 July 2015 and as Chairman on 23 September 2015)
Hu Baoyue
Chen Guobao (appointed on 23 September 2015)
Tam Tak Kei Raymond
Wong Kai Tung Simon
Wong Wai Kwan (appointed on 22 July 2015)
Wang Zhijun (resigned on 23 September 2015)
Chiu Sai Chuen Nicholas (resigned on 23 September 2015)

Registered Office

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

Head Office and Principal Place of Business in Hong Kong

Room 2002, 118 Connaught Road West
Sai Ying Pun, Hong Kong

Authorised Representatives

Chau Chit
Kwan Ngai Kit

Auditor

Ernst & Young
22/F., CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Legal Advisers

As to Hong Kong law
Simmons & Simmons
13/F., One Pacific Place
88 Queensway
Hong Kong

As to the Cayman Islands law
Appleby
2206–19 Jardine House, 1 Connaught Place
Central, Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
DBS Bank (Hong Kong) Limited
DBS Bank Limited
Malayan Banking Berhad
Bank of China (Hong Kong) Limited

Principal Share Registrar and Transfer Office

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Suites 3301–04, 33/F, Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

Company Website

www.visionfame.com

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors"), I am pleased to present the annual results of Vision Fame International Holding Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2016 ("Fy2016").

For Fy2016, the turnover of the Group increased to approximately HK$2,503 million from approximately HK$1,776 million for financial year ended 31 March 2015 ("Fy2015"), representing an increase of approximately 1.41 times compared with Fy2015. The profit attributable to shareholders of the Company is approximately HK$19.9 million (Fy2015: loss of approximately HK$117.3 million). Basic earnings per share is approximately HK$0.9 cent (Fy2015: loss of approximately HK$7.82 cents) and diluted earnings per share is approximately HK$0.89 cent (Fy2015: loss of approximately HK$7.82 cents). The Board does not recommend any payment of dividends for Fy2016 (Fy2015: Nil).

Business Review

Fy2016 was a challenging year for the Group as the Group had been loss-making in the past 2 years which has affected the financial position of the Group during the Fy2016. Following the adoption of various measures, included (i) the disposals of non-core assets; (ii) the adoption of a more proactive customer reach approach; (iii) the adoption of a prudence approach when submitting new tenders; and (iv) contemplating possible ways to reduce the potential loss of the construction-related business, to ease the operating loss from the existing businesses of the Group in Fy2016, the Group has managed to not only reduce the loss from its existing businesses significantly but also record a slight profit in Fy2016. The Board appreciated the dedication and the commitment demonstrated by the management of the Group who are the key to turn around the Group's operating results in Fy2016.

Prospect

Graphene production business

In February 2016, the Group has successfully completed shares subscriptions and issuance of a convertible bond which (a) raised aggregate net proceeds of HK$289 million to the Company and (b) introduced the graphene production business to the Group with a strategic cooperation entered with Mr. Dai Jia Long ("Mr. Dai") who possesses the knowledge and expertise in the commercial production of graphene.

Graphene has a molecular structure comprising a single layer of carbon atoms bonded in a hexagonal structure and might be the strongest and thinnest material known to exist in nature. The material is also found to have other properties, including good elasticity, light weight, exceptionally high electronic and thermal conductivities, bacteriostasis, memory function and impermeability. Given the combination of properties of graphene itself, its downstream application is extensive. Examples of the uses of graphene include but not limited to energy storage (e.g. batteries), anti-corrosion coatings, electromagnetic coatings, thermally-conductive lubricants that reduce wear and friction, conductive paints to reduce the use of volatile organic compounds, high-sensitivity biological and chemical sensor.

The Board considers the development of the graphene production business to be a prime business opportunity, having taken into account (i) the long-term prospects of the graphene industry; (ii) the proven success of Mr. Dai in producing steady high-quality graphene; (iii) the technical cooperation agreement with The National Centre for Nanoscience and Technology of China ("NCNTC") in respect of the establishment of The Joint Engineering Laboratory for Research and Applications of Graphene for a term of 3 years; (iv) the technical cooperation agreement with Marine Chemical Research Institute ("MCRI") for research and applications of graphene in anti-erosion coatings and paints for a term of 3 years; (v) the satisfactory result of trial run of first graphene production line; (vi) the positive developments of graphene coatings applications by MCRI; and (vii) the Group's wide connection with different industrialists, governmental institutes and scientific research institutes that the Group could capitalise on, the Board is confident that the Group is well positioned to tap into the business of commercial production of high-quality graphene and it would be able to establish a foremost position in the currently fragmented and unfulfilled market.

Up to date of this report, the development progress of the graphene production business is good and met with the Board's expectation. The installation and trial run of the first graphene production line with annual capacity of approximately 3.5 tonnes was completed in April 2016 and the quality of its graphene outputs were affirmed by both NCNTC and MCRI. In June 2016, MCRI informed that there are positive developments in research and development of graphene based coatings applications using the graphene outputs. It is expected that the graphene production business would generate revenue in mid or late 2016 and profit in the first half of 2017.

Construction and other businesses

The Company intended to continue with its construction and other businesses. In relation to the construction-related business, although the shortage in skilled labour in Hong Kong is still the most challenging factor that the construction business of the Group is facing, the Board is confident that the Group would be capable of securing promising business opportunities given its vast experience in handling a wide variety of construction works for over two decades in the past. The Group will continue to adopt various measures to improve the operating results of the construction-related business of the Group. On the other hand, the property development and provision of related management and advisory services business has been unfavorably affected by the disposal of the property under development in Australia during Fy2016 and its performance has been deteriorating since then. The Board will monitor its situation closely and take appropriate actions when it is needed.

Appreciation

Finally, I would like to take this opportunity to express my gratitude to our shareholders and business partners for their support to and trust in the Board. My gratitude also extends to our management and staff for their loyalty and diligence in the achievements of the Group.

Chau Chit
Chairman
Vision Fame International Holding Limited
28 June 2016

Management Discussion and Analysis

(1) Results for the Year

Turnover of the Group has increased from approximately HK$1,776 million in the year ended 31 March 2015 ("Fy2015") to approximately HK$2,503 million in the year ended 31 March 2016 ("Fy2016"), representing an increase of approximately HK$727 million or approximately 41% as compared with Fy2015. In Fy2016, the Group recorded a gross profit of approximately HK$75 million (Fy2015: gross loss approximately HK$23 million). Increase in turnover was mainly attributable to (i) increase in turnover of the graphene production and trading of metal and materials segment as the trading of metal and materials business had a full twelve months of operations in the Fy2016 compared with less than eight months of operations in Fy2015; and (ii) increase in turnover of the property maintenance segment as a result of improvement in progress of property maintenance contracts achieved.

In Fy2016, the Group recorded a profit of approximately HK$19.9 million as compared to a loss of approximately HK$117.3 million of Fy2015. The main reasons for the turnaround into profit are: (i) improvement in gross profits of the building construction segment as a result of a more proactive customer reach approach adopted and stringent cost control imposed by the Group; (ii) improvement in gross profits of the property maintenance segment as a result of improvement in progress of property maintenance contracts achieved; and (iii) a gain on disposal of an office premise in Hong Kong to an independent third party of approximately HK$23 million was recognised in Fy2016.

During Fy2016, the Group had won 22 new contracts with total contract value amounting to approximately HK$1,206 million of which 4 contracts with total contract value of approximately HK$20 million were of the building construction segment; 2 contracts with total contract value of approximately HK$766 million were of the property maintenance segment and 16 contracts with total contract value of approximately HK$420 million were of the alterations, renovation, upgrading and fitting-out works segment. As at 31 March 2016, the Group had projects in progress with total contract sum of approximately HK$3,905 million.

During the period of Fy2016 and up to the date of this report, the Group has entered into several new contracts with total contract value of approximately HK$137 million.

Other income for Fy2016 was approximately HK$32.8 million representing an increase of approximately HK$25.7 million as compared with Fy2015 of approximately HK$7.1 million. The substantial increase in other income was mainly due to a gain on disposal of an office premise in Hong Kong to an independent third party of approximately HK$23 million.

Profit attributable to owners of the Company in Fy2016 is approximately HK$19.9 million as compared with a loss of approximately HK$117.3 million in Fy2015.

Basic earnings per share is approximately HK$0.9 cent (Fy2015: loss of approximately HK$7.82 cents) and diluted earnings per share is approximately HK$0.89 cent (Fy2015: loss of approximately HK$7.82 cents).

(2) Review of Operations

(i) Building Construction

The building construction segment recorded revenue of approximately HK$470 million for Fy2016 (Fy2015: approximately HK$558 million). Segment profit for Fy2016 was approximately HK$22.5 million compared with segment loss approximately HK$35.6 million in Fy2015. The change from segment loss to segment profit was mainly attributable to improvement in gross profits as a result of a more proactive customer reach approach adopted and stringent cost control imposed by the Group.

(ii) Property Maintenance

The property maintenance segment reported a continuous growth in segment revenue. The segment revenue for Fy2016 was approximately HK$468 million, up by 66% from approximately HK$282 million in Fy2015, and segment profit for Fy2016 was approximately HK$22.8 million as compared with segment loss of approximately HK$14.8 million in Fy2015. The change from segment loss to segment profit was mainly attributable to the improvement in gross profits as a result of the improvement in progress of property maintenance contracts achieved.

(iii) Alterations, Renovation, Upgrading and Fitting-out ("A&A") Works

Revenue for the A&A works segment for Fy2016 was approximately HK$477 million (Fy2015: approximately HK$406 million) and segment profit was approximately HK$21.6 million (Fy2015: approximately HK$26.4 million). The overall result in this segment was increase in segment revenue and decrease in segment profit as compared with Fy2015. Increase in segment revenue was mainly due to the increased number of projects carried out in Fy2016. The decrease in segment profit was due to the increase in construction costs.

(iv) Graphene Production and Trading of Metal and Materials

Revenue for the graphene production and trading of metal and materials segment for Fy2016 was approximately HK$1,052 million (Fy2015: approximately HK$528 million) and segment profit was approximately HK$1.9 million (Fy2015: approximately HK$1.4 million). Increase in segment revenue and segment profit of the graphene production and trading of metal and materials segment was mainly attributable to the fact that the trading of metal and materials business had a full twelve months of operations in the Fy2016 compared with less than eight months of operations in Fy2015. There was no revenue recorded for the graphene production business as it was still in the development phase in Fy2016.

(v) Property Development and Provision of Related Management and Advisory Services ("PDMAS")

PDMAS recorded revenue and profit of approximately HK$36 million (Fy2015: approximately HK$3 million) and approximately HK$10.4 million (Fy2015: loss of approximately HK$0.1 million), respectively. The increase in segment revenue and profit was mainly due to (i) the PDMAS had a full twelve months of operations in the Fy2016 compared with two months of operations in Fy2015 and (ii) the disposal of property under development in Australia which recorded revenue and gross profit of approximately HK$25.6 million and HK$0.5 million, respectively, in Fy2016. In Fy2015, an impairment loss of the property under development in Australia of approximately HK$3.2 million was recognised as a result of decrease in its market value.

(3) Capital Structure

Shares subscriptions and the issue of a convertible bond

On 16 December 2015, the Company entered into:

(i) with Mr. Dai, an independent third party at that time, a subscription agreement, pursuant to which the Company will allot and issue, and Mr. Dai will subscribe for, 120,000,000 subscription shares at the subscription price of HK$0.3 per share (the "Subscription Price");

(ii) with Mega Start Limited ("Mega Start"), a substantial shareholder and a company wholly owned by Mr. Chau Chit ("Mr. Chau") (being the Chairman of the Company and an executive Director), (a) a subscription agreement, pursuant to which, the Company will allot and issue, and Mega Start will subscribe for, 90,000,000 subscription shares at the Subscription Price; and (b) a convertible bond agreement, pursuant to which, the Company will issue, and Mega Start will subscribe for, a convertible bond in a principal amount of HK$24,000,000 (the "Convertible Bond"); and

(iii) with eight investors (the "Investors"), each of whom is an independent third party and not related to each other, subscription agreements, respectively, pursuant to which, the Company will allot and issue, and the Investors will subscribe for, a maximum of 690,000,000 subscription shares at the Subscription Price (collectively, the "Shares and Convertible Bond Subscriptions").

On 3 February 2016, the Company completed the Shares and Convertible Bond Subscriptions. As a result, a total of 900,000,000 subscription shares with aggregate nominal value of HK$9,000,000 have been subscribed for cash and duly allotted and issued to the subscribers, included Mr. Dai, Mega Start and the Investors, and the Convertible Bond in the principal amount of HK$24,000,000 has been subscribed for cash and duly issued to Mega Start. The aggregate net proceeds from the Shares and Convertible Bond Subscriptions are approximately HK$289,000,000 after deducting relevant expenses raised. The net proceeds from the issue of the subscription shares are applied for development of the new graphene production business and the net proceeds from the issue of the Convertible Bond are applied for general working capital of the Group other than for the graphene production business. Details of the Shares and Convertible Bond Subscriptions are set out in the Company's announcements dated 16 December 2015 and 3 February 2016 and the Company's circular dated 15 January 2016.

In accordance with the intended uses of the net proceeds set out in the section "Use of proceeds" in the circular of the Company dated 15 January 2016, the net proceeds received were applied during the year ended 31 March 2016 as follows:

Intended application of the net proceeds	**Amount to be utilised** (HK$ million)	**Amount utilised in Fy2016** (HK$ million)	**Unutilised as at 31 March 2016** (HK$ million)
Setting up of the production plant and ancillary facilities for the new graphene production business	20	—	20
Installation of production lines	110	—	110
Establishment of the product quality control and testing centre	60	1.6	58.4
Recruitment of professional staff for the graphene production business, and establishments of scientific laboratories jointly with governmental institutes and universities	20	—	20
General working capital for the Group	79	2.3	76.7
Total	289	3.9	285.1

The Group held the unutilised net proceeds in cash at banks, short-term deposits or time deposits with banks in Hong Kong and the People's Republic of China as at 31 March 2016.

As at 31 March 2016, the Company's authorised share capital was HK$20,000,000 divided into 2,000,000,000 shares of HK$0.01 each, of which 1,200,000,000 ordinary shares were in issue and fully paid.

Share subdivision

By an ordinary resolution passed at the extraordinary general meeting on 29 April 2016, each of the existing issued and unissued ordinary shares of HK$0.01 each in the share capital of the Company was subdivided into five ordinary shares of HK$0.002 each (the "Subdivided Shares")(the "Share Subdivision"). Upon the Share Subdivision having became effective on 3 May 2016 and at the date of this report, the Company's authorised share capital was HK$20,000,000 divided into 10,000,000,000 ordinary shares of HK$0.002 each, of which 6,000,000,000 ordinary shares were in issue and fully paid. Details of the Share Subdivision are set out in the Company's announcements dated 23 March 2016 and 29 April 2016 and the Company's circular dated 13 April 2016.

(4) Financial Position

Except for the funds raised from the Shares and Convertible Bond Subscriptions during Fy2016 for the development of graphene production business as mentioned in section (3) Capital Structure above, the Group mainly relies upon funds generated internally together with bank and other loans to finance its operations and expansion.

The Group has certain portion of bank balances and cash denominated in currencies other than the functional currencies of the relevant entities to which they relate. In addition, the Group's sales and purchases are mainly transacted in Hong Kong dollar, United States dollar, Singapore dollar and Renminbi. Given that the exchange rates of such foreign currencies against Hong Kong dollar, our reporting currency, are relatively stable, the management believes that the foreign currency exchange risk is insignificant to the Group. As such, during Fy2016 and Fy2015, the Group does not have any financial instruments for currency hedging purpose but will consider hedging significant foreign currency exposure should the need arise.

Total interest bearing loans have decreased from HK$207 million as at 31 March 2015 to HK$174 million as at 31 March 2016. All borrowings were denominated in Hong Kong dollar, Singapore dollar and Renminbi. The Group's net cash balance have increased from 31 March 2015 of approximately HK$175.5 million to 31 March 2016 of approximately HK$456.2 million. The net cash balance is calculated by adding the pledged bank deposits, restricted cash and cash and cash equivalents and then subtracting interest-bearing bank and other borrowings in current portion. The increase in net cash balance was mainly due to the funds raised from the Shares and Convertible Bond Subscriptions in February 2016.

At the end of the reporting period, the Group had pledged the following assets to banks and an insurance company to secure the banking facilities and performance bonds granted to the Group:

	31 March 2016 HK$'000	31 March 2015 HK$'000
Property, plant and equipment	**Nil**	7,560
Other receivables	**14,692**	11,177
Bank deposits	**39,816**	19,717
Cash at bank	**20,550**	Nil
Bills receivables	**Nil**	30,659
	75,058	69,113

The Group currently does not have an interest rate hedging policy and the Group monitors interest risks continuously and considers hedging any excessive risk when necessary. At 31 March 2016, the Group has been granted total banking facilities of approximately HK$98 million (as at 31 March 2015: approximately HK$80.6 million). An amount of approximately HK$59.3 million (as at 31 March 2015: approximately HK$34.2 million) remained unutilised.

(5) Credit Risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 March 2016 and 31 March 2015 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statements of financial position and the amount of contingent liabilities in relation to financial guarantees issued by the Group. To minimise the credit risk, the management of the Group has delegated a team responsible for determination of monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivables regularly at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

(6) Liquidity and Financial Resources

The Group's liquidity and gearing ratio remain well managed as of the year end. As at 31 March 2016, the gearing ratio of the Group was 18.0% (31 March 2015: 26.7%). The gearing ratio is calculated by dividing total interest-bearing loans with total assets as at reporting date multiplied by 100%. The decrease in gearing ratio was mainly due to the net proceeds of HK$289 million injected to the Group by the Shares and Convertible Bond Subscriptions in February 2016.

As at 31 March 2016, current assets and current liabilities were stated at approximately HK$944.3 million (as at 31 March 2015: approximately HK$734.8 million) and approximately HK$458.8 million (as at 31 March 2015: approximately HK$572.2 million), respectively. The current ratio increased from 1.28 times as at 31 March 2015 to 2.06 times as at 31 March 2016 as a result of the Shares and Convertible Bond Subscriptions in February 2016. The current ratio is calculated by dividing current assets with current liabilities as at the end of respective period.

The management and control of the Group's financial, capital management and external financing functions are monitored centrally by our Group's finance department in Hong Kong. The Group adheres to prudent financial management principles in order to control and minimise financial and operational risks.

The Group's financial position is sound and strong. With its available bank balances and cash and existing available bank credit facilities, the Group has sufficient liquidity and financial resources to satisfy its foreseeable financial requirements.

(7) Contingent Liabilities and Capital Commitments

At the end of each reporting period, the Group had provided the following guarantees:

	31 March 2016 HK$'000	31 March 2015 HK$'000
Guarantees in respect of performance bonds in favor of its clients	**141,189**	164,306

The Group did not have any significant capital commitment as at 31 March 2016 and 31 March 2015.

(8) Available-For-Sale Investments

As at 31 March 2016, the Group has available-for-sale investments of approximately HK$3.4 million (as at 31 March 2015: approximately HK$7.9 million), which comprised primarily investment in the listed shares of a listed company in Singapore, HLH Group Limited. As at 31 March 2016, the Group held 89,400,000 shares (as at 31 March 2015: held 89,400,000 shares). An impairment loss of approximately HK$4.1 million (Fy2015: HK$2.9 million) is recorded in profit or loss in Fy2016 as a result of the prolonged decline in the market value of the listed shares. The fair values of the above listed shares are determined based on the quoted bid prices available on the Singapore Exchange Limited.

(9) Movement of Incomplete Contracts for the Year Ended 31 March 2016

	31 March 2015 HK$'000	**Contracts Secured** HK$'000	**Contracts Completed** HK$'000	**31 March 2016** **HK$'000**
Building Construction	1,492,626	19,671	400,996	**1,111,301**
Property Maintenance	1,217,918	766,483	—	**1,984,401**
Alteration, Renovation, Upgrading and Fitting-Out Works	656,932	420,296	267,748	**809,480**
	3,367,476	1,206,450	668,744	**3,905,182**

Building Construction segment

Contracts secured for the year ended 31 March 2016

Contracts	**Commencement date**	**Contract value** HK$'000
Bored piling works for proposed alteration and addition to existing Teck Whye Primary School and West View Primary School, Singapore	June 2015	7,488
Bored piling works for proposed multi storey carparks Batch 5 at Teck Whye Avenue (CK6) and Bedok Reservoir (KE3), Singapore	June 2015	7,356
Bored piling works for proposed 8 storey multiple user light industrial (B1) development with basement carpark at 2 Pereira Road, Singapore	July 2015	2,953
Bored piling works for proposed erection of a 5-storey residential flat development at Truro Road, Singapore	January 2016	1,874
Total		19,671

Property Maintenance segment

Contracts secured for the year ended 31 March 2016

Contracts	Commencement date	Contract value HK$'000
Term contract for minor works 2015 for Kowloon East and Central Clusters of hospitals, Hong Kong	June 2015	726,483
Renovation of vacant quarters for The University of Hong Kong	August 2015	40,000
Total		766,483

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts secured for the year ended 31 March 2016

Contracts	Commencement date	Contract value HK$'000
Main contract for proposed alteration & addition at B/F–3/F, block E & F, Harbour City, Kowloon, Hong Kong	April 2015	65,322
Replacement of curtain wall and external wall painting at headquarters and flight training centre, Hong Kong	June 2015	88,208
Repair works for Kiangsu & Chekiang Primary School, North Point, Hong Kong	July 2015	2,650
Revamp of commercial areas at Level 6 West Hall of Terminal 1 for Hong Kong International Airport, Hong Kong	July 2015	20,534
Renovation to new office of Diocesan Commission for Hospital Pastoral Care at Caritas Medical Centre, Hong Kong	August 2015	2,395
Renovation works to Pure Yoga (LP) at Langham Place, Kowloon, Hong Kong	September 2015	8,350
Renovation and improvement works to Jockey Club Auditorium at the Hong Kong Polytechnic University	September 2015	33,820
Addition works for Venetian family friendly access, Macau	August 2015	7,535
Minor works at Sunny Hose Building Tai Po Industrial Estate, Hong Kong	August 2015	300
Supply, installation and dismantle of fixing for sculptures for Event Horizon, Hong Kong	October 2015	1,500
External wall refurbishment work at CLP Shatin Centre, Hong Kong	November 2015	10,250
Roof extension of Li Ka Shing Tower at 18/F at the Hong Kong Polytechnic University, Hong Kong	April 2016	18,294
Renovation works to a fitness centre at Quarry Bay, Hong Kong	November 2015	22,959
Renovation and repair works at Grand Garden (Phase 2) at South Bay Road, Hong Kong	March 2016	126,421
Fitting out works for uniform sorting and auto-retrieval system at Dragonair and Cathay Cargo, Hong Kong	April 2016	1,770
Façade rectification works at Headland Hotel Cathay City, Hong Kong	April 2016	9,988
Total		420,296

Building Construction segment

Contracts completed for the year ended 31 March 2016

Contracts	Commencement date	Completion date	Contract value HK$'000
Residential redevelopment, No.4 Wiltshire Road, Kowloon, Hong Kong	May 2014	December 2015	25,555
Bored piling works for proposed erection of new primary school on Lot 02697C PT MK 21 at Punggol Drive/ Edgefield Plain, Singapore	January 2015	May 2015	15,880
Design & construction proposed community building at Hougang Avenue 9 for People's Association, Singapore	September 2013	September 2015	183,747
Proposed Erection of Strata Landed Development Comprising of 3-Storey Strata Terrace Dwelling Units with basement Carparks (Total 21 units) at Asimont Lane (Novena Planning Area) Singapore	November 2012	December 2015	165,373
Bored piling works for proposed alteration and addition to existing Teck Whye Primary School and West View Primary School, Singapore	June 2015	December 2015	7,488
Bored piling works for proposed 8 storey multiple user light industrial (B1) development with basement carpark at 2 Pereira Road, Singapore	July 2015	March 2016	2,953
Total			400,996

Alterations, Renovation, Upgrading and Fitting-Out Works segment

Contracts completed for the year ended 31 March 2016

Contracts	Commencement date	Completion date	Contract value HK$'000
Main contract for proposed alteration & addition works to Plaza 2000 at 2–4 Russell Street & 6–9 Canal Road East, Hong Kong	December 2013	April 2015	63,000
Repartitioning works at 2/F of West Commercial Block, Paradise Mall, Hong Kong	May 2014	April 2015	26,347
Repartitioning works on 14 Dai Fu Street, Tai Po Industrial Estate, N.T., Hong Kong	August 2014	April 2015	69,863
Waterproofing works at Sunny Hose Building, Tai Po Industrial Estate, N.T., Hong Kong	December 2014	August 2015	7,850
Works for interior and toilets at Sunny Hose Building, Tai Po Industrial Estate, N.T., Hong Kong	January 2015	September 2015	2,900
Renovation at St. Raphael's Catholic Cemetery at Cheung Sha Wan, Kowloon, Hong Kong	February 2015	April 2015	2,686
Renovation works for catering and amenities facilities and associated improvement works at David C Lam Building, Hong Kong Baptist University, Hong Kong	June 2014	December 2015	50,913
Repair works for Kiangsu & Chekiang Primary School, North Point, Hong Kong	July 2015	December 2015	2,650
Renovation to new office of Diocesan Commission for Hospital Pastoral Care at Caritas Medical Centre, Hong Kong	August 2015	December 2015	2,395
Renovation works to Pure Yoga (LP) at Langham Place, Kowloon, Hong Kong.	September 2015	December 2015	8,350
Addition works for Venetian family friendly access, Macau	August 2015	February 2016	7,535
Minor works at Sunny Hose Building Tai Po Industrial Estate, Hong Kong	August 2015	March 2016	300
Renovation work to a fitness centre at Taikoo Place, Quarry Bay, Hong Kong	November 2015	February 2016	22,959
Total			267,748

Overall

Contracts secured subsequent to 31 March 2016 and up to the date of the report

Contracts	Commencement date	Contract value HK$'000
Bored piling works for proposed alteration and addition to existing Park View, Elias Park, Pasir Ris and Tampines North Primary School, Singapore	June 2016	8,352
Bored piling works for proposed alteration and addition to Woodgrove Primary School at 2 Woodlands Drive 1 and Bedok Green Primary School at 1 Bedok South Avenue 2, Singapore	May 2016	4,472
Revitalization of Haw Par Mansion, Hong Kong	June 2016	119,800
Bored piling works for proposed alteration and addition to existing Fajar Secondary School at 31 Gangsa Road, Singapore	June 2016	4,587
Total		137,211

(10) Employees and Remuneration Policies

As at 31 March 2016, the Group employed a total of 338 staff (as at 31 March 2015: 328 staff) which included Hong Kong, Macau, Singapore and Mainland China employees. The total remuneration for staff was approximately HK$111 million for Fy2016 (Fy2015: approximately HK$116 million).

The Group establishes its remuneration policy by making reference to the prevailing market conditions and a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest caliber, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of remuneration package consist of basic salary, allowances, benefit-in-kind, fringe benefits including medical insurance and contributions to mandatory provident funds, as well as incentives like discretionary bonus. The Group also provides external training programmes which are complementary to certain job functions.

The remuneration packages of the senior management are recommended by the managing director of the respective company and approved by the Board by reference to their respective responsibilities and accountability, target achievements, business results and market competitiveness of the Group. The remuneration packages of the managerial and support staff are determined by the directors of the respective company.

(11) Material Acquisitions and Disposals of Subsidiaries and Associated Companies

Save as the disposal of Wan Chung Property Company Limited, an indirect wholly-owned subsidiary of the Group, as disclosed in the note 31 to the financial statements of the Group, there was no material acquisition or disposal of subsidiaries or associated companies by the Group in Fy2016.

(12) Future Plan for Material Investment or Acquisition of Capital Asset

At the date of this report, save as the details of the intended application of the net proceeds disclosed in the circular of the Company dated 15 January 2016, the Group had not executed any other agreement in respect of material investment or capital asset and did not have any other future plans relating to material investment or capital asset.

(13) Principal Risks and Uncertainties

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Risks relating to graphene production segment

(i) The success of the Group's graphene production business depends on the downstream manufacturers' acceptance of incorporating graphene into their production processes or end products. Although there are numerous potential applications for graphene and potentially a large global market, there is no guarantee that graphene will become a widely accepted material for use on a commercial scale. Even if graphene does become widely accepted, the conversion of current interest into wide scale commercial adoption may take longer than anticipated and the Group may also be unsuccessful in its effort to realise commercial and financial benefits from this wider acceptance.

(ii) The graphene production business of the Group may not compete successfully as more and more companies are expected to enter into the graphene production business and start to engage in the research and development of the production and application of graphene. These companies may eventually be able to achieve research breakthroughs and produce graphene of similar or even higher quality compared to the graphene produced by the Group, or be able to produce it in a faster and more cost-effective way. There is no certainty that the Group will be able to compete successfully in the marketplace when the technology of producing high-quality graphene has become common.

Risks relating to constructions related and other segments

(i) The Group's construction works are labour-intensive in nature. In the event that there is a significant increase in the costs and demand of labour, the Group's staff cost and/or subcontracting cost will increase and thus lower its profitability. On the other hand, if the Group or its subcontractors fail to retain the Group's existing labour and/or recruit sufficient labour in a timely manner to cope with the Group's existing or future projects, the Group may not be able to complete the Group's projects on schedule and within budget, the Group's operations and profitability may be adversely affected.

(ii) The Group needs to estimate the time and costs involved in projects in order to determine the fee. There is no guarantee that the actual amount of time and costs would not exceed the Group's estimation during the performance of the jobs. The actual amount of time and costs involved in completing the jobs may be adversely affected by many factors, including adverse weather conditions, accidents, breakdown of machinery and equipment, unforeseen site conditions. Any material inaccurate estimation in the time and costs involved in a job may adversely affect the profit margin and results of operations of the Group.

(iii) The projects undertaken by the Group are mostly on a case by case basis. As such, our revenue derived from such projects is not recurring in nature and we cannot guarantee that our customers will provide us with new business after the completion of the current projects. The Group has to go through the competitive tendering process to secure new project works. In the event we are unable to maintain business relationship with existing customers or unable to price our tender competitively, our business and hence our revenue will be adversely affected.

The financial risk management objectives and policies of the Group are shown in note 38 to the financial statements.

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Chau Chit ("Mr. Chau"), aged 51, was appointed as the Chairman and an executive Director of the Company on 23 September 2015 and 22 July 2015, respectively. Mr. Chau is also the chairman of the nomination committee and a member of the remuneration committee of the Company. Mr. Chau is one of the authorised representatives of the Company. Mr. Chau is also the director of certain subsidiaries of the Company. Mr. Chau currently serves as the chairman of the Hong Kong Jiangyin Trade Association and the vice president of Federation of HK Jiangsu Community Organisations Limited. He holds a bachelor degree in Chemistry from Zhejiang University and an EMBA degree (Executive Master of Business Administration) from Zhejiang University. Mr. Chau has extensive experience in operation management. He has been an executive director of Jimei International Entertainment Group Limited (a company listed on the Stock Exchange) (stock code: 1159) since 22 July 2013. Mr. Chau held the positions of executive director, managing director, and chairman of the executive committee and member of the investment committee of HNA International Investment Holdings Limited (a company listed on the Stock Exchange) (stock code: 0521) from June 2006 to October 2013.

Mr. Hu Baoyue ("Mr. Hu"), was appointed as executive Director on 2 May 2013. Mr. Hu is also the acting chief executive officer and a member of both the nomination committee and the remuneration committee of the Company. Mr. Hu is also the director of certain subsidiaries of the Company. Mr. Hu holds a Master of Business Administration Degree from The Hong Kong Polytechnic University, and is a certified public accountant in the People's Republic of China. Mr. Hu was an independent director of Shenzhen Jufei Optoelectronics Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300303), from March 2009 to April 2015. Mr. Hu worked in Hunan Yunjin Group Co., Ltd. (湖南雲錦集團股份有限公司) from September 2009 to September 2012 as a vice president, financial controller, and secretary to its board of directors.

Mr. Kwan Ngai Kit ("Mr. Kwan"), aged 36, was appointed as executive Director on 28 February 2015. Mr. Kwan is also the chief financial officer and the company secretary of the Company, as well as a director of certain subsidiaries of the Company. Mr. Kwan has over 10 years' experience in auditing, accounting and corporate management. Mr. Kwan is responsible for corporate finance, mergers and acquisition matters, financial and accounting management, corporate governance, as well as compliance affairs of the Group. Mr. Kwan was a senior manager in assurance department in Ernst & Young prior to joining the Company. Mr. Kwan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Kwan holds a Master's degree in Business Administration from the Chinese University of Hong Kong and a Bachelor's degree in Accountancy from the Hong Kong Polytechnic University. Mr. Kwan has been appointed as an independent non-executive Director and a member of the audit committee and the nomination committee of Group Sense (International) Limited (a company listed on the Stock Exchange) (stock code: 601) with effect from 6 June 2016.

Non-executive Director

Mr. Chen Guobao ("Mr. Chen"), aged 41, was appointed as a non-executive Director of the Company on 23 September 2015. Mr. Chen is also a member of both the nomination committee and the remuneration committee of the Company. Mr. Chen currently is the deputy chairman of Ningbo Chamber of Commerce of Shanghai Federation of Industrial & Commerce, chairman of Ninghai Shanghai Chamber of Commerce, chairman of Shanghai Jinhai Industrial Limited. Mr. Chen has more than 20 years of experience in the real estate and construction industry, particularly in operation and strategic management, and has extensive experience in industrial manufacturing.

Independent Non-executive Directors

Mr. Tam Tak Kei Raymond ("Mr. Tam"), aged 53, was appointed as an independent non-executive Director on 19 December 2011. Mr. Tam is also the chairman of the audit committee and a member of the nomination committee and the remuneration committee of the Company. Mr. Tam holds a Bachelor of Arts degree in accounting with computing from University of Kent at Canterbury, England and is both an associate member of the Institute of Chartered Accountants in England and Wales and of the Hong Kong Institute of Certified Public Accountants. Mr. Tam was the financial controller of each of Blank Rome Solicitors & Notaries from June 2010 to September 2011 and Barlow Lyde & Gilbert from December 2002 to May 2010 and has over 20 years of professional accounting experience. Mr. Tam was an independent non-executive director of Digital Domain Holdings Limited (formerly known as Sun Innovation Holdings Limited) (a company listed on the Stock Exchange) (stock code: 547) during the period from September 2009 to August 2013, Yin He Holdings Limited (formerly known as Zebra Strategic Holdings Limited) (a company listed on the Stock Exchange) (stock code: 8260) during the period from June 2012 to September 2014, Tianjin Jinran Public Utilities Company Limited (formerly known as Tianjin Tianlian Public Utilities Company Limited (a company listed on the Stock Exchange) (stock code: 1265) during the period from February 2011 to June 2015, and Ngai Shun Holdings Limited (a company listed on the Stock Exchange) (stock code: 1246) during the period from September 2013 to July 2015, and the chief financial officer of King Force Security Holdings Limited (a company listed on the Stock Exchange) (stock code: 8315) during the period from April 2014 to November 2014. He is currently an independent non-executive director of CNQC International Holdings Limited (formerly known as Sunley Holdings Limited) (a company listed on the Stock Exchange) (stock code: 1240), Li Bao Ge Group Limited (a company listed on the Stock Exchange) (stock code: 8102), and Beijing Enterprises Clean Energy Group Limited (formerly known as Jin Cai Holdings Company Limited) (a company listed on the Stock Exchange) (stock code: 1250) and he is also engaged by Branding China Group Limited (a company listed on the Stock Exchange) (stock code: 8219) as an external service provider to the company secretary. The shares of the above-mentioned nine companies are listed on the Stock Exchange.

Mr. Wong Kai Tung Simon ("Mr. KT Wong"), aged 49, was appointed as an independent non-executive Director on 12 November 2013. Mr. KT Wong is also the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company. Mr. KT Wong is the Founder and Partner of Tawau Capital Partners Limited, a company principally engaged in private equity/venture capital investments, management consultancy and financial advisory. Mr. KT Wong is an experienced banker and has over 20 years' experience in the corporate and investment banking sector in Asia with Deutsche Bank AG, Hong Kong Branch, DBS Bank Limited, Hong Kong Branch, and Daiwa Securities SMBC Hong Kong Limited, where Mr. KT Wong was responsible for investment banking services in the Greater China Region. Mr. KT Wong was an independent non-executive director of GR Properties Limited (formerly known as Buildmore International Limited) (a company listed on the Stock Exchange) (stock code: 108) from February 2014 to February 2015, and was the General Manager of Mergers and Acquisitions Department and the Head of Investor Relations of Brightoil Petroleum (Holdings) Limited (a company listed on the Stock Exchange) (stock Code: 0933) from September 2011 to September 2012, the shares of both companies are listed on the Stock Exchange. Mr. KT Wong gained corporate finance, mergers and acquisitions and investor relations experience from a listed company perspective. Mr. KT Wong received an Executive MBA degree from Tsinghua University (Beijing, China) in 2013, Mr. KT Wong has also participated in the Young Managers Programme held at INSEAD (Fontainebleau, France) in 1998. Mr. KT Wong received a Bachelor of Arts degree and a Graduate Diploma in Management Consulting and Change from The University of Hong Kong in 1990 and 2008, respectively. Mr. KT Wong is a Certified Management Consultant (CMC), awarded by the Institute of Management Consultants Hong Kong (IMCHK).

Mr. Wong Wai Kwan ("Mr. WK Wong"), aged 48, was appointed as an independent non-executive Director on 22 July 2015. Mr. WK Wong is also a member of the audit committee and the nomination committee of the Company. Mr. WK Wong obtained a bachelor's degree in Accountancy from City University of Hong Kong in 1992 and a master's degree in Business Administration from Washington University in St. Louis, U.S.A in 2009. Mr. WK Wong is a member of The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Currently, Mr. WK Wong is the general manager of the financial audit department of Fosun International Limited whose shares are listed on the Stock Exchange (a company listed on the Stock Exchange) (stock code: 656). Mr. WK Wong has extensive working experience in auditing and consulting areas, particularly in IPO exercise, risk management and mergers and acquisitions.

Mr. WK Wong was an independent non-executive director of HNA International Investment Holdings Limited (a company listed on the Stock Exchange) (stock code: 521), for a period from June 2010 to October 2013 and served as a member of each of the audit committee, the nomination committee and the remuneration committee of that company. Mr. WK Wong was also an independent non-executive director of Jimei International Entertainment Group Limited (a company listed on the Stock Exchange) (stock code: 1159) from September 2013 to November 2014 and served as a member of each of the audit committee, the nomination committee, the remuneration committee and the investment steering committee of that company.

Senior Management

Mr. Dai Jia Long ("Mr. Dai"), aged 55, was appointed as a consultant and chief technology officer of the Company on 3 February 2016. Mr. Dai has extensive knowledge in two-dimensional material production technology and has experience in developing relevant equipment. Mr. Dai is an expert in producing artificial mica (a two-dimensional material similar to graphene) and has invented as many as 50 patents relating to artificial mica. He is the Chairman of China Crystal New Material Holdings, Ltd, which, according to news reports available in public domain, is the world's largest synthetic mica manufacturer. Mr. Dai is also an executive director of China Non-Metallic Minerals Industry Association ("CNMIA") and is the vice president of the Professional Committee of Mica under CNMIA. Building on his knowledge in two-dimensional material, Mr. Dai has also been studying graphene and conducting researches relating to graphene production method.

Mr. Wong Law Fai ("Mr. LF Wong"), aged 56, is the managing director of Wan Chung Construction Company Limited. Mr. LF Wong was appointed as a director of the Company on 31 May 2011 and redesignated as an executive Director of the Company on 19 December 2011. Later Mr. LF Wong resigned as an executive Director, the chairman of the Board and authorised representative of the Company on 28 May 2013, and the chief executive officer of the Company on 10 September 2013. Mr. LF Wong has over 30 years of experience in the building construction industry of Hong Kong. Prior to joining the Group in 1990, Mr. LF Wong had been working in other construction companies including Leighton Contractors (Asia) Co. Ltd. Mr. LF Wong is a registered professional engineer (building) in Hong Kong, a registered professional surveyor (quantity surveying) in Hong Kong, a member of The Hong Kong Institution of Engineers, a member of The Hong Kong Institute of Surveyors, a member of The Chartered Institute of Building (the United Kingdom) and a member of The Royal Institution of Chartered Surveyors (the United Kingdom). Mr. LF Wong was awarded an associateship in Building Technology and Management in 1982 and obtained a higher diploma in Building Technology and Management from The Hong Kong Polytechnic (now renamed The Hong Kong Polytechnic University) in 1981. Mr. LF Wong is currently an independent non-executive director of Fraser Holdings Limited (a company listed on the Stock Exchange) (stock code: 8366).

Mr. So Kwok Lam ("Mr. So"), aged 55, is the project director of Wan Chung Construction Company Limited and is a director of Wan Chung Construction Company Limited and Wan Chung Engineering Co., Limited. He was appointed as an executive Director on 19 December 2011 and resigned on 28 May 2013. Mr. So is responsible for formulating strategic planning, business development of the Group, reviewing and improving the internal management systems, management of construction projects in Hong Kong. Mr. So has over 30 years of experience in the building construction industry of Hong Kong. Mr. So was a member of the Contractors Registration Committee Panel and is also a member of the Contractors Registration Committee of the Buildings Department under the Buildings Ordinance (Chapter 123 of the laws of Hong Kong), (the "Building Ordinance") from January 2009 to December 2012. Mr. So is a member of the Registered Contractors' Disciplinary Board Panel of the Planning and Lands Branch, Development Bureau under the Building Ordinance for the period from June 2014 to May 2017. Prior to joining the Group in 1993, Mr. So had been the project manager of Chevalier (Construction) Co Ltd from 1990 to 1993. He had also been working in Hsin Chong Construction Co Ltd from 1985 and left as an assistant contracts manager in 1990. Mr. So is a professional member of The Royal Institution of Chartered Surveyors (the United Kingdom), fellow members of The Hong Kong Institute of Construction Managers and the Chartered Institute of Building (the United Kingdom). Mr. So obtained a professional diploma in occupational safety and health from the School of Continuing Education of Hong Kong Baptist University in 2008, a postgraduate diploma in arbitration and dispute resolution from City University of Hong Kong in 2004, a master of arts in English for the professions from The Hong Kong Polytechnic University in 2007, and an associateship in building technology and management from Hong Kong Polytechnic (now renamed the Hong Kong Polytechnic University) in 1984.

Mr. Wong Chi Kin, Jesse ("Mr. Jesse Wong"), aged 53, is the commercial director of Wan Chung Construction Company Limited and is responsible for the Group's strategic planning, corporate business development and management of construction projects in Hong Kong. Mr. Jesse Wong has been the representative of our Group in the Hong Kong Construction Association since 1999. Mr. Jesse Wong has been elected as the 68th council member of the Hong Kong Construction Association for 2015/2017. Mr. Jesse Wong has over 30 years of experience in the building construction industry of Hong Kong. Prior to joining the Group in 1996, Mr. Jesse Wong had held various positions in quantity surveying, including senior quantity surveyor of H.A. Brechin & Co between 1990 and 1994, quantity surveyor of Franklin & Andrews Construction Cost Management Consultants between 1989 and 1990 and trainee of Kumagai Gumi (H.K.) Limited between 1982 and 1985. Mr. Jesse Wong is a registered professional surveyor (Quantity Surveying) in Hong Kong and a fellow member of The Hong Kong Institute of Surveyors. Mr. Jesse Wong obtained a bachelor degree of science in quantity surveying from Southbank Polytechnic of London in 1989. Mr. Jesse Wong also received a master degree of business administration (executive) from the City University of Hong Kong in 2010.

Ms. Ma Pik Fung ("Ms. Ma"), aged 52, is the commercial director of Wan Chung Construction Company Limited and is responsible for the Group's strategic planning, corporate business development, and management of construction projects in Hong Kong. Ms. Ma is also a director of Wan Chung Engineering (Macau) Company Limited and a director of Wan Chung Construction (Singapore) Pte. Ltd.. Between 2006 and 2009, Ms. Ma was performing the project directing role in the Group's business expansion into Macau and Singapore. Ms. Ma has over 30 years of experience in the building construction industry of Hong Kong. Prior to joining our Group in 1998, Ms. Ma had worked in Ngo Kee Construction Co., Ltd. as quantity surveyor, Bain D'or Co., Ltd. as manager of construction section, Taisei Corporation as contracts manager, Fong Wing Shing Construction Co., Ltd. as quantity surveyor between 1982 and 1998. Ms. Ma is a registered professional surveyor (Quantity Surveying) in Hong Kong, a member of Hong Kong Institute of Surveyors and a professional associate of the Royal Institution of Chartered Surveyors (the United Kingdom). Ms. Ma obtained a bachelor degree of science in quantity surveying from Robert Gordon's Institute of Technology in United Kingdom in 1990 and a higher certificate in building studies from Hong Kong Polytechnic (now renamed The Hong Kong Polytechnic University) in 1985.

Mr. Datuk Eng Son Yam ("Mr. Datuk Eng"), aged 63, is the managing director of Wan Chung Construction (Singapore) Pte. Ltd. ("Wan Chung Singapore"), responsible for the strategic planning and development of the Wan Chung Singapore. Mr. Datuk Eng has more than 30 years of experience in the building industry of Singapore and Malaysia. Mr. Datuk Eng had undertaken construction projects in housing, hospital, integrated resort and religious establishment. Mr. Datuk Eng has also endeavored in property development ventures in Singapore and Malaysia. Over the years, Mr. Datuk Eng has built up a strong network with key players in this industry. Mr. Datuk Eng was also active in social work particularly education for the young in Malacca (Datuk Eng's birth place). In recognition of his contribution towards the local school, Mr. Datuk Eng was conferred "DSM Datuk" by the Governor of Malacca, Malaysia. Mr. Datuk Eng obtained a diploma in business administration from the Singapore Chinese Chamber Institute of Business in 2008. Mr. Datuk Eng completed an Executive Program on Oriental-Western Wisdom and Business Management at the School of Continuing Education, Tsinghua University in October 2013.

Mr. Tan Chwee Kee ("Mr. Tan"), aged 59, is the deputy managing director of Wan Chung Construction (Singapore) Pte. Ltd.. Mr. Tan has more than 30 years of experience in project management, property development, building design and construction. Prior to joining Wan Chung Singapore in August 2011, Mr. Tan was the project director of HLH Development Pte Ltd, a property development arm of SGX-ST listed group, HLH Group Limited. From 2005–2007, Mr. Tan was with Chip Eng Seng Corporation Ltd, a construction and property development group listed on the SGX-ST, as the assistant general manager of The Pinnacle@Duxton project, the first 50-storey high dense public housing project launched by the government. It was the winning design of an international design competition and features the sky gardens at mix storeys and top storey linking all the blocks together. Mr. Tan led the technical team and was instrumental in addressing the design issues of the technically challenging sky-gardens construction. Between 1995-2004, Mr. Tan was the CEO of Hong Lai Huat Construction Pte Ltd. Mr. Tan started his career as a structural engineer in The Housing and Development Board in 1982. Mr. Tan has a Bachelor Degree in Civil Engineering from The National University of Singapore and is a registered Professional Engineer with the Singapore Professional Engineer Board.

Corporate Governance Report

Corporate Governance Practices

The Directors consider that incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group could balance the interests of the shareholders, customers and employees of the Company. During the year ended 31 March 2016, the Board had adopted the principles and the code provisions as set out in Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee, a remuneration committee and a nomination committee with specific written terms of reference and made such terms of reference available on the websites of the Stock Exchange and the Company.

Save as disclosed below, during the year ended 31 March 2016, the Company had complied with the CG Code as set out in Appendix 14 to the Listing Rules.

According to the code provision A.1.1 of the CG Code, the Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. During the year, nine regular Board meetings were held.

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the year ended 31 March 2016, Mr. Chau Chit was the chairman of the Company since 23 September 2015 (previously, Mr. Wang Zhijun was the chairman of the Company until he resigned on 23 September 2015) and Mr. Hu Baoyue was the acting chief executive officer. Therefore, the code provision A.2.1 of the CG Code has been complied with.

According to the code provision A.2.7 of the CG Code, the chairman should at least annually hold meetings with the non-executive Directors and independent non-executive Directors without the executive Directors present. During the year ended 31 March 2016, the chairman had met the non-executive Director and the independent non-executive Directors respectively and individually without the presence of other executive Directors.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made to each of the Directors and all Directors have confirmed that they had complied with the Model Code during the year ended 31 March 2016.

Board of Directors

Composition of the Board of Directors

As at the date of this annual report, the Board consisted six Directors comprising three executive Directors; one non-executive Director and three independent non-executive Directors. The composition of the Board is as follows:

Executive Directors
Mr. Chau Chit *(Chairman)*
Mr. Hu Baoyue *(Acting Chief Executive Officer)*
Mr. Kwan Ngai Kit

Non-executive Director
Mr. Chen Guobao

Independent non-executive Directors
Mr. Tam Tak Kei Raymond
Mr. Wong Kai Tung Simon
Mr. Wong Wai Kwan

The biographical details of all current Directors and senior management of the Company are set out on pages 18 to 22 of this annual report. To the best knowledge of the Company, save as disclosed under the section headed "Biographical Details of Directors and Senior Management", there is no financial, business, family or other material or relevant relationships among the members of the Board and/or the senior management during the reporting period.

Functions of the Board

The principal functions of the Board is to consider and approve the overall business plans and strategies of the Group, develop and implement the corporate governance function, monitor the implementation of these policies and strategies and the management of the Company. The Group has an independent management team, which is led by a team of senior management with substantial experience and expertise in the Group's business, the Board delegates the authority and responsibility for implementing the Group's policies and strategies.

Board Meetings and Board Practices

The Directors can attend meetings in person or through other means of electronic communication in accordance with the Company's articles of association. All minutes of the Board meetings were recorded in sufficient detail the matters considered by the Board and the decisions reached.

During the year ended 31 March 2016, the Board held nine meetings and the Company held two general meetings. Details of the attendance of the relevant Directors are as follows:

	Attendance/ Number of General Meeting entitled to attend	Attendance/ Number of Board Meetings entitled to attend
Executive Directors		
Mr. Chau Chit *(Chairman)* (appointed as chairman on 23 September 2015 and executive director on 22 July 2015)	2/2	7/7
Mr. Hu Baoyue *(Acting Chief Executive Officer)*	2/2	9/9
Mr. Kwan Ngai Kit	2/2	9/9
Mr. Wang Zhijun (resigned as chairman and executive Director on 23 September 2015)	1/1	3/3
Non-executive Director		
Mr. Chen Guobao (appointed on 23 September 2015)	1/1	6/6
Independent Non-executive Directors		
Mr. Tam Tak Kei Raymond	2/2	9/9
Mr. Wong Kai Tung Simon	2/2	9/9
Mr. Wong Wai Kwan (appointed on 22 July 2015)	1/2	7/7
Mr. Chiu Sai Chuen Nicholas (resigned on 23 September 2015)	1/1	3/3

Directors' Appointment and Re-election

Mr. Chen, a non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 23 September 2015, which may be terminated by either the Company or Mr. Chen by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Both Mr. Chau, an executive Director, and Mr. WK Wong, an independent non-executive Director have entered into service agreements with the Company for a term of three years commencing from 22 July 2015, which may be terminated by either the Company or the other party by giving six months written notice or otherwise in accordance with the terms of the service agreements.

Mr. Kwan, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 28 February 2015, which may be terminated by either the Company or Mr. Kwan by giving one month written notice or otherwise in accordance with the terms of the service agreement.

Mr. Tam, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 19 January 2014, which may be terminated by either the Company or Mr. Tam by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Mr. KT Wong, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 12 November 2013, which may be terminated by either the Company or Mr. KT Wong by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Mr. Hu, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 9 September 2013, which may be terminated by either the Company or Mr. Hu by giving six months written notice or otherwise in accordance with the terms of the service agreement.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within 1 year without payment of compensation (other than statutory compensation).

In compliance with the code provision A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after appointment. By virtue of article 112 of the articles of association of the Company, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting of the Company. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with the code provision A.4.2 of the CG Code, every director should be subject to retirement by rotation at least once every three years. Furthermore, pursuant to article 108(a) of the articles of association of the Company, at each annual general meeting one-third of the directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring director shall be eligible for re-election.

Non-executive Director

The non-executive Director of the Company was appointed for a specific term, but subject to the relevant provisions of the Articles and Association of the Company or any other applicable laws whereby the Director shall retire from their office but become eligible for re-election. The non-executive Director is serving for a fixed term of not more than three years.

Independent non-executive Directors

The Company has three independent non-executive Directors to comply with Rule 3.10(1) and 3.10A of the Listing Rules. Furthermore, among the three independent non-executive Directors, both Mr. Tam and Mr. WK Wong have appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. In accordance to Rule 3.13 of the Listing Rules, the Company has received from each of its independent non-executive Directors the written confirmation of his independence. The Company, based on such confirmation, considers, Mr. Tam, Mr. KT Wong and Mr. WK Wong to be independent.

According to the code provision A.2.7 of the CG Code, the chairman should at least annually hold meetings with the non-executive Directors and independent non-executive Directors without the executive Directors present. During the year ended 31 March 2016, the chairman had met the non-executive Director and the independent non-executive Directors respectively and individually without the presence of other executive Directors.

Chairman and Chief Executive Officer

According to the code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. During the year ended 31 March 2016, Mr. Chau was the chairman of the Company since 23 September 2015 (previously, Mr. Wang Zhijun was the chairman of the Company until he resigned on 23 September 2015) and Mr. Hu was the acting chief executive officer. Therefore, the code provision A.2.1 of the CG Code has been complied with.

Delegation of Powers

The Board delegates day-to-day operations of the Group to executive Directors and management of the Company with department heads responsible for different aspects of the business/functions, while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management needs to report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance covering the liabilities in respect of legal action against the Directors that may arise out of its corporate activities. The insurance coverage is reviewed on an annual basis.

Continuing Professional Development

According to the code provision A.6.5 of the CG Code, all directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. The Company would arrange and/or introduce some Director's training courses for the Directors to develop and explore their knowledge and skills.

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. The Directors are continually updated on the legal and regulatory developments, as well as business and market changes, to facilitate the discharge of their responsibilities.

All Directors during the reporting period have participated in continuous professional development to develop and refresh their knowledge and skills through suitable trainings. The participation in such trainings is to ensure that their contribution to the Board remains informed and relevant.

Senior Management's Remuneration

The remuneration of the members of the senior management by band for the year ended 31 March 2016 is as follows:

Remuneration bands (HK$)	**Number of individual(s)**
Nil to 1,000,000	2
From 1,000,001 to 1,500,000	4
From 1,500,001 to 2,000,000	1

Board Committees

Audit Committee

The audit committee of the Company (the "Audit Committee") was established on 19 December 2011 with written terms of reference which were revised on 23 September 2015 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are to review the financial information and risk management of the Group, oversee the financial reporting process and internal control procedures of the Group, and oversee the relationship with the Company's external auditor.

The Audit Committee comprised three independent non-executive Directors, namely Mr. Tam (the chairman of the Audit Committee), Mr. KT Wong and Mr. WK Wong.

The Audit Committee has, inter alia, reviewed the accounting standards and practices adopted by the Group and discussed with the management about the internal control and financial reporting matters, including reviewing the interim financial information for the six months ended 30 September 2015 and the consolidated financial statements and annual results for the year ended 31 March 2016.

During the year ended 31 March 2016, the Audit Committee held two meetings to review the audited consolidated financial statements for the year ended 31 March 2015, the unaudited consolidated financial statements for the six months ended 30 September 2015, the appointment of the auditor of the Company, and the internal control and corporate governance issues related to financial reporting of the Company. The Audit Committee also complied with the code provision C.3.3 of the CG Code to meet the auditors in absence of management for reviewing the internal control of the Company. Details of the attendance of members of the Audit Committee meetings held during the reporting period are as follows:

	Attendance
Mr. Tam Tak Kei Raymond *(Chairman)*	2/2
Mr. Wong Kai Tung Simon	2/2
Mr. Wong Wai Kwan (appointed on 22 July 2015)	1/1
Mr. Chiu Sai Chuen Nicholas (resigned on 23 September 2015)	1/1

Remuneration Committee

The remuneration committee of the Company (the "Remuneration Committee") was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration, make recommendations to the Board on the remuneration of non-executive Directors and determine the remuneration packages of individual executive Directors and senior management including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

The Remuneration Committee comprised three independent non-executive Directors, namely Mr. Tam, Mr. KT Wong (the chairman of the Remuneration Committee) and Mr. WK Wong, the non-executive Director, Mr. Chen Guobao, and two executive Directors, namely Mr. Chau and Mr. Hu.

During the year ended 31 March 2016, the Remuneration Committee held one meeting to, inter alia, review the remuneration packages of all Directors and senior management of the Company. Details of the attendance of the members of the Remuneration Committee meeting are as follows:

	Attendance
Mr. Wong Kai Tung Simon *(Chairman)*	1/1
Mr. Chau Chit (appointed on 22 July 2015)	N/A
Mr. Hu Baoyue	1/1
Mr. Chen Guobao (appointed on 23 September 2015)	N/A
Mr. Wong Wai Kwan (appointed on 22 July 2015)	N/A
Mr. Tam Tak Kei Raymond	1/1
Mr. Wang Zhijun (resigned on 23 September 2015)	1/1
Mr. Chiu Sai Chuen Nicholas (resigned on 23 September 2015)	1/1

Remuneration Policy for Directors and Senior Management

The remuneration payable to the employees includes salaries and allowances. The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed regularly. Subject to the Group's profitability, the Group may also provide a discretionary bonus to employees as an incentive for their contribution to the Group. The primary goal of the remuneration policy with regard to the remuneration packages of the executive Directors is to enable the Group to retain and motivate the executive Directors by linking their compensation with performance as measured against corporate objectives achieved. Each of the executive Directors is entitled to the remuneration packages including basic salaries and discretionary bonuses.

The share option scheme of the Company (the "Share Option Scheme") was adopted by the sole Shareholder by way of written resolution on 19 December 2011. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

The Company believes that by offering the eligible persons a shareholding stake in the Company, the interests of the eligible persons and the Company will align and thereby the eligible persons will have additional incentives to improve the Company's performance.

Nomination Committee

The nomination committee of the Company (the "Nomination Committee") was established on 19 December 2011 with written terms of reference which were revised on 28 March 2012 and 26 August 2013 in compliance with the CG Code and are available on the websites of the Stock Exchange and the Company. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of the Board succession.

The Board is empowered under the Company's articles of association to appoint any person as a director either to fill a casual vacancy or, as an additional member of the Board. Qualified candidates will be proposed to the Board for consideration and the selection criteria are mainly based on the assessment of their professional qualifications and experience. The Board selects and recommends candidates for directorship to the Shareholders having regards to the balance of skills and experience appropriate to the Group's business.

During the year ended 31 March 2016, the Nomination Committee formulated the board diversity policy of the Company (the "Board Diversity Policy"). The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. In designing the Board's composition, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee also monitors the implementation of the Board Diversity Policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under the Board Diversity Policy.

The Nomination Committee comprised three independent non-executive Directors, namely Mr. Tam, Mr. KT Wong and Mr. WK Wong, the non-executive Director, Mr. Chen, and two executive Directors, namely Mr. Chau (the chairman of the Nomination Committee) and Mr. Hu.

During the year ended 31 March 2016, the Nomination Committee held one meeting to, inter alia, review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, make recommendations to the Board on the appointment of Directors and assess the Board Diversity Policy. Details of the attendance of the members of the Nomination Committee meeting are as follows:

	Attendance
Mr. Chau Chit *(Chairman)* (appointed as chairman on 23 September 2015 and member on 22 July 2015)	N/A
Mr. Hu Baoyue	1/1
Mr. Chen Guobao (appointed on 23 September 2015)	N/A
Mr. Tam Tak Kei Raymond	1/1
Mr. Wong Kai Tung Simon	1/1
Mr. Wong Wai Kwan (appointed on 22 July 2015)	N/A
Mr. Wang Zhijun *(former Chairman)* (resigned on 23 September 2015)	1/1
Mr. Chiu Sai Chuen Nicholas (resigned on 23 September 2015)	1/1

Accountability and Audit

Directors' and Auditor's Responsibilities for the Consolidated Financial Statements

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the year ended 31 March 2016, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The statement of auditor about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditors' Report. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Auditor's Remuneration

During the year ended 31 March 2016, the remuneration paid or payable to the auditor of the Company, Ernst & Young, and former auditor of the Company, Deloitte Touhe Tohmatsu ("Deloitte"), in respect of their audit and non-audit services was as follows:

	HK$
Audit service fee paid or payable to Ernst & Young	1,200,000
Non-audit service fee payable to Ernst & Young	45,500
Non-audit services fee paid to Deloitte	553,000
Total	1,798,500

The amount of fee incurred for the non-audit services arises from (i) tax services; (ii) the review of interim financial information for the six months ended 30 September 2015 and (iii) other financial related deliverables for circulars of the Company.

Corporate Governance Functions

According to code provision D.3 of the CG Code, the Board is responsible for performing the corporate governance duties of the Company in accordance with the written terms of reference adopted by the Board. The Board shall have the following duties and responsibilities for performing the corporate governance duties of the Company:

- to develop and review the policies and practices on corporate governance of the Group and make recommendations;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;

- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- to review the Company's compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules and the disclosure in the corporate governance report of the Company.

During the year ended 31 March 2016, the Board held three meetings to, inter alia, determine and review the policies and practices of the Company relating to the CG Code. Details of the attendance of the related meeting of the Board are as follows:

	Attendance
Executive Directors	
Mr. Chau Chit *(Chairman)* (appointed as chairman on 23 September 2015 and executive director on 22 July 2015)	1/1
Mr. Hu Baoyue *(Acting Chief Executive Officer)*	3/3
Mr. Kwan Ngai Kit	3/3
Mr. Wang Zhijun (resigned as chairman and executive Director on 23 September 2015)	2/2
Non-executive Director	
Mr. Chen Guobao (appointed on 23 September 2015)	1/1
Independent Non-executive Directors	
Mr. Tam Tak Kei Raymond	3/3
Mr. Wong Kai Tung Simon	3/3
Mr. Wong Wai Kwan (appointed on 22 July 2015)	1/1
Mr. Chiu Sai Chuen Nicholas (resigned on 23 September 2015)	2/2

Internal Control

The Board recognises the overall responsibility for the risk management, the establishment, maintenance, and review of an internal control system of the Group that provides reasonable assurance of the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, the safeguarding of assets and the compliance with applicable laws and regulations. This system of internal control is designed to manage rather than eliminate all risks of failure where its goal is to provide reasonable but not absolute assurance regarding the achievement of organisational objectives. The Board, through its Audit Committee and external auditor, assesses the effectiveness of the Group's risk management and internal control system which covers all material controls, including financial, operational and compliance control. The Company has an internal audit function since June 2016.

Investors and Shareholders Relations

The Company values communication with the Shareholders and investors. The Company uses two-way communication channels to account to Shareholders and investors for the performance of the Company. Enquiries and suggestions from Shareholders or investors are welcomed, and enquires from Shareholders may be put to the Board through the following channels to the company secretary of the Company (the "Company Secretary"):

1. By mail to the Company's principal place of business at Room 2002, 118 Connaught Road West, Sai Ying Pun, Hong Kong;

2. By telephone number 2811 1602;

3. By fax number 2811 3183; or

4. By email at info@visionfame.com

The Company uses a number of formal communications channels to account to Shareholders and investors for the performance of the Company. These include (i) the publication of interim and annual reports; (ii) the annual general meeting or extraordinary general meeting providing a forum for Shareholders to raise comments and exchanging views with the Board; (iii) updated key information of the Group available on the websites of the Stock Exchange and the Company; (iv) the Company's website offering communication channels between the Company and its Shareholders and investors; and (v) the Company's share registrars in Hong Kong serving the Shareholders in respect of all share registration matters.

The Company aims to provide its Shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to providing clear, detailed, timely mannered and on a regular basis information of the Group to Shareholders through the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements.

The Company strives to take into consideration its Shareholders' views and inputs, and address Shareholders' concerns. Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice shall be given. The chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, the Directors are available to answer Shareholders' questions on the Group's businesses at the meeting. To comply with code provision E.1.2 of the CG Code, the management will ensure the external auditor to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

All Shareholders have statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by Shareholders. According to article 64 of the articles of association of the Company, one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings may request an extraordinary general meeting. Such requisition shall be made in writing to the Board or the Company Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

If a Shareholder wishes to propose a person for election as a Director at a general meeting, he/she shall deposit a written notice at the Company's head office and principal place of business of the Company at Room 2002, 20/F., 118 Connaught Road West, Sai Ying Pun, Hong Kong or at the Hong Kong branch share registrar and transfer office of the Company at Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong:

- a notice in writing by the Shareholder indicating the intention to propose a person for election as a Director; and
- a notice in writing by the person proposed by the Shareholder for election as a Director indicating his/her willingness to be elected.

The minimum length of the period, during which such notices may be given, will be at least 7 days.

The period for lodgment of such notices will 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 7 days prior to the date of such general meeting.

The Board has established a shareholders' communication policy on 28 March 2012 and reviews it on a regular basis to ensure its effectiveness to comply with the code provision E.1.4 of the CG Code.

In order to promote effective communication, the Company also maintains a website (www.visionfame.com) which includes the latest information relating to the Group and its businesses.

Company Secretary

Mr. Kwan has been appointed as the Company Secretary since 14 June 2014. Mr. Kwan reports to the chairman directly and is responsible to the Board for ensuring that the Board procedures, applicable laws, rules and regulations are followed and the Board activities are efficiently and effectively conducted. He is also responsible for ensuring that the Board is fully appraised of the relevant corporate governance developments relating to the Group and facilitating the induction and professional development of the Directors.

According to the Rule 3.29 of the Listing Rules, Mr. Kwan has taken no less than 15 hours of relevant professional training for the year ended 31 March 2016.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 March 2016.

Principal Place of Business in Hong Kong

The Company is a limited liability company incorporated in the Cayman Islands and its principal place of business in Hong Kong is Room 2002, 20/F., 118 Connaught Road West, Sai Ying Pun, Hong Kong.

Principal Activities and Business Review

The principal activities of the Group comprise (i) provision of building construction services, property maintenance services, alterations, renovation, upgrading and fitting-out works services, (ii) graphene production and metal and materials trading; and (iii) property development and provision of related management and advisory services. The principal activities and other particulars of the subsidiaries of the Company are set out in note 1 to the financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Chairman's Statement and the Management Discussion and Analysis set out on pages 4 to 5 and pages 6 to 17 of this Annual Report, respectively. This discussion forms part of this directors' report. The Group uses its best endeavours to comply with relevant laws, regulations and environmental policies of the territories in which it operates.

Results and Dividend

The Group's profit for the year ended 31 March 2016 and the Group's financial position as at 31 March 2016 are set out in the financial statements on pages 48 to 115.

The Board does not recommend the payment of final dividend in respect of the year ended 31 March 2016 (2015: Nil). No interim dividend was declared for the six months ended 30 September 2015 (2014: Nil).

Major Customers and Suppliers

The Group's top five customers accounted for approximately 62.8% of the total sales. The top five suppliers accounted for approximately 51.8% of the total purchases for the year. In addition, the Group's largest customer accounted for approximately 19.1% of the total sales and the Group's largest supplier accounted for approximately 20.9% of the total purchases for the year.

At no time during the year ended 31 March 2016 have the then and current Directors of the Company, their associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

Distributable Reserves

As at 31 March 2016, the Company's reserves available for distribution represent the share premium account less accumulated losses, amounted to approximately HK$176,969,000.

Share Capital, Share Option and Convertible Bond

Details of movements in the share capital, share option and a convertible bond of the Company during the year ended 31 March 2016 are set out in notes 27, 28 and 24 respectively to the financial statements. Further details of the shares subscriptions and the issue of a convertible bond during the year ended 31 March 2016 are set out under the "Capital Structure" section in the Management Discussion and Analysis on page 8.

Details of the convertible bond agreement entered into during the year or subsisting at the end of the year ended 31 March 2016 are set out below:

On 3 February 2016, the Company issued a convertible bond with principal amount of HK$24,000,000 (the "Convertible Bond") to Mega Start Limited, which is a substantial shareholder of the Company and wholly-owned by Mr. Chau Chit (being the Chairman and an executive Director of the Company), to provide additional working capital for the Group (other than the new graphene business). The Convertible Bond can be converted into ordinary shares of the Company at the initial conversion price of HK$0.3 per share (adjusted to HK$0.06 per share on 3 May 2016 following the share subdivision of the Company), bearing no interest and will mature in 5 years after the date of issue. The holder of the Convertible Bond shall convert it into ordinary shares in full mandatorily, if and only if the gross profits of the graphene business segment of the Company for the two financial years ending 31 March 2017 and 2018 exceed HK$300 million. For details, please refer to note 24 to the financial statements.

Charitable Donations

During the year ended 31 March 2016, the Group made charitable donations amounting to HK$8,100.

Directors

The directors of the Company during the year ended 31 March 2016 and up to the date of this Directors' report are:

Executive Directors:

Mr. Chau Chit *(Chairman)* (appointed as executive Director on 22 July 2015 and the chairman on 23 September 2015)
Mr. Hu Baoyue *(Acting Chief Executive Officer)*
Mr. Kwan Ngai Kit
Mr. Wang Zhijun (the then Chairman resigned on 23 September 2015)

Non-executive Director:

Mr. Chen Guobao (appointed on 23 September 2015)

Independent Non-executive Directors:

Mr. Tam Tak Kei Raymond
Mr. Wong Kai Tung Simon
Mr. Wong Wai Kwan (appointed on 22 July 2015)
Mr. Chiu Sai Chuen Nicholas (resigned on 23 September 2015)

By virtue of article 108(a) of the articles of association of the Company, Mr. Hu, Mr. Tam and Mr. KT Wong shall retire by rotation. Save for Mr. Hu who will not offer himself for re-election due to his other engagements, Mr. Tam and Mr. KT Wong, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

By virtue of article 112 of the articles of association of the Company, Mr. Chen will hold office until the forthcoming annual general meeting and will retire and being eligible, offer himself for re-election.

Changes of Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the details of change in the Company's directorship since the date of the Interim Report for the period ended 30 September 2015 are set out below:

On 6 June 2016, Mr. Kwan was appointed as an independent non-executive Director and a member of the audit committee and nomination committee of Group Sense (International) Limited (a company listed on the Stock Exchange) (stock code: 601).

On 16 June 2016, he was appointed as an independent non-executive Director of Li Bao Ge Group Limited (a company listed on the Stock Exchange) (Stock code: 8102).

Directors' Service Agreements

Mr. Chen, a non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 23 September 2015, which may be terminated by either the Company or Mr. Chen by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Both Mr. Chau, an executive Director, and Mr. WK Wong, an independent non-executive Director, have entered into service agreements with the Company for a term of three years commencing from 22 July 2015, which may be terminated by either the Company or the other party by giving six months written notice or otherwise in accordance with the terms of the service agreements.

Mr. Kwan, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 28 February 2015, which may be terminated by either the Company or Mr. Kwan by giving one month written notice or otherwise in accordance with the terms of the service agreement.

Mr. Tam, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 19 January 2014, which may be terminated by either the Company or Mr. Tam by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Mr. KT Wong, an independent non-executive Director, has entered into a service agreement with the Company for a term of three years commencing from 12 November 2013, which may be terminated by either the Company or Mr. KT Wong by giving six months written notice or otherwise in accordance with the terms of the service agreement.

Mr. Hu, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 9 September 2013, which may be terminated by either the Company or Mr. Hu by giving six months written notice or otherwise in accordance with the terms of the service agreement.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within 1 year without payment of compensation (other than statutory compensation).

Emoluments of Directors and The Five Highest Paid Individuals

Particulars of the emoluments of the Directors and the five highest-paid individuals of the Group during the year ended 31 March 2016 are set out in notes 8 and 9 to the financial statements. The remuneration policy for Directors and senior management is set out in the Corporate Governance Report on page 29.

Permitted Indemnity Provision

Permitted indemnity provisions (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors of the Company are currently in force and was in force during the year and at the date of this report.

Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme adopted by the written resolutions of the sole Shareholder passed on 19 December 2011 (the "Adoption Date"). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

(b) Participants of the Share Option Scheme

The Board may, at its absolute discretion grant any employee (full-time or part-time), director (including executive, non-executive or independent non-executive directors), consultant or adviser of any member of the Group, or any substantial shareholder of any member of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group and any company wholly owned by one or more persons belonging to any of the aforesaid participants, options to subscribe for Shares at a price calculated in accordance with the paragraph below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.

(c) Total number of Shares available for issue under the Share Option Scheme

The maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as from the Adoption Date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the Shares in issue as at the Listing Date.

As at the date of this annual report, the outstanding number of options available for issue under the Share Option Scheme is 600,000,000 Shares, representing 10% of the issued share capital of the Company.

(d) The maximum entitlement of each participant under the Share Option Scheme

The total number of Shares issued and to be issued upon exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

(e) Timing for exercising option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions of early termination thereof.

(f) Period of acceptance of option

An offer made to a participant shall remain open for acceptance by the participant concerned for a period of 7 days from and inclusive of the date on which an option is offered to a participant.

(g) Payment of acceptance of option

The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.

(h) The basis of determining the exercise price of option

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day;

(ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and

(iii) the nominal value of a Share on the date of grant of the option.

(i) Duration of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date.

There is no option outstanding, granted, exercised, cancelled and lapsed during the year ended 31 March 2016.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying shares and Debentures

As at 31 March 2016, the interests or short positions of the Directors and chief executives of the Company in the shares of the Company (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 (Cap. 571, Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as follows:

Name of Directors	**Capacity**	**Number of shares held** (Note 1)	**Percentage of the issued share capital of the Company** (Note 1)
Mr. Chau Chit (Note 2)	Interest of Controlled Corporation	200,000,000 (L)	16.67%
Mr. Chen Guobao (Note 3)	Interest of Controlled Corporation	15,000,000 (L)	1.25%

Notes:

1. The letter "L" denotes the person's long position in such securities. The number of shares are the number of shares held as at 31 March 2016 and the percentage of the issued share capital of the Company is calculated on the basis of 1,200,000,000 shares in issue as at 31 March 2016.

2. Mr. Chau Chit, the executive Director, is the ultimate beneficial owner of Mega Start Limited ("Mega Start"). By virtue of the SFO, Mr. Chau Chit is deemed to be interested in the 200,000,000 Shares held by Mega Start. The interest in 200,000,000 Shares comprises (i) 120,000,000 Shares held by Mega Start and (ii) 80,000,000 Conversion Shares of a convertible bond with principal amount of HK$24,000,000 under which Mega Start could convert it into 80,000,000 Conversion Shares of the Company with a conversion price of HK$0.3 per share if relevant conditions are satisfied during the conversion period. Details of the convertible bond are set out in the Company's announcement dated 16 December 2015.

3. Mr. Chen Guobao owns the entire issued share capital of Full Fortune International Co., Ltd ("Full Fortune"). By virtue of the SFO, Mr. Chen Guobao is deemed to be interested in the 75,000,000 Shares held by Full Fortune.

Save as disclosed above, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Right to Acquire Shares

Save as disclosed in this report, at no time during the year ended 31 March 2016 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the Shares, or underlying shares, or debentures, of the Company or its associated corporations (within the meaning of Part XV of the SFO).

Substantial Shareholders' Interests and Short Positions in Shares, Underlying shares and Debentures

As at 31 March 2016, the following persons (other than Directors or chief executives of the Company) were interested in 5% or more of the issued share capital of the Company which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the Listing Rules of the Stock Exchange:

Name of Shareholders	**Capacity**	**Number of Shares held** (Note 1)	**Percentage of the issued share capital of the Company** (Note 1)
Mega Start (Note 2)	Beneficial owner	200,000,000 (L)	16.67%
Mr. Dai Jia Long	Beneficial owner	122,000,000 (L)	10.17%
Choice Wide Holdings Limited	Beneficial owner	110,000,000 (L)	9.17%
Earnstar Holding Limited (Note 3)	Beneficial owner	110,000,000 (L)	9.17%
Dungbao Limited (Note 4)	Beneficial owner	110,000,000 (L)	9.17%
Mr. Ma Zenglin (Note 5)	Interest of Controlled Corporation	110,000,000 (L)	9.17%
Talent Holdings Limited	Beneficial owner	108,000,000 (L)	9.00%
Mr. Yu Wudan (Note 6)	Interest of Controlled Corporation	108,000,000 (L)	9.00%
Bold Elite Limited	Beneficial owner	96,000,000 (L)	8.00%
Mr. Wang Guohua (Note 7)	Interest of Controlled Corporation	96,000,000 (L)	8.00%
Ms. Yao Xiaojun (Note 8)	Interest of Controlled Corporation	96,000,000 (L)	8.00%
Fount Holdings Ltd	Beneficial owner	95,000,000 (L)	7.92%
Mr. Tang Hao (Note 9)	Interest of Controlled Corporation	95,000,000 (L)	7.92%
Smart Faith Global Limited	Beneficial owner	83,000,000 (L)	6.92%
Mr. Wang Ning (Note 10)	Interest of Controlled Corporation	83,000,000 (L)	6.92%
Centure Strategies Holdings Limited	Beneficial owner	67,000,000 (L)	5.58%
Ms. Chen Hong (Note 11)	Interest of Controlled Corporation	67,000,000 (L)	5.58%

Notes:

1. The letter "L" denotes the person's long position in such securities. The number of shares are the number of shares held as at 31 March 2016 and the percentage of the issued share capital of the Company is calculated on the basis of 1,200,000,000 shares in issue as at 31 March 2016.

2. The interest in 200,000,000 Shares comprises (i) 120,000,000 Shares held by Mega Start and (ii) 80,000,000 Conversion Shares of a convertible bond with principal amount of HK$24,000,000 under which Mega Start could convert it into 80,000,000 Conversion Shares of the Company with a conversion price of HK$0.3 per share if relevant conditions are satisfied during the conversion period. Details of the convertible bond are set out in the Company's announcement dated 16 December 2015.

3. Earnstar Holding Limited owns 57.5% of the issued share capital of Choice Wide Holdings Limited. By virtue of the SFO, Earnstar Holding Ltd. is deemed to be interested in the 110,000,000 Shares held by Choice Wide Holdings Limited.

4. Dungbao Limited owns the entire issued share capital of Earnstar Holding Limited. By virtue of the SFO, Dungbao Limited is deemed to be interested in the 110,000,000 Shares held by Choice Wide Holdings Limited.

5. Mr. Ma Zenglin owns the entire issued share capital of Dungbao Limited. By virtue of the SFO, Mr. Ma Zenglin is deemed to be interested in the 110,000,000 Shares held by Choice Wide Holdings Limited.

6. Mr. Yu Wudan owns 80% of the issued share capital of Talent Holdings Limited. By virtue of the SFO, Mr. Yu Wudan is deemed to be interested in the 108,000,000 Shares held by Talent Holdings Limited.

7. Mr. Wang Guohua owns 40% of the issued share capital of Bold Elite Limited. By virtue of the SFO, Mr. Wang Guohua is deemed to be interested in the 96,000,000 Shares held by Bold Elite Limited.

8. Ms. Yao Xiaojun owns 60% of the issued share capital of Bold Elite Limited. By virtue of the SFO, Ms. Yao Xiaojun is deemed to be interested in the 96,000,000 Shares held by Bold Elite Limited.

9. Mr. Tang Hao owns the entire issued share capital of Fount Holdings Ltd. By virtue of the SFO, Mr. Tang Hao is deemed to be interested in the 95,000,000 Shares held by Fount Holdings Ltd.

10. Mr. Wang Ning owns the entire issued share capital of Smart Faith Global Limited. By virtue of the SFO, Mr. Wang Ning is deemed to be interested in the 83,000,000 Shares held by Smart Faith Global Limited.

11. Ms. Chen Hong owns the entire issued share capital of Centure Strategies Holdings Limited. By virtue of the SFO, Ms. Chen Hong is deemed to be interested in the 67,000,000 Shares held by Centure Strategies Holdings Limited.

Save as disclosed above, as at 31 March 2016, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed amount of public float during the year ended 31 March 2016 and as at the date of this annual report as required under the Listing Rules.

Directors' Interests in Transactions, Arrangements or Contracts

On 16 December 2015, the Company entered into a subscription agreement and a convertible bond agreement with Mega Start, a substantial shareholder and a company wholly owned by Mr. Chau Chit (being the Chairman of the Company and an executive Director). Further details of the transactions undertaken in connection therewith are included in the section of "Connected Transactions" below.

Save as disclosed above, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding company of the Company, or any of the Company's subsidiaries or fellow subsidiaries was a party during the year ended 31 March 2016.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 March 2016.

Contract of Significance

No contract of significance in relation to the Group's in which the Company, any of its subsidiaries or fellow subsidiaries, or its parent company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year ended 31 March 2016.

Directors' Interests in Competing Business

As at 31 March 2016, none of the Directors or their respective associates had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Convertible Bond, Bank Loans and Other Borrowings

Particulars of the Convertible Bond, bank loans and other borrowings of the Group as at 31 March 2016 are set out in notes 23, 24 and 35(b) to the financial statements.

Retirement Benefits Plans

Particulars of retirement benefits plans of the Group as at 31 March 2016 are set out in note 2.4 to the financial statements.

Confirmation of Independence

The Company has received from each of the independent non-executive Directors during the reporting period namely, Mr. Tam, Mr. KT Wong, Mr. WK Wong and Mr. Chiu Sai Chuen Nicholas, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all of them were independent during the year ended 31 March 2016.

Connected Transactions

On 16 December 2015, to provide additional working capital for the Group, the Company and Mega Start, a substantial shareholder and a company wholly owned by Mr. Chau Chit (being the Chairman of the Company and an executive Director), entered into:

(a) a subscription agreement, pursuant to which, the Company will allot and issue, and Mega Start will subscribe for, 90,000,000 subscription shares at the subscription price of HK$0.3 per share; and

(b) a convertible bond agreement, pursuant to which, the Company will issue, and Mega Start will subscribe for, a convertible bond in a principal amount of HK$24,000,000 (the "Convertible Bond"). The Convertible Bond can be converted into ordinary shares of the Company at the initial conversion price of HK$0.3 per share (adjusted to HK$0.06 per share on 3 May 2016 following the share subdivision of the Company), bearing no interest and will mature in 5 years after the date of issue. The holder of the Convertible Bond shall convert it into ordinary shares in full mandatorily, if and only if the gross profits of the graphene business segment of the Company for the two financial years ending 31 March 2017 and 2018 exceed HK$300 million.

Details are stated in the Company's Circular dated 15 January 2016.

Save as disclosed above, the related party transactions set out in note 35 to the financial statements (other than the transactions relating to the interest expense paid to a director of certain subsidiaries, which constituted continuing connected transactions but were fully exempted under Chapter 14A of the Listing Rules) did not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, Sale or Redemption of Listed Securities of the Company

During the year ended 31 March 2016, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Five Year Financial Summary

A summary of the published results and assets and liabilities of the Group for the last five financial years is set out in the five year financial summary on page 116 of this annual report. The summary does not form part of the audited financial statements.

Corporate Governance

The Company maintains a high standard of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 23 to 34. The Directors believe the long term financial performance as opposed to short term rewards is a corporate governance objective. The Board would not take undue risks to make short term gains at the expense of the long term objectives.

Event After the Reporting Period

Details of the significant event of the Group after the reporting period are set out in note 39 to the financial statements.

Auditors

On 11 April 2016, Ernst & Young ("EY") was appointed by the Directors as the auditors of the Company to fill the casual vacancy so arising following the resignation of Deloitte Touche Tohmastu. Deloitte Touche Tohmastu was appointed by the Directors as the auditors of the Company to fill the casual vacancy so arising following the resignation of SHINEWING (HK) CPA Limited on 17 January 2014. A resolution for the reappointment of EY as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chau Chit
Chairman

Hong Kong, 28 June 2016

Independent Auditors' Report

EY 安永

To the shareholders of Vision Fame International Holding Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Vision Fame International Holding Limited (the "Company") and its subsidiaries set out on pages 48 to 115, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with our terms of engagement, 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 auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2016, and their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants

22/F
CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

28 June 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
REVENUE	5	**2,502,744**	1,776,238
Cost of sales		**(2,427,255)**	(1,798,767)
Gross profit/(loss)		**75,489**	(22,529)
Other income and a gain	5	**32,772**	7,061
Administrative expenses		**(76,895)**	(87,717)
Other operating expenses		**(4,788)**	(6,160)
Finance costs	7	**(5,575)**	(6,834)
Share of profit/(loss) of an associate		**(6)**	392
PROFIT/(LOSS) BEFORE TAX	6	**20,997**	(115,787)
Income tax expense	10	**(1,079)**	(1,476)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**19,918**	(117,263)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value	15	**(4,537)**	(2,156)
Reclassification adjustment for losses included in the consolidated statement of profit or loss and other comprehensive income:			
— impairment losses	15	**4,101**	2,943
		(436)	787
Exchange differences on translation of foreign operations		**1,567**	(2,314)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**1,131**	(1,527)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		**1,131**	(1,527)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**21,049**	(118,790)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	11		
Basic		**HK0.90 cent**	(HK7.82 cents)
Diluted		**HK0.89 cent**	(HK7.82 cents)

Consolidated Statement of Financial Position

31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**15,855**	31,497
Investment in an associate	13	**572**	567
Investment in a joint venture	14	**—**	—
Available-for-sale investments	15	**3,396**	7,879
Prepayments, deposits and other receivables	19	**4,502**	—
Total non-current assets		**24,325**	39,943
CURRENT ASSETS			
Gross amount due from contract customers	16	**27,580**	53,285
Property under development	17	**—**	24,284
Trade and bills receivables	18	**330,191**	238,429
Prepayments, deposits and other receivables	19	**128,397**	210,379
Pledged bank deposits and restricted cash	20	**60,366**	19,717
Cash and cash equivalents	20	**397,801**	188,754
Total current assets		**944,335**	734,848
CURRENT LIABILITIES			
Gross amount due to contract customers	16	**3,872**	5,977
Trade payables	21	**307,385**	237,665
Other payables and accruals	22	**35,110**	173,034
Amounts due to a related party	35(b)	**107,953**	119,862
Tax payable		**2,505**	2,683
Interest-bearing bank and other borrowings	23	**1,976**	33,007
Total current liabilities		**458,801**	572,228
NET CURRENT ASSETS		**485,534**	162,620
TOTAL ASSETS LESS CURRENT LIABILITIES		**509,859**	202,563

Consolidated Statement of Financial Position (Continued)

31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
NON-CURRENT LIABILITIES			
A convertible bond	24	**12,529**	—
Loans from a related party	35(b)	**170,000**	170,000
Interest-bearing other borrowings	23	**2,216**	4,112
Other payables and accruals	22	**828**	828
Deferred tax liabilities	26	**—**	1,634
Total non-current liabilities		**185,573**	176,574
Net assets		**324,286**	25,989
EQUITY			
Equity attributable to owners of the parent			
Issued capital	27	**12,000**	3,000
Equity component of a convertible bond	24	**11,746**	—
Other reserves	29	**300,540**	22,989
Total equity		**324,286**	25,989

Chau Chit
Director

Kwan Ngai Kit
Director

Consolidated Statement of Changes in Equity

Year ended 31 March 2016

	Issued capital	Share premium account (note i)	Equity component of a convertible bond	Exchange reserve	Capital reserve (note ii)	Legal reserve (note iii)	Available-for-sale investments revaluation reserve	Other reserve (note iv)	Retained profits/ (accumulated losses)	Total equity
	HK$'000	HK$'000	HK'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 April 2014	3,000	44,322	—	7,253	3,642	12	(351)	22,000	64,901	144,779
Loss for the year	—	—	—	—	—	—	—	—	(117,263)	(117,263)
Other comprehensive income/(loss) for the year:										
Change in fair value of available-for-sale investments, net of tax	—	—	—	—	—	—	787	—	—	787
Exchange differences on translation of foreign operations	—	—	—	(2,314)	—	—	—	—	—	(2,314)
Total comprehensive income/ (loss) for the year	—	—	—	(2,314)	—	—	787	—	(117,263)	(118,790)
At 31 March 2015 and at 1 April 2015	3,000	44,322	—	4,939	3,642	12	436	22,000	(52,362)	25,989
Profit for the year	—	—	—	—	—	—	—	—	19,918	19,918
Other comprehensive income/(loss) for the year:										
Change in fair value of available-for-sale investments, net of tax	—	—	—	—	—	—	(436)	—	—	(436)
Exchange differences on translation of foreign operations	—	—	—	1,567	—	—	—	—	—	1,567
Total comprehensive income/ (loss) for the year	—	—	—	1,567	—	—	(436)	—	19,918	21,049
Issue of shares (note 27)	9,000	261,000	—	—	—	—	—	—	—	270,000
Share issue expenses (note 27)	—	(4,498)	—	—	—	—	—	—	—	(4,498)
Issue of a convertible bond (note 24)	—	—	11,746	—	—	—	—	—	—	11,746
At 31 March 2016	12,000	300,824*	11,746	6,506*	3,642*	12*	—*	22,000*	(32,444)*	324,286

* These reserve accounts comprise the consolidated other reserves of HK$300,540,000 (2015: HK$22,989,000) in the consolidated statement of financial position.

Notes:

(i) Under the Companies Law, Cap. 22 (Law 6 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

(ii) Capital reserve comprises the following in prior years:

- Wan Chung Construction Company Limited ("Wan Chung Construction") acquired the entire equity interest in Wan Chung Property Company Limited from its then shareholder at a discount of approximately HK$2,776,000 which was deemed to be capital contribution from owners of the Company.

- Wan Chung Construction recovered indemnified taxation of approximately HK$866,000 from its former shareholder pursuant to the deed of indemnity which was deemed to be capital contribution from owners of the Company.

(iii) In accordance with the provisions of Macau Commercial Code, the Company's subsidiary incorporated in Macau is required to transfer 25% of its annual net profit to a legal reserve until the balance of the reserve reaches 50% of the subsidiary's registered capital. Legal reserve is not distributable to shareholders. No transfer was made in current and prior years as the subsidiary incurred a loss for both years.

(iv) Other reserve represents the difference between the nominal value of the issued share capital of the subsidiaries acquired and the consideration paid pursuant to the group reorganisation in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited in January 2012.

Consolidated Statement of Cash Flows

Year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**20,997**	(115,787)
Adjustments for:			
Finance costs	7	**5,575**	6,834
Bank interest income	5	**(770)**	(820)
Interest income from sub-contractors	5	**(4,404)**	(3,089)
Investment income from available-for-sale investment	5	**(13)**	(14)
Share of profit/(loss) from an associate		**6**	(392)
Government grant	5	**—**	(750)
Loss on disposal of items of property, plant and equipment	6	**2,056**	727
Depreciation	6	**8,266**	7,578
Impairment loss on available-for-sale investments	6	**4,101**	2,943
Impairment loss on property under development	6	**—**	3,217
Impairment loss on goodwill arising from an associate	6	**—**	487
Impairment loss on property, plant and equipment	6	**687**	—
Gain on disposal of a subsidiary	5	**(22,707)**	—
		13,794	(99,066)
Decrease/(increase) in properties under development		**25,113**	(24,607)
Decrease/(increase) in gross amount due from contract customers		**28,229**	(10,934)
Increase in trade and bills receivables		**(92,405)**	(53,494)
Decrease/(increase) in prepayments, deposits and other receivables		**78,897**	(142,915)
Decrease in gross amount due to contract customers		**(2,154)**	(7,740)
Increase in trade payables		**69,605**	66,925
Increase/(decrease) in other payables and accruals		**(136,844)**	158,413
Cash used in operations		**(15,765)**	(113,418)
Hong Kong tax refunded/(paid)		**(34)**	231
Overseas tax paid		**(2,383)**	(5)
Net cash flows used in operating activities		**(18,182)**	(113,192)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(2,859)**	(7,230)
Proceeds from disposal of items of property, plant and equipment		**236**	237
Decrease/(increase) in restricted deposits with a broker		**775**	(775)
Acquisition of subsidiaries	30	**—**	43
Disposal of a subsidiary	31	**29,800**	—
Investment income received		**13**	14
Interest received		**770**	820
Dividend received from an associate		**—**	5,458
Repayment of capital from associates		**—**	1,987
Decrease/(increase) in pledged bank deposits		**(20,099)**	24,944

Consolidated Statement of Cash Flows (Continued)

Year ended 31 March 2016

	Note	2016 HK$'000	2015 HK$'000
Net cash flows from investing activities		**8,636**	25,498
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		**270,000**	—
Share issue expenses		**(4,498)**	—
Proceeds from issue of a convertible bond		**24,000**	—
New bank loans		**—**	92,659
Repayment of bank and other borrowings		**(32,980)**	(66,573)
Government grants received		**—**	750
Interest paid		**(1,209)**	(374)
Movement in balances with a related party		**(16,000)**	(9,205)
Movement in balances with associates		**—**	(7,025)
Net cash flows from financing activities		**239,313**	10,232
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**229,767**	(77,462)
Cash and cash equivalents at beginning of year		**188,754**	267,180
Effect of foreign exchange rate changes, net		**(170)**	(964)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**418,351**	188,754
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents stated in the consolidated statement of financial position	20	**397,801**	188,754
Restricted cash with original maturity of less than three months when acquired, restricted for banking facilities	20	**20,550**	—
Cash and cash equivalents as stated in consolidated statement of cash flow		**418,351**	188,754

Notes to Financial Statements

31 March 2016

1. Corporate and Group Information

Vision Fame International Holding Limited (the "Company") was incorporated in the Cayman Islands under the Companies Law (as revised) of the Cayman Islands as an exempted company with limited liability. The registered office address of the Company is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.

During the year, the Group was involved in the following principal activities:

- Provision of building construction services, property maintenance services, alterations, renovation, upgrading and fitting-out works services;
- Property development and provision of related management and advisory services; and
- Graphene production and trading of metal and materials

Prior to 1 September 2015, in the opinion of the directors of the Company, Grand Silver Group Limited, a company incorporated in the British Virgin Islands ("BVI") was the immediate and ultimate holding company of the Company.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Prosper Ace Investments Limited*	BVI	US$10,000	100	—	Investment holding
Wan Chung Construction Company Limited	Hong Kong	HK$88,000,000	—	100	(note i)
Wan Chung Engineering (Macau) Company Limited*	Macau	MOP25,000	—	100	(note i)
Wan Chung Construction (Singapore) Pte. Limited*	Singapore	SGD14,700,000	—	100	(note i)
Wan Chung Engineering Company Limited	Hong Kong	HK$10,000	—	100	(note ii)
Vision Foundation Pte. Ltd.*	Singapore	SGD500,000	—	100	Provision of foundation and building construction works

1. Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Wan Chung Property Company Limited #	Hong Kong	HK$10,000	—	100	Property holding
Grace Will International Holdings Limited	Hong Kong	HK$10,000	—	100	Provision of design services and investment holding
Greatwall Energy Holdings (Hong Kong) Limited	Hong Kong	HK$10,000	—	100	Trading of metal and materials
1315 Design Property Limited*	Australia	AUD100	—	100	Provision of design services and property development
China Estate International Limited	Hong Kong	HK$1	—	100	Investment holding
Smart Sky Hong Limited*	BVI	US$1	—	100	Investment holding
上海衡途金屬貿易有限公司Shanghai Hengtu Metal Trading Company Limited (note iii)*	Mainland China	HK$100,000	—	100	Trading of metal and materials
中置國際(青島)地產管理有限公司 China Worth International (Qingdao) Real Estate Management Limited (note iii)*	Mainland China	US$500,000	—	100	Provision of property management and advisory services
深圳前海天高長城投資發展有限公司 Shenzhen Qianhai Greatwall Investment Limited (note iii and iv)*	Mainland China	—	—	100	Trading of metal and materials

1. Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

Name	Place of incorporation/ registration and business	Issued/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
無錫泰科納米新材料有限公司Wuxi Taike Nano New Material Co. Ltd (note iii)*	Mainland China	HK$500,000,000	—	100	Graphene production and trading of materials
中國碳谷科技集團有限公司 China Carbon Valley Technology Group Limited	Hong Kong	HK$1	—	100	Investment holding and provision of management services

Notes:

(i) The principal activities of these subsidiaries consisted of the provision of property maintenance services, building construction works, and alterations, renovation, upgrading and fitting-out works.

(ii) The principal activities of this subsidiary consisted of the provision of building construction works and alterations, renovation, updating and fitting-out works.

(iii) Wholly-foreign-owned enterprises under law of the People's Republic of China (the "PRC").

(iv) This company has no paid-up capital yet.

* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

\# Disposed of on 28 January 2016

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

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investments which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The nature and the impact of each amendment is described below:

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets:* Clarifies the treatment of the gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

2.2 Changes in Accounting Policies and Disclosures (Continued)

(c) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- HKFRS 13 *Fair Value Measurement:* Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

- HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the Group did not acquire any investment properties during the year and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[4]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
4 Effective for annual periods beginning on or after 1 January 2019
5 No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 April 2018. The Group is currently assessing the impact of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 April 2016.

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2016.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018. The Group expects to adopt HKFRS 15 on 1 April 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

HKFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is yet to assess the full impact of the standard on its financial position and results of operations. The Group expects to adopt HKFRS 16 on 1 April 2019.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;

(ii) that specific line items in profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and profit or loss. The Group expects to adopt the amendments from 1 April 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

2.4 Summary of Significant Accounting Policies

Investments in an associate and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The Group's investment in an associate and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of its associate and joint venture is included in the consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate or joint ventures are eliminated to the extent of the Group's investments in the associate or joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associate or joint venture is included as part of the Group's investments in an associate or joint venture.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 Summary of Significant Accounting Policies (Continued)

Fair value measurement

The Group measures its available-for-sale investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than property under development, construction contract assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation (Continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	Over the shorter of lease terms or 1.3%
Leasehold improvements	Over the shorter of lease terms or 25% to 33%
Furniture, fixtures and equipment	20% to 33%
Computers	33%
Motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other operating expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (Continued)

Available-for-sale financial investments (Continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other operating expenses in profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss — is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, amounts due to and loans from a related party, and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

2.4 Summary of Significant Accounting Policies (Continued)

Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, an associate and a joint venture when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, an associate and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for "Construction contracts" below;

(b) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(c) from the rendering of services, upon completion of services rendered;

(d) rental income, on a time proportion basis over the lease terms;

(e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset; and

(f) dividend income, when the shareholders' right to receive payment has been established.

Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured either by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract or to the percentage of certified work performed to date to the estimated total sum of the relevant contracts.

Revenue from cost plus construction contracts is recognised using the percentage of completion method, by reference to the recoverable costs incurred during the period plus the related fee earned, measured by the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

2.4 Summary of Significant Accounting Policies (Continued)

Share-based payments (Continued)

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 28 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 Summary of Significant Accounting Policies (Continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Under the laws of Singapore, certain subsidiaries of the Company make contributions to the state pension scheme, the Central Provident Fund ("CPF"). The subsidiaries of the Company in Singapore are required to contribute certain percentages of the monthly salaries of their current employees to the CPF.

Employees employed by the Company's subsidiary in the Macau Special Administrative Region ("MSAR") are members of government-managed retirement benefit schemes operated by the MSAR government and this subsidiary is required to pay a monthly fixed contribution to the retirement benefit schemes to fund the benefits.

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute 5% of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 Summary of Significant Accounting Policies (Continued)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e. translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, an associate and a joint venture are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Contingent liabilities in respect of legal claims

The Group has been engaged in a number of legal claims in respect of certain construction works. Contingent liabilities arising from these legal claims have been assessed by management with reference to legal advice. The directors of the Company considered that adequate provision in respect of the litigations is made after due consideration of each case and with reference to legal opinion.

Estimation uncertainty

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

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amounts of unrecognised tax losses arising in Hong Kong, Singapore and Mainland China at 31 March 2016 were HK$16,374,000 (2015: HK$44,211,000), HK$50,212,000 (2015: HK$42,081,000) and HK$1,657,000 (2015: HK$1,469,000), respectively. Further details are contained in note 26 to the financial statements.

Impairment of available-for-sale financial assets

The Group classifies an asset as available for sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in profit or loss. At 31 March 2016, an impairment loss of HK$4,101,000 has been recognised for available-for-sale assets (2015: HK$2,943,000). The carrying amount of available-for-sale assets was HK$3,396,000 (2015: HK$7,879,000).

Useful lives and impairment of property, plant and equipment

The Group determines the useful lives and related depreciation charges for its property, plant and equipment based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The estimated useful lives could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles.

Management will increase the depreciation charge where useful lives are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned. Actual economic lives of property, plant and equipment may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation in the future periods.

3. Significant Accounting Judgements and Estimates (Continued)

Estimation uncertainty (Continued)

Construction contracts revenue recognition

The Group recognises contract revenue and profit of a construction contract according to management's estimation of the total outcome of the construction contract as well as percentage of completion of construction works based on contract costs incurred.

In estimating the total outcome, the Group determines the amount of attributable profit or foreseeable losses from construction contracts based on the latest available budgets of those construction contracts with reference to the overall performance of each construction contract which requires management's best estimates and judgements of construction revenue and costs. Construction revenue is estimated in accordance with the terms set out in the relevant contracts. Variations in contract works, claims and incentive payments are included to the extent that they have been agreed with the customer and are capable of being reliably measured. Construction costs which mainly comprise preliminary expenses and subcontracting costs are estimated by management on the basis of quotations from time to time provided by the sub-contractors involved and the experience of management. Because of the nature of the construction industry, management regularly reviews the progress report prepared by the project managers and budgets of the construction contracts in determining the percentage of completion of work. Any change in the estimates of construction revenue or construction cost will affect the amount of foreseeable losses, or attributable profits recognised in profit or loss prospectively in each reporting period using the percentage of completion method.

Property maintenance revenue recognition

When services are provided, property maintenance income is recognised based on management's estimation of the value of each works order. At the end of the reporting period, management estimated the extent of services already rendered by the Group and the amount of revenue in respect of each uncompleted works order by reference to the statement of claim, if any, mutually agreed by the Group and customers, or the completion report issued by the customers subsequent to the end of the reporting period. The actual value of completed works orders shown in the completion report may be higher or lower than management estimates and this will affect the revenue from property maintenance recognised in profit or loss in each reporting period.

Impairment of trade receivables

Impairment of trade receivables is made based on assessment of the recoverability of receivables due from customers. The identification of impairment requires management judgement and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact on the carrying value of the receivables and impairment losses/reversal of impairment losses in the period in which such estimate has been changed.

4. Operating Segment Information

For management purposes, the Group is organised into business units based on their services provided and has five reportable segments as follows:

(a) building construction and other construction related business;

(b) alterations, renovation, upgrading and fitting-out works;

(c) property maintenance;

(d) property development and provision of related management and advisory services; and

(e) graphene production and trading of metal and materials.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, finance costs, investment income, an impairment loss of available-for-sale investments and gain on disposal of a subsidiary as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investment in an associate and a joint venture, available-for-sale investments, certain property, plant and equipment, certain other receivables, pledged bank deposits and restricted cash, and cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude tax payable, secured bank loans, amounts due to/loans from a related party, certain other payables and accruals, and deferred tax liabilities as these liabilities are managed on a group basis.

There were no intersegment sales or transfers during the year (2015: Nil).

4. Operating Segment Information (Continued)

Year ended 31 March 2016

	Building construction and other construction related business HK$'000	Alterations, renovation, upgrading and fitting-out works HK$'000	Property maintenance HK$'000	Property development and provision of related management and advisory services HK$'000	Graphene production and trading of metal and materials HK$'000	Total HK$'000
Segment revenue:						
Revenue from external customers	469,748	476,564	468,380	36,134	1,051,918	2,502,744
Segment results:	22,525	21,617	22,761	10,374	1,929	79,206
Reconciliation:						
Unallocated other income						5,661
Administrative expenses						(76,895)
Finance costs						(5,575)
Impairment loss on available-for-sale investments						(4,101)
Gain on disposal of a subsidiary						22,707
Share of loss of an associate						(6)
Profit before taxation						20,997
Segment assets:	97,588	88,849	194,463	254	96,676	477,830
Reconciliation:						
Corporate and other unallocated assets						490,830
Total assets						968,660
Segment liabilities:	103,490	95,632	129,044	324	18,976	347,466
Reconciliation:						
Corporate and other unallocated liabilities						296,908
Total liabilities						644,374
Other segment information:						
Depreciation	3,955	6	859	—	3	4,823
Capital expenditure*	24	517	165	—	22	728
Impairment loss on property, plant and equipment	—	—	—	648	39	687

* Capital expenditure consists of additions to property, plant and equipment including assets from the acquisition of a subsidiary.

4. Operating Segment Information (Continued)

Year ended 31 March 2015

	Building construction and other construction related business HK$'000	Alterations, renovation, upgrading and fitting-out works HK$'000	Property maintenance HK$'000	Property development and provision of related management and advisory services HK$'000	Graphene production and trading of metal and materials HK$'000	Total HK$'000
Segment revenue:						
Revenue from external customers	557,794	405,949	281,834	3,114	527,547	1,776,238
Segment results:	(35,620)	26,432	(14,786)	(103)	1,414	(22,663)
Reconciliation:						
Unallocated other income						3,978
Administrative expenses						(87,230)
Finance costs						(6,834)
Impairment loss on available-for-sale investments						(2,943)
Impairment loss on goodwill arising from an associate						(487)
Share of profit of an associate						392
Loss before taxation						(115,787)
Segment assets:	123,673	57,490	109,606	30,987	176,180	497,936
Reconciliation:						
Corporate and other unallocated assets						276,855
Total assets						774,791
Segment liabilities:	138,379	64,602	73,163	599	144,087	420,830
Reconciliation:						
Corporate and other unallocated liabilities						327,972
Total liabilities						748,802
Other segment information:						
Depreciation	4,453	874	117	—	—	5,444
Impairment loss on property under development	—	—	—	3,217	—	3,217
Capital expenditure*	3,858	2,977	106	1,033	—	7,974

* Capital expenditure consists of additions to property, plant and equipment including assets from the acquisition of a subsidiary.

4. Operating Segment Information (Continued)

Geographical information

(a) Revenue from external customers

	2016 HK$'000	2015 HK$'000
Hong Kong	**1,977,337**	1,299,659
Singapore	**234,196**	456,469
Macau	**9,616**	15,900
Mainland China	**256,014**	4,210
Australia	**25,581**	—
	2,502,744	1,776,238

The revenue information above is based on the locations of the operations.

(b) Non-current assets

	2016 HK$'000	2015 HK$'000
Hong Kong	**7,140**	11,282
Singapore	**12,351**	19,783
Macau	**—**	5
Mainland China	**1,438**	994
	20,929	32,064

The non-current assets information above is based on the locations of the assets and excludes available-for-sale investments.

Information about major customers

Revenue from customers of the corresponding years individually contributing over 10% of the total revenue of the Group are as follows:

	2016 HK$'000	2015 HK$'000
Customer A[1]	**478,540**	303,834
Customer B[2]	**473,642**	72,011
Customer C[2]	**294,695**	313,372
Customer D[3]	**174,093**	207,065

1 Revenue from building construction and property maintenance.
2 Revenue from trading of metal and materials.
3 Revenue from building construction.

5. Revenue, Other Income and a Gain

Revenue represents revenue from building construction; alterations, renovation, upgrading and fitting-out works; property maintenance; property development and provision of related management and advisory services; and trading of metal and materials during the year.

An analysis of revenue, other income and a gain is as follows:

	2016 HK$'000	2015 HK$'000
Revenue		
Building construction	469,748	557,794
Alterations, renovation, upgrading and fitting-out works	476,564	405,949
Property maintenance	468,380	281,834
Property development and provision of related management and advisory services	36,134	3,114
Trading of metal and materials	1,051,918	527,547
	2,502,744	1,776,238
Other income		
Rental income	156	124
Interest income from sub-contractors	4,404	3,089
Bank interest income	770	820
Investment income from available-for-sale investments	13	14
Government grant	2,114	750
Others	2,608	2,264
	10,065	7,061
Gain		
Gain on disposal of a subsidiary (note 31)	22,707	—
Other income and a gain	32,772	7,061

6. Profit/(Loss) Before Tax

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

	Notes	2016 HK$'000	2015 HK$'000
Cost of services provided		**1,377,307**	1,272,635
Cost of inventories sold		**1,049,948**	526,132
Auditors' remuneration		**1,200**	1,320
Depreciation	12	**8,266**	7,578
Minimum lease payments under operating leases on land and buildings		**3,814**	6,581
Loss on disposal of items of property, plant and equipment		**2,056**	727
Employee benefit expense (excluding directors' remuneration (note 8)):			
Wages and salaries		**106,713**	106,997
Pension scheme contributions*		**3,886**	3,948
		110,599	110,945
Foreign exchange differences, net		**3,821**	7,443
Impairment loss on goodwill arising from an associate	13	**—**	487
Impairment loss on available-for-sale investments^		**4,101**	2,943
Impairment loss on property under development^		**—**	3,217
Impairment loss on property, plant and equipment^	12	**687**	—

* At 31 March 2016, there were no forfeited contributions available to the Group to reduce contributions to the pension schemes in future years (2015: Nil).

^ These amounts are included in "Other operating expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

7. Finance Costs

An analysis of finance costs is as follows:

	2016 HK$'000	2015 HK$'000
Interest on loans from a related party	**4,091**	6,460
Interest on obligations under finance leases	**116**	188
Interest on bank loans and other loan (including a convertible bond)	**1,368**	186
	5,575	6,834

8. Directors' Remuneration

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2016 HK$'000	2015 HK$'000
Fees	**629**	450
Other emoluments:		
Salaries, bonuses and allowances	**4,925**	4,715
Pension scheme contributions	**54**	8
	4,979	4,723
	5,608	5,173

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2016 HK$'000	2015 HK$'000
Chiu Sai Chuen Nicholas	**147**	150
Tam Tak Kei, Raymond	**150**	150
Wong Kai Tung, Simon	**150**	150
Wong Wai Kwan	**104**	—
	551	450

There were no other emoluments payable to the independent non-executive directors during the year (2015: Nil).

8. Directors' Remuneration (Continued)

(b) Executive directors and a non-executive director

	Fees HK$000	Salaries, bonuses and allowances HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2016				
Executive directors:				
Wang Zhijun	—	940	8	948
Hu Baoyue (acting chief executive officer)	—	1,020	20	1,040
Kwan Ngai Kit	—	1,099	18	1,117
Chau Chit	—	1,866	8	1,874
	—	4,925	54	4,979
Non-executive director:				
Chen Guobao	78	—	—	78
	78	4,925	54	5,057
2015				
Executive directors:				
Wang Zhijun	—	2,000	—	2,000
Hu Baoyue (acting chief executive officer)	—	1,020	—	1,020
Gavin Xing (chief executive officer)	—	1,617	6	1,623
Kwan Ngai Kit	—	78	2	80
	—	4,715	8	4,723

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2015: Nil).

9. Five Highest Paid Employees

The five highest paid employees during the year included one (2015: two) director, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining four (2015: three) highest paid employees who are neither a director of the Company are as follows:

	2016 HK$'000	2015 HK$'000
Salaries, bonuses and allowances	6,076	4,450
Pension scheme contributions	72	83
	6,148	4,533

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2016	2015
HK$1,000,001 to HK$1,500,000	3	2
HK$1,500,001 to HK$2,000,000	1	1
	4	3

10. Income Tax

No provision for Hong Kong profits tax has been made as the Company has available tax losses brought forward from prior years to offset the assessable profits generated during the year. In the prior year, Hong Kong profits tax had been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2016 HK$'000	2015 HK$'000
Current — Hong Kong		
Charge for the year	—	34
Overprovision in prior years	—	(38)
Current — Elsewhere		
Charge for the year	2,445	703
Overprovision in prior years	(62)	(22)
Deferred (note 26)	(1,304)	799
Total tax charge for the year	1,079	1,476

10. Income Tax (Continued)

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax charge at the effective tax rate is as follows:

	2016 HK$'000	2015 HK$'000
Profit/(loss) before tax	**20,997**	(115,787)
Tax at the statutory tax rate	**3,666**	(20,683)
Adjustments in respect of current tax of previous periods	**(62)**	(60)
Income not subject to tax	**(3,783)**	(521)
Expenses not deductible for tax	**4,423**	5,585
Tax losses utilised from previous periods	**(5,064)**	—
Tax losses not recognised	**1,899**	17,155
Tax charge at the Group's effective rate of 5.1% (2015: –1.3%)	**1,079**	1,476

11. Earnings/(Loss) Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,213,114,754 (2015: (restated) 1,500,000,000) in issue during the year, after taking into account the share subdivision which became effective on 3 May 2016.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on a convertible bond, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment had been made to the basic loss per share amount presented for the year ended 31 March 2015 in respect of a dilution as the Group had no potential dilutive ordinary shares issued during that year.

11. Earnings/(Loss) Per Share Attributable to Ordinary Equity Holders of the Parent (Continued)

The calculations of basic and diluted earnings per share are based on:

	2016 HK$'000	2015 HK$'000
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent,used in the basic earnings/(loss) per share calculation	19,918	(117,263)
Interest on a convertible bond	275	—
Profit/(loss) attributable to ordinary equity holders of the parent before interest on a convertible bond	20,193	(117,263)

	Number of shares	
	2016	2015 (restated)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation (note)	2,213,114,754	1,500,000,000
Effect of dilution — weighted average number of ordinary shares: A convertible bond	60,820,165	—
	2,273,934,919	1,500,000,000

Note: Adjusted for the effect of the share subdivision in May 2016, as further explained in note 39 to the financial statements.

12. Property, Plant and Equipment

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixture and equipment HK$'000	Computers HK$'000	Motor vehicles HK$'000	Total HK$'000
31 March 2016						
At 31 March 2015 and at 1 April 2015:						
Cost	**9,000**	**3,039**	**30,369**	**2,553**	**4,111**	**49,072**
Accumulated depreciation	**(1,440)**	**(1,827)**	**(10,314)**	**(1,535)**	**(2,459)**	**(17,575)**
Net carrying amount	**7,560**	**1,212**	**20,055**	**1,018**	**1,652**	**31,497**
At 1 April 2015, net of accumulated depreciation	**7,560**	**1,212**	**20,055**	**1,018**	**1,652**	**31,497**
Additions	**—**	**1,483**	**823**	**553**	**—**	**2,859**
Disposals	**—**	**(487)**	**(1,802)**	**—**	**(3)**	**(2,292)**
Disposal of a subsidiary (note 31)	**(7,410)**	**—**	**—**	**—**	**—**	**(7,410)**
Depreciation provided during the year	**(150)**	**(597)**	**(6,363)**	**(572)**	**(584)**	**(8,266)**
Impairment	**—**	**—**	**(392)**	**(295)**	**—**	**(687)**
Exchange realignment	**—**	**—**	**157**	**(7)**	**4**	**154**
At 31 March 2016	**—**	**1,611**	**12,478**	**697**	**1,069**	**15,855**
At 31 March 2016:						
Cost	**—**	**3,072**	**26,032**	**2,708**	**4,127**	**35,939**
Accumulated depreciation and impairment	**—**	**(1,461)**	**(13,554)**	**(2,011)**	**(3,058)**	**(20,084)**
Net carrying amount	**—**	**1,611**	**12,478**	**697**	**1,069**	**15,855**
31 March 2015						
At 1 April 2014:						
Cost	9,000	3,798	28,628	1,292	2,906	45,624
Accumulated depreciation	(1,260)	(1,756)	(6,870)	(1,073)	(2,266)	(13,225)
Net carrying amount	7,740	2,042	21,758	219	640	32,399
At 1 April 2014, net of accumulated depreciation	7,740	2,042	21,758	219	640	32,399
Additions	—	909	3,603	1,044	1,674	7,230
Acquisition of subsidiaries (note 30)	—	—	694	339	—	1,033
Disposals	—	(669)	(191)	(104)	—	(964)
Depreciation provided during the year	(180)	(1,063)	(5,229)	(480)	(626)	(7,578)
Exchange realignment	—	(7)	(580)	—	(36)	(623)
At 31 March 2015	7,560	1,212	20,055	1,018	1,652	31,497
At 31 March 2015:						
Cost	9,000	3,039	30,369	2,553	4,111	49,072
Accumulated depreciation	(1,440)	(1,827)	(10,314)	(1,535)	(2,459)	(17,575)
Net carrying amount	7,560	1,212	20,055	1,018	1,652	31,497

12. Property, Plant and Equipment (Continued)

The net carrying amounts of the Group's fixed assets held under finance leases included in the total amounts of furniture, fixture and equipment as at 31 March 2016 were HK$9,343,000 (2015: HK$10,955,000).

In the prior year, certain of the Group's buildings with a net carrying amount of approximately HK$7,560,000 were pledged to secure certain bank facilities granted to the Group.

13. Investment in an Associate

	2016 HK$'000	2015 HK$'000
Share of net assets	**572**	567
Goodwill on acquisition	**487**	487
	1,059	1,054
Provision for impairment#	**(487)**	(487)
	572	567

Impairment of HK$487,000 (2015: HK$487,000) was recognised for an investment in an associate with a carrying amount of HK$1,059,000 (2015: HK$1,054,000) because the directors have reviewed the carrying amount of the investment in an associate with reference to its business performance prepared by the investee's management and considered the amount could not be recovered.

Particulars of the Group's associate are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of equity attributable to the Group	Principal activities
Castilia Development Pte. Ltd. ("Castilia")	Ordinary	Singapore	20	Inactive

The following table illustrates the summarised financial information in respect of Castilia adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2016 HK$'000	2015 HK$'000
Current assets	**3,347**	4,243
Current liabilities	**(485)**	(1,410)
Net assets	**2,862**	2,833
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**20%**	20%
Group's share of net assets of the associate, excluding goodwill and carrying amount of the investment	**572**	567
Revenue	**—**	—
Profit/(loss) and total comprehensive income/(loss) for the year	**(30)**	1,960

14. Investment in a Joint Venture

	2016 HK$'000	2015 HK$'000
Share of net assets	—	—

Particulars of the Group's joint venture are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activities
Keat Seng-Vision Foundation JV Pte. Ltd.	Ordinary	Singapore	50%	Provision of foundation work

The above investment is indirectly held by the Company.

The Group has discontinued the recognition of its share of losses of the joint venture because the share of losses of the joint venture exceeded the Group's interest in the joint venture and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this joint venture for the current year and cumulatively were HK$12,000 (2015: HK$891,000) and HK$2,324,000 (2015: HK$2,312,000), respectively.

15. Available-For-Sale Investments

	2016 HK$'000	2015 HK$'000
Listed equity investments, at fair value	3,090	7,577
Listed debt securities, at fair value	306	302
	3,396	7,879

During the year, the gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$4,537,000 (2015: HK$2,156,000), of which HK$4,101,000 (2015: HK$2,943,000) was reclassified from other comprehensive income to profit or loss during the year.

The above investments consist of investment in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate and investment in debt securities with a fixed interest rate of 4.7% per annum.

There was a significant decline in the market value of certain listed equity investments during the year. The directors consider that such a decline indicates that the listed equity investments have been impaired and an impairment loss of HK$4,101,000 (2015: HK$2,943,000), which included a reclassification from other comprehensive income of HK$4,101,000 (2015: HK$2,943,000), have been recognised in profit or loss for the year.

16. Amounts Due from/(to) Contract Customers

	2016 HK$'000	2015 HK$'000
Gross amount due from contract customers	**27,580**	53,285
Gross amount due to contract customers	**(3,872)**	(5,977)
	23,708	47,308
Contract costs incurred plus recognised profits less recognised losses and provision for foreseeable losses to date	**1,533,816**	1,509,242
Less: Progress billings	**(1,510,108)**	(1,461,934)
	23,708	47,308

17. Property under Development

The property was located in Australia and was disposed of during the year.

18. Trade and Bills Receivables

	2016 HK$'000	2015 HK$'000
Trade and bills receivables (note i)	**271,718**	187,521
Retention monies receivables (note ii)	**58,473**	50,908
	330,191	238,429

Notes:

(i) In the prior year, bills receivables of HK$30,659,000 were included in the above amount at the end of the reporting period that was transferred to a bank by discounting bills receivables on a full recourse basis. If the bills receivable not paid on maturity, the bank had the right to request the Group to pay the unsettled balances. As the Group had not transferred the significant risks and rewards relating to the receivables, it continued to recognise the full carrying amount of the receivables and had recognised the cash received on the transferred asset as secured bank loans (note 23). The financial asset was carried at amortised cost in the consolidated statement of financial position.

	2016 HK$'000	2015 HK$'000
Carrying amount of transferred asset	**—**	30,659
Carrying amount of associated liability	**—**	(30,659)

18. Trade and Bills Receivables (Continued)

Notes: (Continued)

(ii) The amount represents retentions held by customers for contract works, of which approximately HK$45,610,000 (2015: HK$24,300,000) is expected to be recovered or settled in more than twelve months from the end of the reporting period.

The Group does not have a standardised and universal credit period granted to its customers, and the credit periods of individual customers are considered on a case-by-case basis and stipulated in the project contract, as appropriate. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provision, is as follows:

	2016 HK$'000	2015 HK$'000
Within 1 month	227,516	158,788
1 to 3 months	43,888	27,265
Over 3 months	314	1,468
	271,718	187,521

The aged analysis of the trade and bills receivables that are neither individually nor collectively considered to be impaired is as follows:

	2016 HK$'000	2015 HK$'000
Neither past due nor impaired	244,795	172,040
Less than 3 months past due	26,813	15,315
More than 3 months past due	110	166
	271,718	187,521

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

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

19. Prepayments, Deposits and Other Receivables

	2016 HK$'000	2015 HK$'000
Prepayments	**94,924**	163,485
Deposits and other receivables	**37,975**	46,894
	132,899	210,379
Less: non-current portion	**(4,502)**	—
	128,397	210,379

The financial assets included in the above net balances relate to receivables for which there was no recent history of default.

Included in other receivables are amounts of approximately HK$14,692,000 (2015: HK$11,177,000) pledged to secure bank facilities and performance bonds granted to the Group.

20. Cash and Cash Equivalents, Pledged Bank Deposits and Restricted Cash

	2016 HK$'000	2015 HK$'000
Cash and bank balances	**418,351**	188,754
Time deposits at bank	**39,816**	19,717
	458,167	208,471
Less: Pledged deposits for banking facilities	**(39,816)**	(19,717)
Restricted cash for banking facilities	**(20,550)**	—
	(60,366)	(19,717)
Cash and cash equivalents	**397,801**	188,754

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to HK$97,976,000 (31 March 2015: HK$13,356,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

21. Trade Payables

	2016 HK$'000	2015 HK$'000
Trade payables	**236,547**	174,608
Retention monies payables	**70,838**	63,057
	307,385	237,665

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2016 HK$'000	2015 HK$'000
Within 1 month	**224,443**	155,280
1 month to 3 months	**6,713**	17,270
Over 3 months	**5,391**	2,058
	236,547	174,608

Trade payables are non-interest-bearing and are normally settled on 30 to 60 day terms.

22. Other Payables and Accruals

	2016 HK$'000	2015 HK$'000
Advance receipts	**18,655**	141,198
Other payables and accruals	**17,283**	32,664
	35,938	173,862
Less: non-current portion	**(828)**	(828)
Current portion	**35,110**	173,034

Other payables are non-interest-bearing and repayable on demand.

23. Interest-Bearing Bank and Other Borrowings

	2016			2015		
	Effective annual interest rate %	Maturity	HK$'000	Effective annual interest rate %	Maturity	HK$'000
Current						
Finance lease payables (note 25)	1.38 to 2.91	2017	1,976	1.45 to 2.91	2016	2,348
Bank loan — secured	—	—	—	4.00	2016	30,659
			1,976			33,007
Non-current						
Finance lease payables (note 25)	1.38 to 2.91	2018	2,216	1.45 to 2.91	2017–2018	4,112
			4,192			37,119

	2016 HK$'000	2015 HK$'000
Analysed into:		
Bank loan repayable within one year or on demand	—	30,659
Other borrowings repayable:		
Within one year	1,976	2,348
In the second year	1,278	1,938
In the third to fifth years, inclusive	938	2,174
	4,192	37,119

Notes:

(a) In the prior year, the Group's bank loan was secured by the Group's bills receivables amounting to HK$30,659,000.

(b) The Group's finance lease payables are secured by the lessor's charge over the leased assets amounting to HK$9,343,000 (2015: HK$10,955,000).

(c) The finance lease payables of HK$4,192,000 (2015: HK$4,715,000) are denominated in Singapore dollar ("SGD"). In the prior year, the Group's secured bank loan of HK$30,659,000 was in RMB.

24. A Convertible Bond

On 3 February 2016, the Company issued a convertible bond with a principal amount of HK$24,000,000 to Mega Start Limited ("Mega Start"), which is a substantial shareholder and a company wholly owned by Mr. Chau Chit (being the Chairman and an Executive Director of the Company). The convertible bond can be converted into ordinary shares of the Company at the initial conversion price of HK$0.3 per conversion share which is revised to HK$0.06 per conversion share after the share subdivision on 3 May 2016, bearing no interest and will mature in 5 years after the date of issue. The holder of the convertible bond shall convert the outstanding principal amount of the convertible bond into ordinary shares in full mandatorily, if and only if , the gross profits of the new graphene business of the Group for the two financial years ending 31 March 2017 and 2018 exceed HK$300 million in aggregate.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The convertible bond issued during the year has been split into the liability and equity components as follows:

	HK$'000
Nominal value of the convertible bond issued during the year	24,000
Equity component	(11,746)
Liability component at the issuance date	12,254
Interest expense	275
Liability component at 31 March 2016	12,529

25. Finance Lease Payables

The Group leases certain of its plant and machinery for its building construction business. These leases are classified as finance leases and have remaining lease terms ranging from two to three years. These leases have no terms of renewal and escalation clauses.

As at 31 March 2016, the total future minimum lease payments under finance leases and their present values were as follows:

	Minimum lease payments 2016 HK$'000	Minimum lease payments 2015 HK$'000	**Present value of minimum lease payments 2016 HK$'000**	Present value of minimum lease payments 2015 HK$'000
Amounts payable:				
Within one year	**2,069**	2,466	**1,976**	2,348
In the second year	**1,357**	2,029	**1,278**	1,938
In the third to fifth years, inclusive	**1,002**	2,313	**938**	2,174
Total minimum finance lease payments	**4,428**	6,808	**4,192**	6,460
Future finance charges	**(236)**	(348)		
Total net finance lease payables	**4,192**	6,460		
Portion classified as current liabilities (note 23)	**(1,976)**	(2,348)		
Non-current portion (note 23)	**2,216**	4,112		

26. Deferred Tax

The movements in deferred tax liabilities during the year are as follows:

31 March 2016

	Accelerated tax depreciation HK$'000	Tax loss HK$'000	Total HK$'000
At 31 March 2015 and 1 April 2015	**1,634**	**—**	**1,634**
Deferred tax credited to profit or loss during the year (note 10)	**(1,304)**	**—**	**(1,304)**
Disposal of a subsidiary (note 31)	**(333)**	**—**	**(333)**
Exchange realignment	**3**	**—**	**3**
Deferred tax liabilities at 31 March 2016	**—**	**—**	**—**

31 March 2015

	Accelerated tax depreciation HK$'000	Tax loss HK$'000	Total HK$'000
At 1 April 2014	1,005	(160)	845
Deferred tax charged to the statement of profit or loss during the year (note 10)	639	160	799
Exchange realignment	(10)	—	(10)
Deferred tax liabilities at 31 March 2015	1,634	—	1,634

The Group has tax losses arising in Hong Kong and Singapore of HK$66,586,000 (2015: HK$86,292,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of HK$1,657,000 (2015: HK$1,469,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At 31 March 2016, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, an associate and a joint venture established in Mainland China and Singapore. In the opinion of the directors, it is not probable that these subsidiaries, an associate and a joint venture will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries Mainland China for which deferred tax liabilities have not been recognised totalled approximately HK$15,206,000 (2015: HK$9,244,000) at 31 March 2016.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

27. Share Capital

	2016 HK$'000	2015 HK$'000
Authorised:		
2,000,000,000 ordinary shares of HK$0.01 each	**20,000**	20,000
Issued and fully paid:		
1,200,000,000 ordinary shares of HK$0.01 each (2015: 300,000,000 ordinary shares of HK$0.01 each)	**12,000**	3,000

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital** HK$'000	**Share premium account** HK$'000	**Total** HK$'000
At 1 April 2014, 31 March 2015 and 1 April 2015	300,000,000	3,000	44,322	47,322
New issues (Note)	900,000,000	9,000	261,000	270,000
Share issue expenses	—	—	(4,498)	(4,498)
At 31 March 2016	1,200,000,000	12,000	300,824	312,824

Note: On 3 February 2016, 900,000,000 ordinary shares of HK$0.01 each were issued at a subscription price of HK$0.3 per share for a total cash consideration, before expense, of HK$270,000,000.

Subsequent to the year ended 31 March 2016, the Company has completed a share subdivision on 3 May 2016, as further explained in note 39 to the financial statements.

Share options

Details of the Company's share option scheme are included in note 28 to the financial statements.

28. Share Option Scheme

Pursuant to the written resolution of the shareholders of the Company on 19 December 2011, the Company adopted a share option scheme (the "Scheme") to attract and retain the best available personnel, to provide additional incentive to eligible participants and to promote the success of the business of the Group.

Eligible participants of the Scheme include employees (full-time or part-time), directors, consultants or advisors, distributors, contractors, suppliers, agents, customers, and business partners or service providers of the Group.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within seven days inclusive of the day on which such offer was made, upon payment of HK$1 per option. Options may be exercised at any time during a period as the directors of the Company may determine, which shall not exceed ten years from the date of grant. The exercise price is determined by the directors of the Company, and will be at least higher than (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

No share options have been granted since the adoption of the Scheme and there were no outstanding share options at the end of the reporting period.

29. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 51 of the financial statements.

30. Business Combination

On 31 January 2015, the Group acquired the entire equity interest in China Estate International Limited, an investment holding company incorporated in Hong Kong which, together with its subsidiary (the "Acquired Group") is engaged in property development and related management services in Mainland China. The purchase consideration for the acquisition was in form of cash, with HK$11,000,000 paid at the acquisition date.

The fair values of the identifiable assets and liabilities of the Acquired Group as at the date of acquisition were as follows:

	Fair value recognised on acquisition HK$'000
Property, plant and equipment (note 12)	1,033
Trade and other receivables	1,991
Cash and bank balances	11,043
Trade and other payables	(1,175)
Tax payable	(1,892)
Total identifiable net assets at fair value, satisfied by cash	11,000

The amount of the trade and other receivables as at the date of acquisition of HK$1,991,000 was equivalent to its fair value as it was expected that all amounts were fully collectible.

The Group incurred transaction costs of HK$175,000 for this acquisition. These transaction costs have been expensed and were included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	HK$'000
Cash consideration	(11,000)
Cash and bank balances acquired	11,043
Net inflow of cash and cash equivalents included in cash flows from investing activities	43
Transaction costs of the acquisition included in cash flows from operating activities	(175)
	(132)

Since the acquisition, the Acquired Group contributed HK$3,114,000 to the Group's revenue and HK$2,075,000 to that consolidated profit for the year ended 31 March 2015.

Had the combination taken place at the beginning of the year ended 31 March 2015, the revenue of the Group and the loss of the Group for that year would have been HK$1,791,464,000 and HK$104,519,000, respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operation of the Group that actually would have been achieved had the acquisition been completed on 1 April 2014, nor is it intended to be a projection of future results.

31. Disposal of a Subsidiary

	Notes	2016 HK$'000
Net assets disposed of:		
Property, plant and equipment	12	7,410
Prepayments, deposits and other receivables		16
Deferred tax liabilities	26	(333)
		7,093
Gain on disposal of a subsidiary	5	22,707
		29,800
Satisfied by:		
Cash		29,800

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	2016 HK$'000
Cash consideration and net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	29,800

The gain on disposal of a subsidiary represented the disposal of an office premise in substance by the Group.

32. Contingent Liabilities

Performance bonds amounting to HK$141,189,000 (2015: HK$164,306,000) were given by banks or insurance companies in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the construction contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks or insurance companies to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks or insurance companies accordingly. The performance bonds will be released upon completion of the contract works for the relevant customers.

In addition, a subsidiary of the Company is a defendant in a number of claims, lawsuits, arbitrations and potential claims relating to subcontracting fees, damages of personal injuries and breach of construction contracts. The directors of the Company considered that the possibility of any outflow in settling the legal claims is remote, after due consideration of each case and with reference to legal advice.

33. Pledge of Assets

Details of the Group's bank and other borrowings, which are secured by the assets of the Group, are included in note 12, 18, 19 and 20 to the financial statements.

34. Operating Lease Arrangements

The Group leases certain of its office properties, machineries and staff quarters under operating lease arrangements, with leases negotiated for terms ranging from one to five years.

As at 31 March 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2016 HK$'000	2015 HK$'000
Within one year	**4,123**	3,446
In the second to fifth years, inclusive	**2,562**	5,285
	6,685	8,731

35. Related Party Transactions

(a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2016 HK$'000	2015 HK$'000
Interest expense paid to a director of certain subsidiaries of the Company	(i)	**4,091**	6,460
Management fee received from a joint venture	(ii)	**—**	111

Notes:

(i) The interest expenses was loan interest charged on a loan from Mr. Wong Law Fai, a director of certain subsidiaries of the Company, pursuant to a loan agreement dated 1 December 2013. Details of the amounts due to and loan from a related party are detailed in note 35(b) below.

(ii) The management fee was charged by reference to actual costs incurred for the services provided by the Group.

(b) Outstanding balances with a related party:

The loans from a related party were advanced by Mr. Wong Law Fai, a director of certain subsidiaries of the Company. Pursuant to loan agreements dated 1 December 2013, the amounts comprise loans of HK$170,000,000 which are unsecured and bear interest at 1% (2015: 3.80%) per annum and repayable in June 2017 as extended by Mr. Wong Law Fai.

The amounts due to a related party of HK$107,953,000 (2015: HK$119,862,000) were advanced by Mr. Wong Law Fai, a director of certain subsidiaries of the Company. They are unsecured, interest-free and repayable on demand.

(c) Compensation of key management personnel of the Group:

The key management personnel of the Group are the directors of the Company. Details of their remuneration are disclosed in note 8 to the financial statements.

(d) The Company and Mega Start Limited entered into a subscription agreement on 16 December 2015 in relation to subscription for 90,000,000 shares and an agreement on 16 December 2015 in relation to subscription of a convertible bond in a principal amount of HK$24,000,000. Details are stated in the Company's Circular dated 15 January 2016. Details of the convertible bond are included in note 24 to the financial statements.

The related party transactions in respect of items (a)(i) and (d) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

36. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2016

Financial assets

	Loans and receivables HK$'000	Available-for-sale financial assets HK$'000	Total HK$'000
Available-for-sale investments	—	3,396	3,396
Trade receivables	330,191	—	330,191
Deposits and other receivables (note 19)	37,975	—	37,975
Pledged deposits and restricted cash	60,366	—	60,366
Cash and cash equivalents	397,801	—	397,801
	826,333	3,396	829,729

Financial liabilities

	At amortised cost HK$'000
Trade payables	307,385
Financial liabilities included in other payables and accruals	5,094
Amounts due to a related party	107,953
Interest-bearing bank and other borrowings	4,192
Convertible bond	12,529
Loan from a related party	170,000
	607,153

36. Financial Instruments by Category (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

2015

Financial assets

	Loans and receivables HK$'000	Available-for-sale financial assets HK$'000	Total HK$'000
Available-for-sale investments	—	7,879	7,879
Trade and bills receivables	238,429	—	238,429
Deposits and other receivables (note 19)	46,894	—	46,894
Pledged bank deposits	19,717	—	19,717
Cash and cash equivalents	188,754	—	188,754
	493,794	7,879	501,673

Financial liabilities

	At amortised cost HK$'000
Trade payables	237,665
Financial liabilities included in other payables and accruals	11,601
Amounts due to a related party	119,862
Interest-bearing bank and other borrowings	37,119
Loan from a related party	170,000
	576,247

37. Fair Value and Fair Value Hierarchy of Financial Instruments

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposits and restricted cash, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, available-for-sale investments, financial liabilities included in other payables and accruals, certain bank and other borrowings and balances with a related party approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of other borrowings, other payables and accruals, loans from a related party have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value of the liability portion of the convertible bond is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible bond with consideration of the Group's own non-performance risk.

The fair values of listed equity and debt investments classified as available-for-sale investments are based on quoted market prices.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2)** HK$'000	**Significant unobservable inputs (Level 3)** HK$'000	**Total** HK$'000
31 March 2016				
Available-for-sale investments	**3,396**	**—**	**—**	**3,396**
31 March 2015				
Available-for-sale investments	7,879	—	—	7,879

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2015: Nil).

The Group did not have any financial liabilities measured at fair value as at 31 March 2015 and 31 March 2016.

38. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, balances with and loans from a related party, cash and cash equivalents and pledged bank deposits and restricted cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as available-for-sale investments, trade and bills receivables, trade payables, deposits and other receivables, and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has certain pledged bank deposits, cash and cash equivalents denominated in currencies other than the functional currency of the group entities to which they relate. The Group currently has no particular hedging vehicles to hedge its exposure to foreign exchange risk. It is the Group's policy to monitor foreign exchange exposure and to make use of appropriate hedging measures when required.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the SGD, AUD and RMB exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity (due to changes in the fair value of monetary assets and liabilities).

	%	Increase/ (decrease) in profit before tax HK$'000	Increase/ (decrease) in equity* HK$'000
2016			
If Hong Kong dollar weakens against SGD	5	**(948)**	—
If Hong Kong dollar strengthens against SGD	(5)	**948**	—
If Hong Kong dollar weakens against AUD	5	**10**	—
If Hong Kong dollar strengthens against AUD	(5)	**(10)**	—
If Hong Kong dollar weakens against RMB	5	**17,220**	—
If Hong Kong dollar strengthens against RMB	(5)	**(17,220)**	—
2015			
If Hong Kong dollar weakens against SGD	5	(1,414)	—
If Hong Kong dollar strengthens against SGD	(5)	1,414	—
If Hong Kong dollar weakens against AUD	5	1,167	—
If Hong Kong dollar strengthens against AUD	(5)	(1,167)	—
If Hong Kong dollar weakens against RMB	5	861	—
If Hong Kong dollar strengthens against RMB	(5)	(861)	—

* Excluding retained profits

38. Financial Risk Management Objectives and Policies (Continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise other receivables, cash and cash equivalents and pledged deposits, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. The Group has concentrations of credit risk as 19% (2015: 26%) and 63% (2015: 63%) of the total trade receivables were due from the Group's single largest customer and the five largest customers, respectively.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and other receivables are disclosed in notes 18 and 19 to the financial statements, respectively.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other interest-bearing borrowings. The Group's policy is to ensure the matching of maturity of its financial liabilities against that of its financial assets, and the maintenance of a current ratio, defined as current assets over current liabilities, at above one so as to enhance a stable liquidity.

38. Financial Risk Management Objectives and Policies (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

	On demand HK$'000	Less than 12 months HK$'000	1 to 5 years HK$'000	Total HK$'000
2016				
Trade payables	**—**	**307,385**	**—**	**307,385**
Financial liabilities included in other payables and accruals	**—**	**5,094**	**—**	**5,094**
Amounts due to a related party	**107,953**	**—**	**—**	**107,953**
Loans from a related party	**—**	**—**	**171,700**	**171,700**
A convertible bond	**—**	**—**	**24,000**	**24,000**
Interest-bearing bank and other borrowings	**—**	**2,069**	**2,359**	**4,428**
	107,953	**314,548**	**198,059**	**620,560**
2015				
Trade payables	—	237,665	—	237,665
Financial liabilities included in other payables and accruals	—	11,601	—	11,601
Amounts due to a related party	119,862	—	—	119,862
Loan from a related party	—	—	176,460	176,460
Interest-bearing bank and other borrowings	—	34,352	4,342	38,694
	119,862	283,618	180,802	584,282

38. Financial Risk Management Objectives and Policies (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes gross amount due to contract customers, trade payables, other payables and accruals, amounts due to a related party, loans from a related party, interest-bearing bank and other borrowings and a convertible bond, less cash and cash equivalents. Capital represents equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

	2016 **HK$'000**	2015 HK$'000
Gross amount due to contract customers	**3,872**	5,977
Trade payables	**307,385**	237,665
Other payables and accruals	**35,938**	173,862
Amounts due to a related party	**107,953**	119,862
Interest-bearing bank and other borrowings	**4,192**	37,119
A convertible bond	**12,529**	—
Loans from a related party	**170,000**	170,000
Less: cash and cash equivalents	**(397,801)**	(188,754)
Net debt	**244,068**	555,731
Total capital	**324,286**	25,989
Total capital and net debt	**568,354**	581,720
Gearing ratio	**43%**	96%

39. Event After the Reporting Period

According to the circular published by the Company dated 13 April 2016, the Board proposed to subdivide each of the existing issued and unissued shares of HK$0.01 each in the share capital of the Company into five ordinary shares of HK$0.002 each (the "Share Subdivision").

The Share Subdivision was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 29 April 2016. The Share Subdivision became effective on 3 May 2016.

40. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	—	—
CURRENT ASSETS		
Other receivables	191	229
Amounts due from subsidiaries	405,560	184,350
Cash and bank balances	88	70
Total current assets	405,839	184,649
CURRENT LIABILITIES		
Other payables	748	680
Amounts due to subsidiaries	68,629	59,910
Total current liabilities	69,377	60,590
NET CURRENT ASSETS	336,462	124,059
TOTAL ASSET LESS CURRENT LIABILITIES	336,462	124,059
NON-CURRENT LIABILITIES		
A convertible bond	12,529	—
Net assets	323,933	124,059
EQUITY		
Issued capital	12,000	3,000
Equity component of a convertible bond	11,746	—
Reserves (note)	300,187	121,059
Total equity	323,933	124,059

40. Statement of Financial Position of the Company (Continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account (note i) HK$'000	Contributed surplus (note ii) HK$'000	Capital reserve (note iii) HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000
At 1 April 2014	44,322	119,427	3,791	83,611	251,151
Total comprehensive loss for the year	—	—	—	(130,092)	(130,092)
At 31 March 2015 and at 1 April 2015	44,322	119,427	3,791	(46,481)	121,059
Total comprehensive loss for the year	—	—	—	(77,374)	(77,374)
Issue of shares (note 27)	261,000	—	—	—	261,000
Share issue expenses (note 27)	(4,498)	—	—	—	(4,498)
At 31 March 2016	300,824	119,427	3,791	(123,855)	300,187

(i) Under the Companies Law, Cap. 22 (Law 6 of 1961, as consolidated and revised) of the Cayman Islands, the share premium account of the Company is distributable to its shareholders, provided that immediately following the date of which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

(ii) Contributed surplus represents the difference between the nominal value of the shares issued for the acquisition of Prosper Ace Investments Limited and the consolidated net asset value of Prosper Ace Investments Limited and its subsidiaries at the date of acquisition.

(iii) Capital reserve represents a fair value adjustment of an amount due to a subsidiary, which is non-current and interest-free, at initial recognition.

41. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 28 June 2016.

Five Year Financial Summary

Consolidated Results

	2012 HK$'000	2013 HK$'000	2014 HK$'000	2015 HK$'000	**2016 HK$'000**
Revenue	661,703	965,386	863,928	1,776,238	**2,502,744**
Profit/(loss) before taxation	41,311	30,558	(48,568)	(115,787)	**20,997**
Income tax expense	(8,347)	(4,685)	250	(1,476)	**(1,079)**
Profit/(loss) attribute to owners of the parent	32,964	25,873	(48,318)	(117,263)	**19,918**

Consolidated Assets and Liabilities

	2012 HK$'000	2013 HK$'000	2014 HK$'000	2015 HK$'000	**2016 HK$'000**
Total assets	389,489	426,624	657,315	774,791	**968,660**
Total liabilities	(212,020)	(228,458)	(512,536)	(748,802)	**(644,374)**
Total equity	177,469	198,166	144,779	25,989	**324,286**