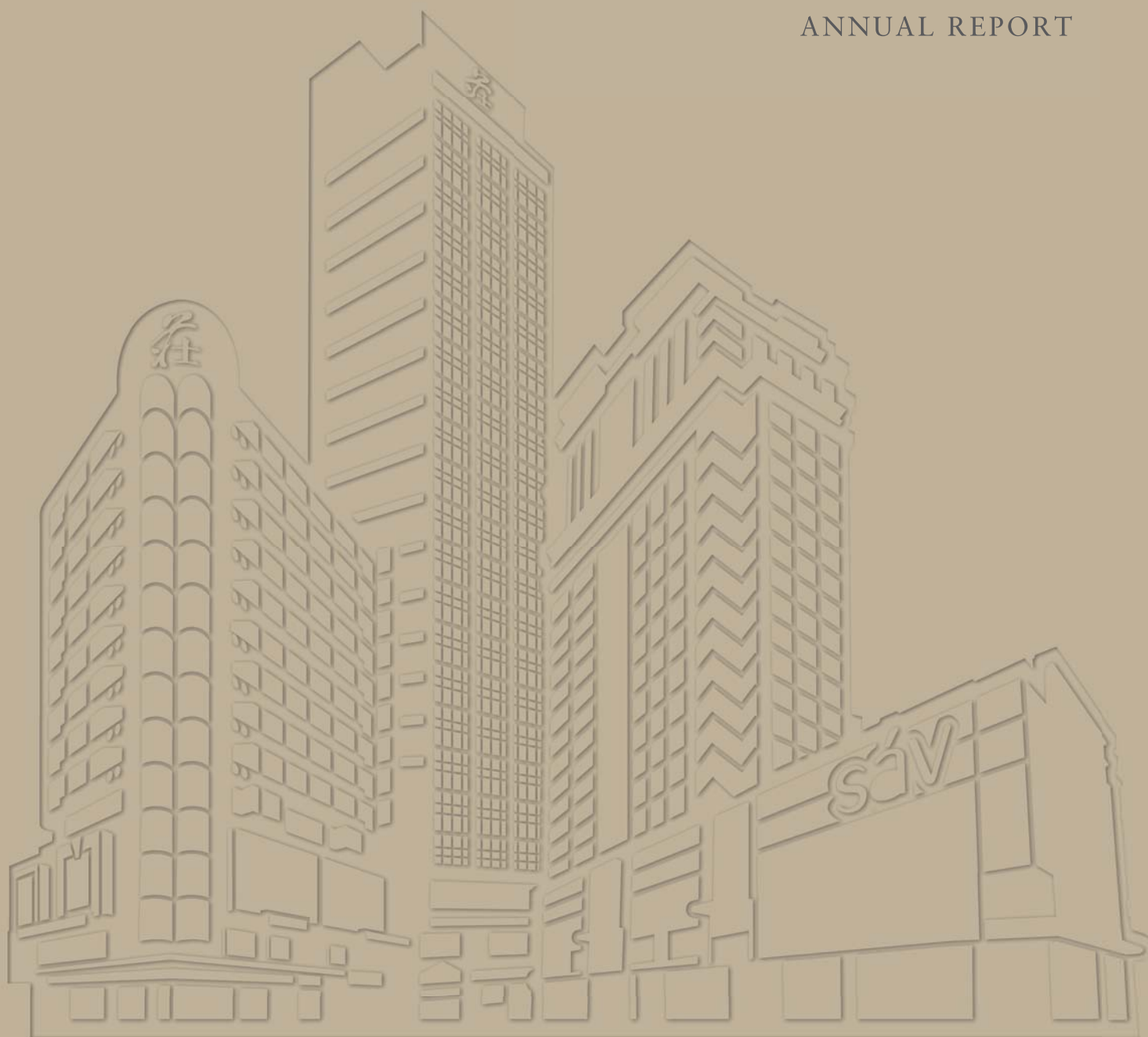


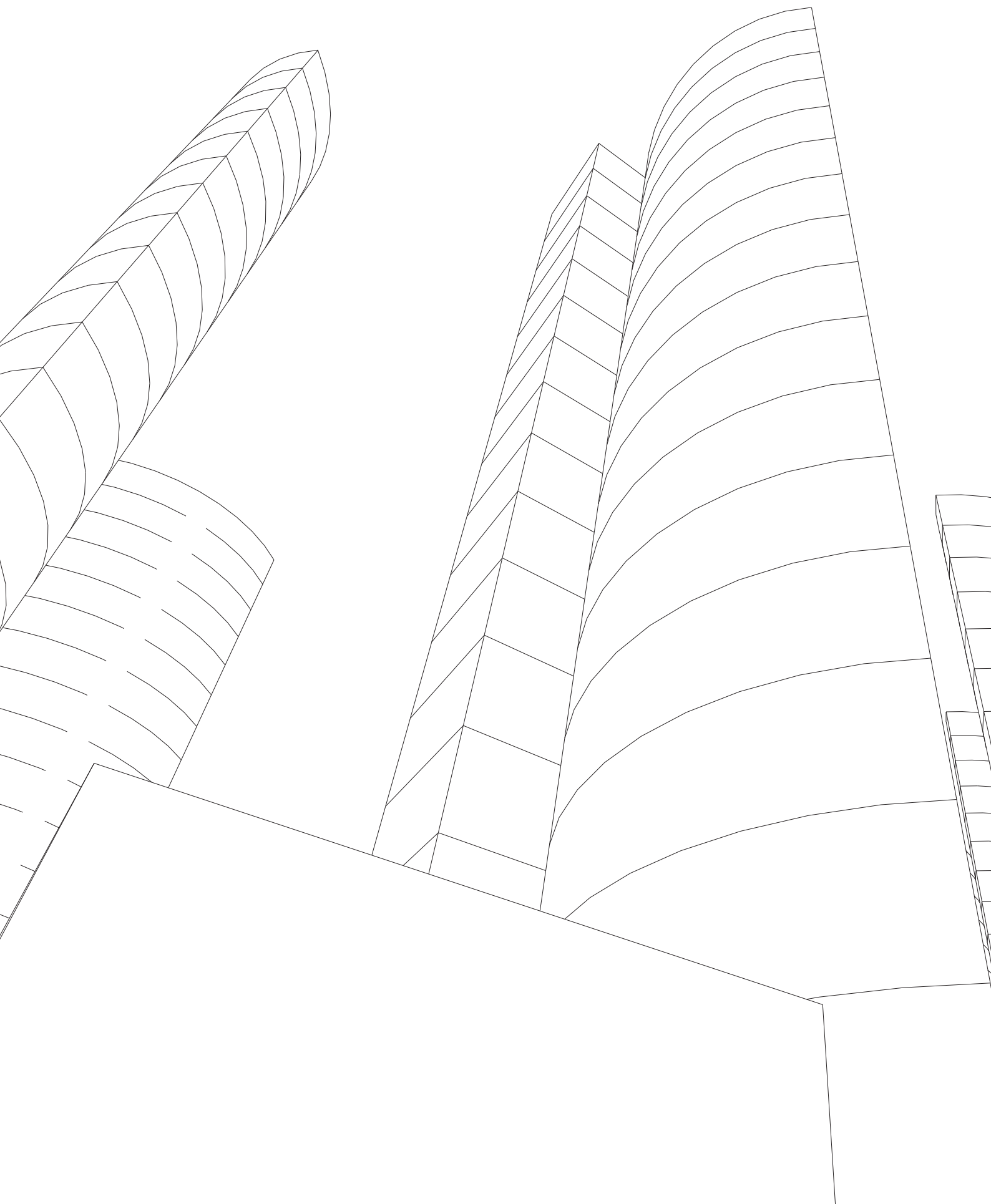


CHUANG'S CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

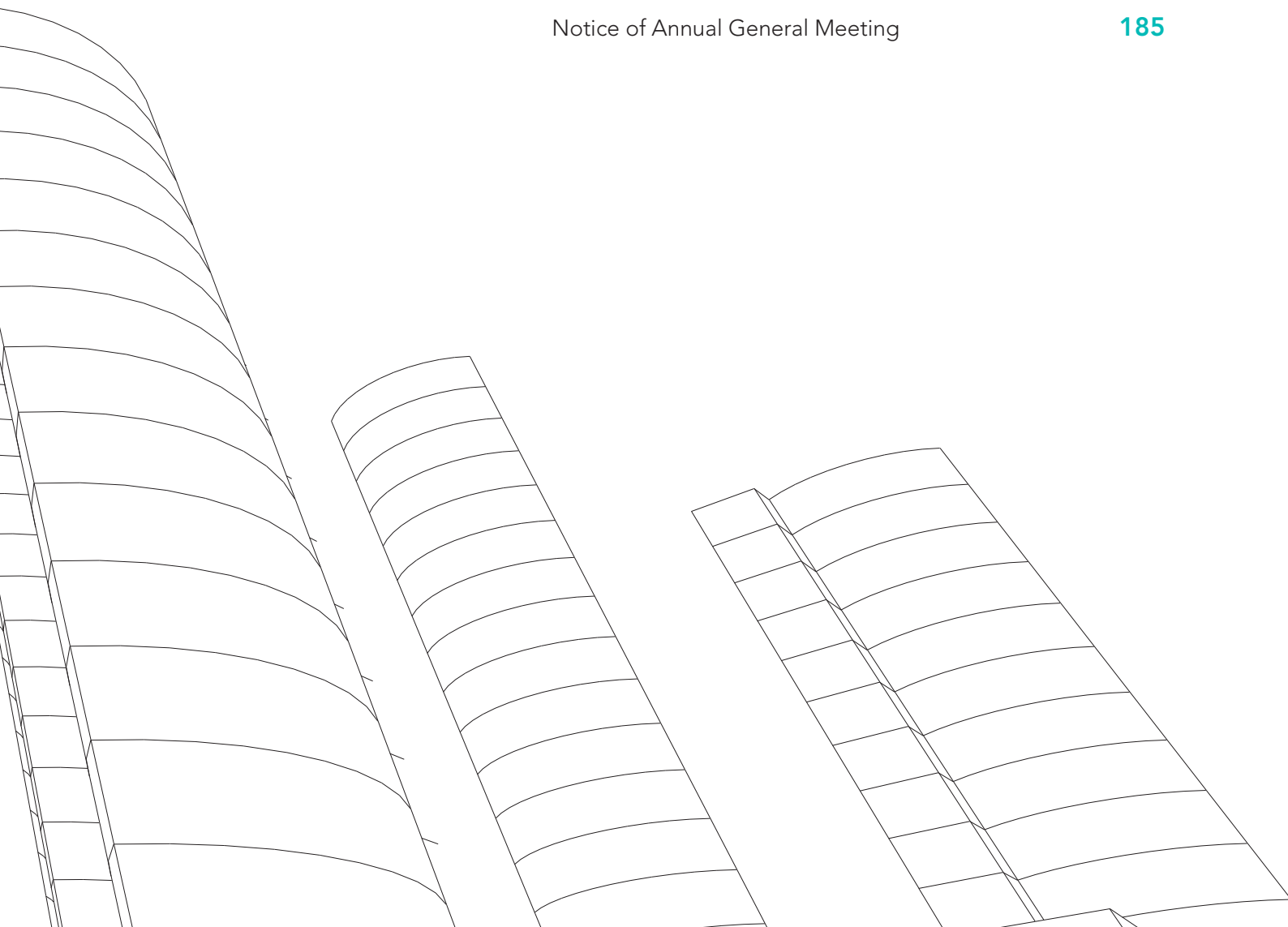
2016
ANNUAL REPORT





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Chairman's Statement

Financial Review

For the year ended 31st March, 2016, revenues of the Group amounted to HK\$1,869.2 million (2015: HK\$1,521.7 million), representing an increase of 22.8% compared to that of the last year. This was mainly due to the increase in property sales in Hong Kong recognized by the Group as a result of the completion of Parkes Residence and the increase in revenues generated from hotel operation in Hong Kong as the hotel had been in operation for full year during the year whereas in the last year the hotel was only in operation for less than two months. Revenues of the Group comprised revenues from sales of properties of HK\$1,251.8 million (2015: HK\$993.8 million), revenues from rental and other income of investment properties of HK\$175.9 million (2015: HK\$164.5 million), revenues from hotel operation of HK\$98.8 million (2015: HK\$6.2 million), revenues from sales of goods and merchandises of HK\$303.0 million (2015: HK\$345.4 million), revenues from cemetery business of HK\$22.3 million (2015: HK\$12.5 million) and revenues from securities investment and trading business of HK\$17.4 million (2015: loss of HK\$0.7 million).

As a result of increase in revenues generated from sales of properties and hotel operation, gross profit during the year increased to HK\$873.6 million (2015: HK\$571.1 million), representing an increase of 53.0% compared to that of the last year. Gross profit margin increased to 46.7% (2015: 37.5%) which was mainly due to higher profit margin generated from disposal of properties in Hong Kong. Other income and net gain increased to HK\$126.9 million (2015: HK\$103.7 million). A breakdown of other income and net gain is shown in note 7 to the consolidated financial statements of this report. Furthermore, the Group also recorded an upward revaluation surplus of HK\$446.1 million (2015: HK\$593.3 million) for its investment properties, mainly reflecting the continued improvement in property prices of our investment properties in Hong Kong and in the People's Republic of China (the "PRC") during the year.

On the costs side, selling and marketing expenses increased to HK\$141.6 million (2015: HK\$96.9 million) mainly due to selling expenses incurred for the completion of Parkes Residence. Administrative and other operating expenses increased to HK\$496.4 million (2015: HK\$470.8 million) mainly due to a general increase in overheads and the full year amortization/depreciation of the hotel property of the Group amounting in aggregate to about HK\$68.2 million whereas in last year such expense was only for a period of six months. Finance costs increased to HK\$87.0 million (2015: HK\$66.8 million) mainly due to the increase of bank borrowings of the Group and the decrease in capitalization of interest expenses into property development projects. Share of results of associated companies and joint ventures amounted to HK\$64.3 million (2015: loss of HK\$1.4 million) mainly due to revaluation gain arising on properties owned by a joint venture. Taxation amounted to HK\$158.8 million (2015: HK\$105.7 million) mainly relating to net tax paid or payable on sales of properties.

Taking all the above into account, profit attributable to equity holders of the Company amounted to HK\$597.8 million (2015: HK\$503.0 million), representing an increase of 18.8% compared to that of the last year. Earnings per share was 34.51 HK cents (2015: 29.17 HK cents).



CHUANG'S TOWER

Dividends

After taking into account the need to maintain sufficient financial resources for the working capital of the Group's projects and businesses, the board of Directors (the "Board") has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting of the Company the payment of a final dividend of 3.0 HK cents (2015: final scrip dividend with a cash option of 3.0 HK cents) per share for the year ended 31st March, 2016. The final dividend, if approved, will be paid on or before 21st October, 2016 to the shareholders whose names appear on the Company's register of members on 13th September, 2016.

An interim dividend of 2.0 HK cents (2015: interim scrip dividend with a cash option of 2.0 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 5.0 HK cents (2015: 5.0 HK cents) per share, and the total amount will be HK\$85.4 million (2015: HK\$86.6 million).

Business Review

(A) Investment/Hotel Properties

(i) Hong Kong

(a) Investment Properties

The Group owns a high-quality portfolio of investment properties in Hong Kong which generate strong recurrent income stream to the Group. The total gross area of the Group's investment properties in Hong Kong amounted to about 190,000 sq. ft. comprising retail, office and high-class residential spaces. Rental and other income from investment properties in Hong Kong during the year amounted to HK\$135.4 million, representing an increase of about 4% over that of the last year. The Group's major investment properties in Hong Kong are as follows:

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

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

CHUANG'S LONDON PLAZA



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

Strategically located at the heart of shopping centres in Tsim Sha Tsui, Kowloon, and next to the exit of the Mass Transit Railway, the property is a shopping and entertainment complex. In order to improve the rental yield and thus the capital value of the property, the Group is exploring plans and strategies to renovate and upgrade the property with a view to increase the gross area of the shops at the ground floor and the first floor levels and to improve the accessibility of the shops at the basement levels. Building plans for the renovation and upgrading works have been approved and the Group is still evaluating the best timing to carry out such works.

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

The redevelopment of the property into a single house with unique architectural design has been progressing satisfactorily. Site formation and foundation works are in progress which will be followed by superstructure works. On 9th June, 2016, the Group entered into a conditional agreement with an independent third party for the disposal of the property holding subsidiary that holds this property for a consideration of HK\$2.1 billion (subject to adjustments). The consideration will be satisfied as to approximately 80% by cash and as to approximately 20% by the transfer of a property located in Shenzhen, the PRC to the Group. The proposed disposal is subject to the approval of the shareholders of the Company and is expected to be completed in the third quarter of 2018. The disposal, upon completion, is expected to generate a net gain (including subsequent revaluation gain on the property, if any) of about HK\$1.07 billion to the Group. Details of the disposal are set out in the announcement of the Company dated 15th June, 2016 and a circular containing more information on the disposal is expected to be despatched to shareholders of the Company on or before 20th July, 2016.

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

Located at Deep Water Bay, a prestigious residential area, the property enjoys a glamorous sea-view. The property is currently being leased out.

HOUSE A

NO. 37 ISLAND ROAD*



*Residential property for lease

Hotel sáv



(b) Hotel Property

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

Hotel sáv, which commenced operation in mid-February 2015, is located at the heart of Hunghom and comprises of 388 rooms together with shopping units at the ground floor level. The shopping units have been fully leased out and total revenues from the hotel operation during the year amounted to HK\$98.4 million. The average room rate of the hotel was about HK\$620 and the average occupancy rate of the hotel was about 88%. The hotel is managed by Sav Hospitality Limited, the hotel management arm of the Group.



sáv



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(ii) Malaysia

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

Central Plaza, located at the heart of central business district and prestigious shopping area of Kuala Lumpur, has a total gross floor area ("GFA") of 380,000 sq. ft. of retail, office and carparking spaces. During the year, rental and other income from this property amounted to HK\$20.3 million, equivalent to Malaysian Ringgit 10.5 million (2015: HK\$22.4 million, equivalent to Malaysian Ringgit 9.7 million). The decrease in income in Hong Kong dollar is mainly due to the depreciation of the Malaysian Ringgit.

(iii) Taiwan

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

The property is a residential complex developed by the Group and is located nearby the city centre of Taipei City. It comprises of a villa and 6 apartment units (of which 2 are duplex) with a total GFA of about 20,600 sq. ft.. During the year, 5 apartment units have been leased out (including 1 duplex) and the internal decoration works of the villa have just been finished. The leased apartment units have been reclassified as investment properties during the year and the remaining vacant apartment unit and the villa will be reclassified as investment properties from properties for sale once they are leased out in the future. Rental income from this property during the year amounted to HK\$1.1 million.

(iv) Philippines

Pacific Cebu Resort, Cebu (40% owned)

Pacific Cebu Resort is a resort established in 1992 with 136 rooms and abundant diving facilities, and is located at Lapu-Lapu City, Mactan Island in Cebu of Philippines occupying a site area of about 64,987 sq. m.. During the year, renovation works to upgrade the villas and the rooms together with the facilities have all been completed which resulted in an improvement in both the average room rate and the average occupancy rate to about US\$60 and about 72%, respectively.



(B) Properties Under Development/ Held For Sale

(i) *Hong Kong*

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

The property is close to the Jordan Station of the Mass Transit Railway and has been developed into a 25-storey commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). Occupation permit for the development was issued in December 2015 and the sold properties were handed over to the buyers gradually from January 2016. During the year, net revenues amounting to approximately HK\$806.2 million were generated from this project, representing sales of 88 residential units and certain shopping units at the ground, first and second floors. Subsequent to the balance sheet date, 1 residential unit was sold and the Group will continue to market the remaining 25 residential units and 3 units of the ground floor shops. In order to generate additional income to the Group, certain of the unsold residential units and the ground floor shops were leased out.

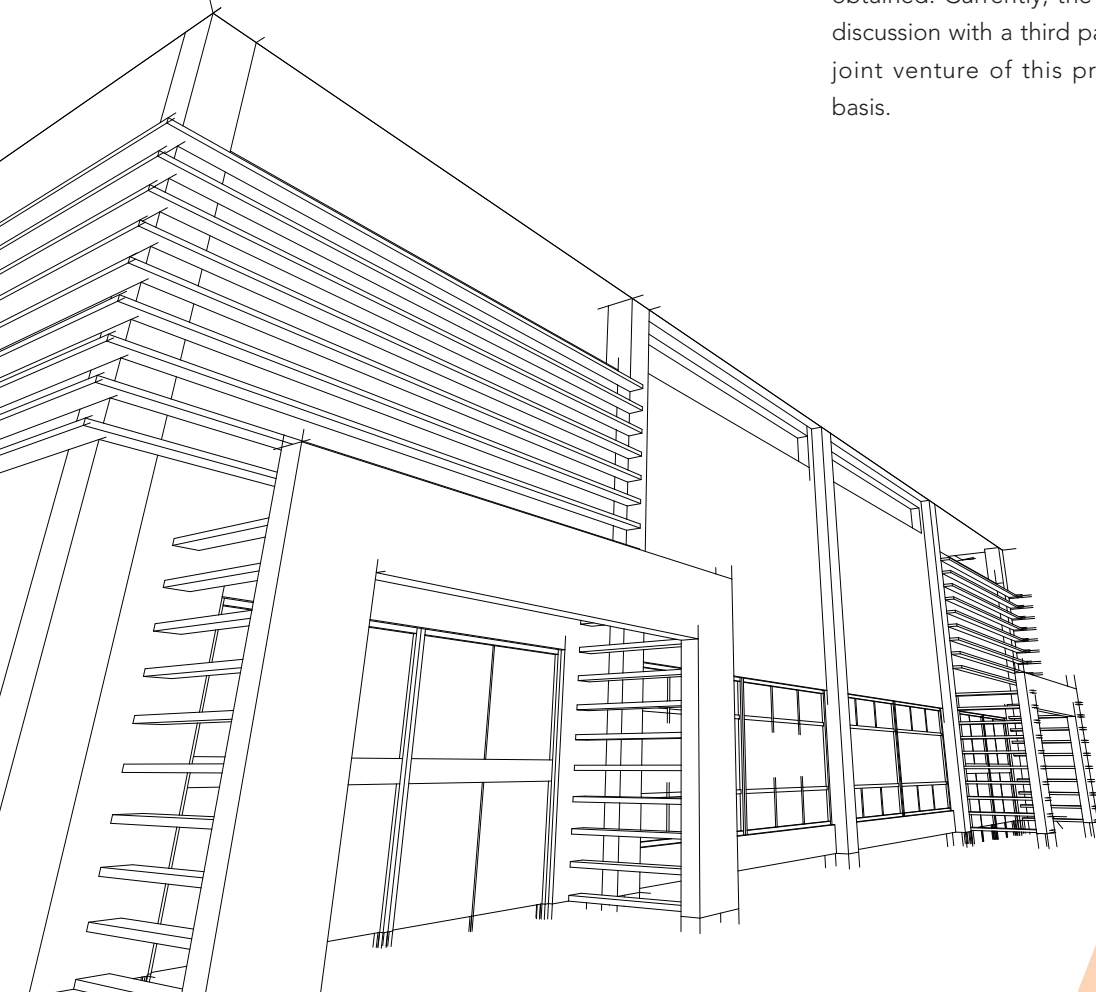
(b) Villa 28 and Villa 30, Po Shan Road, Hong Kong (50% owned)

The Group owns a 50% interest in the project and is the project manager of the development. The property is located in a prestigious mid-level area that enjoys a glamorous sea-view. Building plans have been approved to develop the property into two semi-detached residences with GFA of about 40,662 sq. ft.. Demolition works of the project have been completed. Plans for the site formation and foundation works have been approved and the Group is currently evaluating tenders for such works.

(ii) Vietnam

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

The project covers a site area of 20,300 sq. m. and it is planned that a commercial/residential complex with GFA of 94,000 sq. m. will be developed on the site. The site is vacant and construction permit has been obtained. Currently, the Group is holding discussion with a third party for a possible joint venture of this project on a 50:50 basis.



Greenview Garden



(b) Duc Hoa District, Long An Province

The Group had participated in a 70% interest in the project pursuant to an agreement entered into between the Group and the joint venture partner. As disclosed in various announcements of the Company, an arbitral award had been granted in favour of the Group by the Vietnam International Arbitration Centre in May 2013 and upheld by the court of Vietnam in October 2013 for specific performance against the joint venture partner. The Group is still enforcing the arbitral award in accordance with its terms and will seek further legal advice as to any alternative courses of action in order to speed up the return of this investment. As part of the enforcement action, the Group had reported to the relevant authorities in Vietnam that the joint venture partner may have misappropriated the funds of the joint venture by mortgaging the land use rights of the project for its own financing. The investment cost of the Group in this project as at the balance sheet date, after provisions, amounted to about HK\$55 million.

(iii) Mongolia

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

The project has a site area of about 3,272 sq. m. and is located within the central business district. It is planned that a retail/office building with GFA of about 40,000 sq. m. will be developed. Detailed building plans have been approved. Site formation and foundation works have been completed while the Group is currently evaluating tenders for the superstructure works.





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

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

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

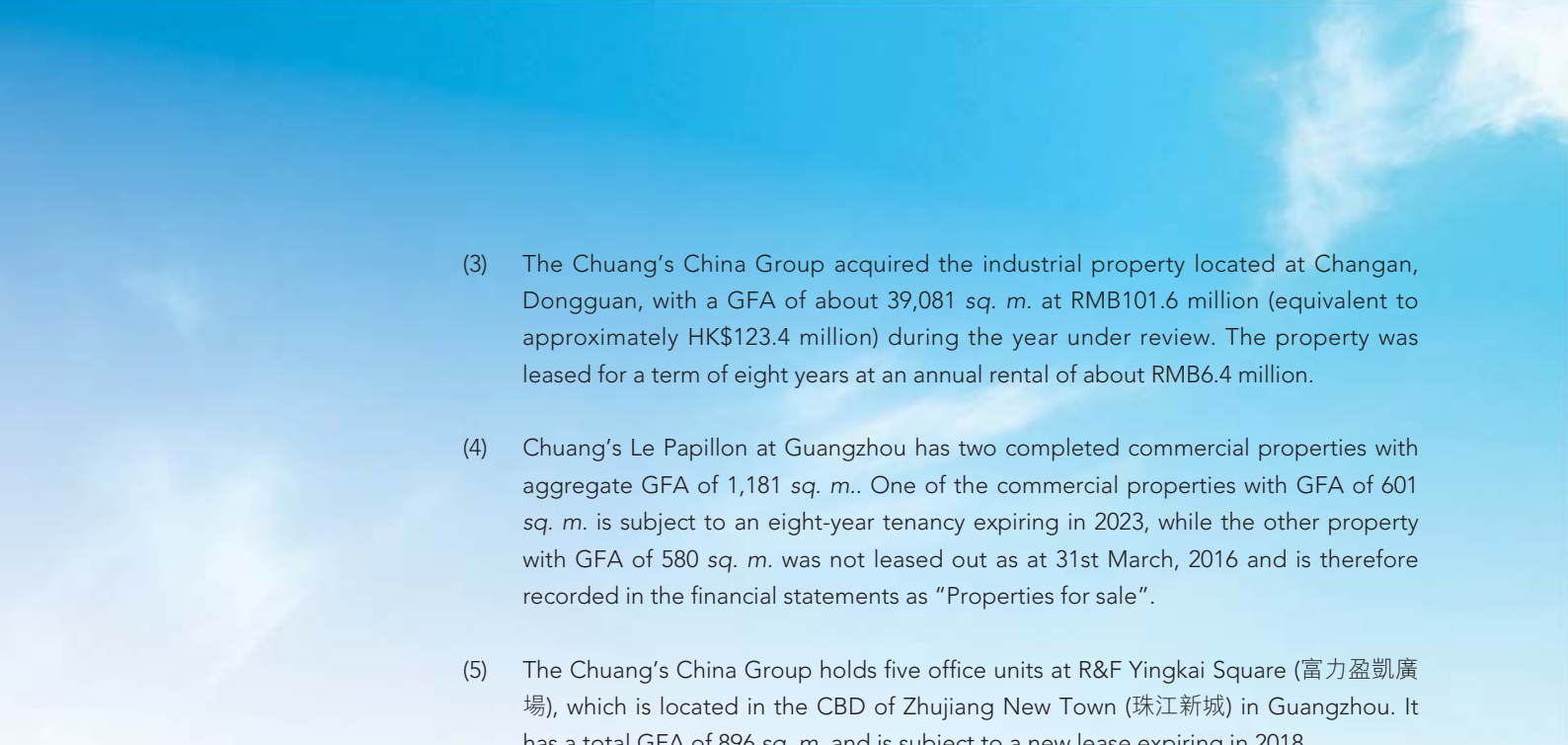
Chuang's China is a 56.0% owned listed subsidiary of the Group and Chuang's China and its subsidiaries (the "Chuang's China Group") are principally engaged in, inter alia, property development and investment. For the year ended 31st March, 2016, the Chuang's China Group recorded revenues of HK\$470.0 million (2015: HK\$1,008.6 million) (which comprised revenues from sales of properties in the PRC of HK\$440.5 million (2015: HK\$993.8 million), revenues from rental and other income of investment properties in the PRC of HK\$19.1 million (2015: HK\$11.7 million), revenues from trading business of HK\$1.0 million (2015: HK\$2.9 million) and revenues from securities investment and trading business of HK\$9.4 million (2015: HK\$0.2 million)) and profit attributable to equity holders of HK\$85.0 million (2015: HK\$94.5 million).

(i) *Investment/Hotel Properties*

(a) **Investment Properties**

The Chuang's China Group holds the following portfolio of investment properties in the PRC with an aggregate GFA of approximately 87,557 sq. m., of which approximately 60% were completed properties and approximately 40% were under construction. Book value of these investment properties as at 31st March, 2016 amounted to approximately HK\$539 million. Rental and related income during the year was about HK\$11 million.

- (1) Chengdu Digital Plaza Level 6 at Wuhou District (武侯區), Chengdu, having a GFA of 4,255 sq. m., is subject to a new lease expiring in 2019.
- (2) Chuang's New City at Dongguan has two completed commercial properties with aggregate GFA of about 12,435 sq. m.. About 7,935 sq. m. of these properties are subject to various leases expiring from 2016 to 2025. The remaining 4,500 sq. m. of these commercial properties were not leased out as at 31st March, 2016 and are recorded in the financial statements as "Properties for sale". Additional investment properties under construction at Chuang's New City have a total GFA of about 5,173 sq. m..

- 
- (3) The Chuang's China Group acquired the industrial property located at Changan, Dongguan, with a GFA of about 39,081 sq. m. at RMB101.6 million (equivalent to approximately HK\$123.4 million) during the year under review. The property was leased for a term of eight years at an annual rental of about RMB6.4 million.
 - (4) Chuang's Le Papillon at Guangzhou has two completed commercial properties with aggregate GFA of 1,181 sq. m.. One of the commercial properties with GFA of 601 sq. m. is subject to an eight-year tenancy expiring in 2023, while the other property with GFA of 580 sq. m. was not leased out as at 31st March, 2016 and is therefore recorded in the financial statements as "Properties for sale".
 - (5) The Chuang's China Group holds five office units at R&F Yingkai Square (富力盈凱廣場), which is located in the CBD of Zhujiang New Town (珠江新城) in Guangzhou. It has a total GFA of 896 sq. m. and is subject to a new lease expiring in 2018.
 - (6) Chuang's Mid-town at Tie Dong Qu (鐵東區) in Anshan has investment properties under construction of 29,616 sq. m.. It is a 6-level commercial podium located at the city centre of Anshan. Marketing has commenced on pre-leasing of the commercial podium.

The Chuang's China Group will continue to increase its investment property portfolio for rental purpose, which will bring recurrent and steady cash inflow, in order to weather the slowdown of property sales as a result of reducing GFA under development in the PRC.

(b) Hotel Properties

- (1) The Xiamen Mingjia Hotel (廈門名家酒店) is developed by the Chuang's China Group and is located in the beautiful scenery of the south coast of Siming District, covering an area of about 27,600 sq. m., and just five minutes walk from the nearby beach. The project provides 30 villas with an aggregate GFA of about 8,300 sq. m. and a 6-storey hotel building with 100 guest-rooms (total GFA of 9,700 sq. m.).

As the construction works and interior renovation works of the hotel have been completed, this hotel project has currently entered into the operation stage. In view of the local partner of this project is affiliated with the Xiamen Travel Bureau (廈門旅遊局), the Chuang's China Group has decided to jointly control this project with the local partner in order to capitalize on its expertise in Xiamen. In addition, the management has decided to lease out the 30 villas and the hotel which will generate steady recurring income stream. Marketing for leasing is in progress.

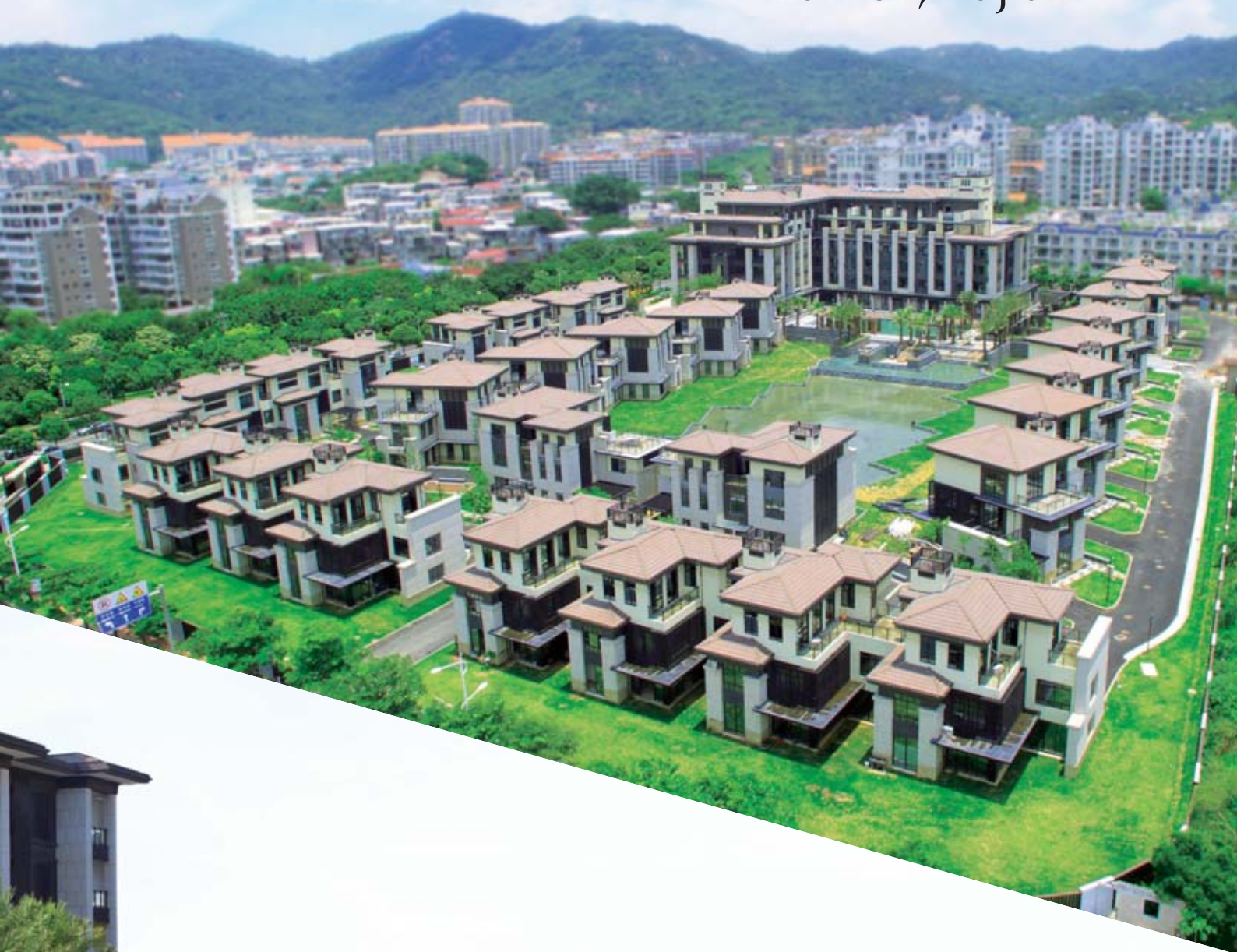
Book value of this joint venture (in which the Chuang's China Group owns an effective 59.5% interest) as at 31st March, 2016 amounted to approximately HK\$283 million.

- (2) The Chuang's China Group owns an effective interest of 54% of a property development project in Changsha. As at 31st March, 2016, the Chuang's China Group's total investment costs amounted to about HK\$80 million. Unsold properties (total residential GFA of 18,400 sq. m. and commercial GFA of 11,600 sq. m.) of this project have a total book costs of about HK\$114 million. Within the commercial area, the Group is planning for a hotel with 117 guest-rooms. The Group will liaise with the local government authorities in renewing the operating license of the joint venture company which has expired since 2012.



Xiamen Mingjia Hotel

Xiamen, Fujian



(ii) Property Development

The PRC property market is boosted by supportive policies including successive interest rate cuts, promoting urbanization and inventory de-stocking measures. During the year, the Chuang's China Group explored various investment opportunities mainly focusing on first tier cities including Shenzhen, Guangzhou, Xiamen and in Hong Kong. As for the existing portfolio of development projects, an update of their progress is as follows:







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

All the high-rise blocks of Phases I and II of Chuang's Le Papillon have largely been sold out and properties are handed over to buyers. At present, marketing of the 22 villas (Block P) for leasing has been launched. As of to-date, unsold residential properties of this project excluding Block P amounted to about RMB26 million.

The Group intended to kick off Phase III of Chuang's Le Papillon with a total GFA of about 54,000 sq. m.. However, the approval process from the relevant authorities is lengthy and is progressing slow. Preparatory construction works have commenced, and superstructure works will commence once the approvals from the relevant authorities for Phase III are obtained. As for the future plan of the remaining development with a site area of about 60,276 sq. m., the Group will adopt a medium to long term planning approach while awaiting for land quota to be allocated.

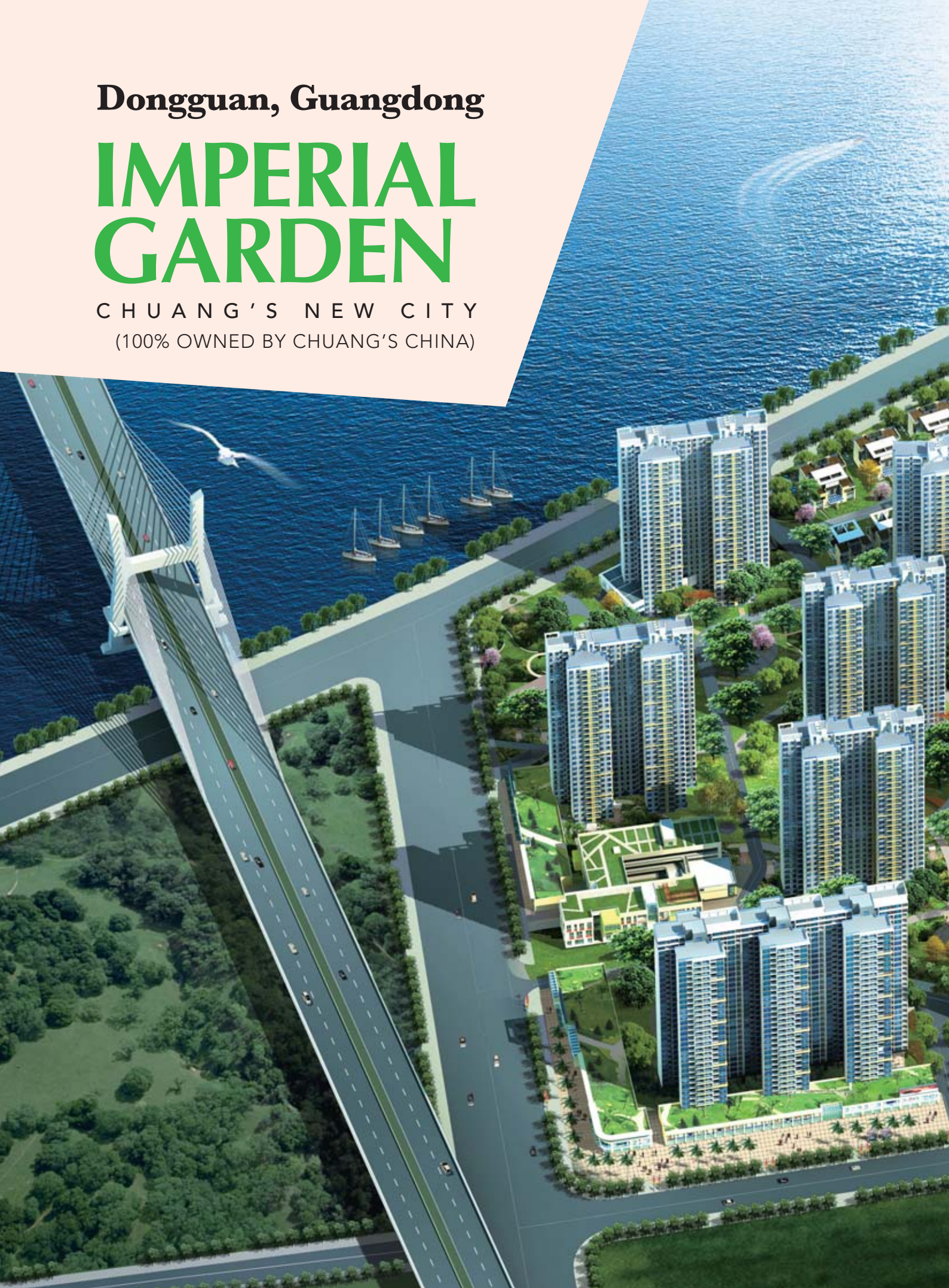
Phase



Dongguan, Guangdong

IMPERIAL GARDEN

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





獅子洋

IMPERIAL GARDEN

沙田鎮工商局

沙田鎮政府

人人樂商場

沙田中心小學

郵政局

鎮標

葆麗酒店

嘉福海港酒店

海關大樓

港口大道

工商銀行

天母藍鳥咖啡西餐廳

建設銀行

肯德基餐廳

SPA超市

沙田輕軌站

世紀豪庭大酒店

亞歷山大路

廣江路

廣江路

廣江路

禧街

廣深港高速鐵路

廣江路

禧街

Chuang's New City has a total GFA of about 520,000 sq. m. and is divided into different phases. Phase I and II (Block 1 to 14) of Imperial Garden have an aggregate GFA of about 150,300 sq. m.. It provides 1,239 residential flats, a modern commercial shopping complex and 184 carparking spaces. It is well equipped with ancillary facilities such as club house, kindergarten and sports arena. Occupancy of Phase I and II were handed over to buyers in previous financial years. As of to-date, unsold residential properties of Imperial Garden (Phases I and II) amounted to about RMB48 million.

Phase III of Imperial Garden (comprising Blocks 29 to 31) has a total GFA of approximately 40,000 sq. m. and has been completely pre-sold at about RMB298 million (equivalent to approximately HK\$352 million). During the year under review, these sales cannot be recorded as revenues because properties are not yet ready to handover to buyers. It is expected that occupancy will be handed over to buyers before the end of December 2016.



Phase IV of Imperial Garden (comprising Blocks 15 to 20) has a total GFA of about 83,000 sq. m.. Foundation works for Phase IV have substantially been completed. The Group will decide on the appropriate time to carry out the superstructure works in order for presales of Phase IV to be launched in the first half of 2017. Development plan for the remaining GFA of about 234,000 sq. m. will be carried out by phases in the next few years.

Subject to the prevailing market conditions, the Group will also consider other option which may be available, such as the possibility of disposing of its entire interests in this project with total GFA of about 317,000 sq. m. in its existing state. This option will allow the Group to unlock the stored value in this project and to accelerate the return in this investment.



Anshan, Liaoning

CHUANG'S MID-TOWN

(100% OWNED BY CHUANG'S CHINA)



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

The development consists of a 6-level commercial podium providing an aggregate GFA of about 29,616 sq. m.. Above the podium will be a twin tower (Block AB and C) with 27 and 33-storey respectively, offering total GFA of about 63,000 sq. m. as residential and service apartments. Superstructure works of the commercial podium and the twin tower have topped off in November 2015. Internal and external finishing works are in satisfactory progress.

The residential property market in Anshan is relatively weak, thus the selling price and pace of property sales will not be as strong as the Group's two projects in the Guangdong Province. However, in view of the prime location of Chuang's Mid-town which is adjacent to the train station in city centre, the Group will emphasize on brand building, quality and the market niche of the project. Discussions to lease the entire Block A is in progress, whereas marketing to lease out the commercial podium and Block C has also been launched.



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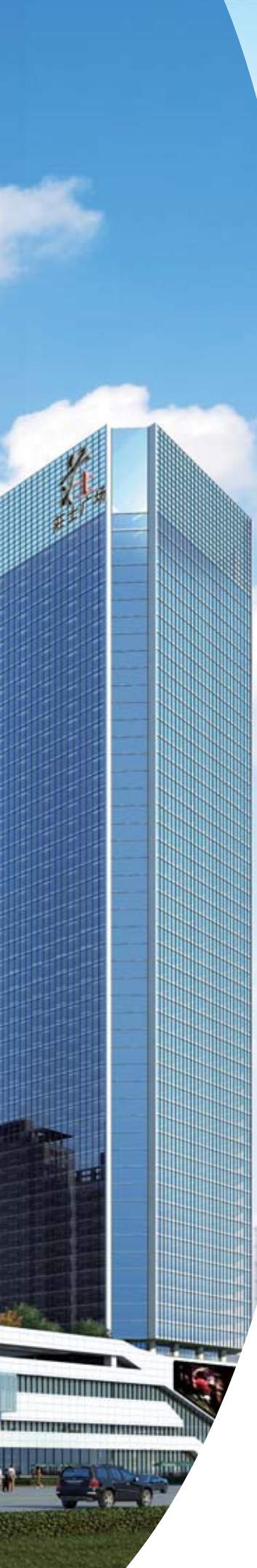
市
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鞍山市
中心醫

CHUANG'S
PLAZA

(100% OWNED BY CHUANG'S CHINA)





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

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

The site at Yip Wong Road has an area of about 2,428 sq. m. and has developable GFA of 10,862 sq. m. for residential purpose and 2,428 sq. m. for commercial purpose. The site is located along the riverside recreation park, overlooking Tuen Mun River. Along the promenade right in front of the site, it is within leisure walking distance to the nearby landmark commercial mall.

Building plans of the development project have been approved. Contract for excavation and lateral support works and foundation works has been awarded. Excavation and lateral support works have recently commenced and it is expected that foundation works will be completed in the third quarter of 2017.



Other property project in the PRC

The Chuang's China Group holds a 51% development interest in a project in Wuhou District, Chengdu. As at 31st March, 2016, the Chuang's China Group's total investment costs in this project was about RMB146.8 million (equivalent to approximately HK\$173.2 million). In view of the unresolved problems that hindered the development since 2007, the Chuang's China Group decided to proceed with legal proceeding as one of the exit strategies to this project. On 31st May, 2016, the Chuang's China Group received notification from the Sichuan Court that the claims lodged by the Chuang's China Group have been accepted. The aggregate amounts demanded by the Chuang's China Group is approximately RMB435 million (equivalent to approximately HK\$513 million), which comprise: (i) payment of an amount representing the Chuang's China Group's 51% share in the market value of the project; (ii) payment of an amount representing the Chuang's China Group's 51% share of the rental income within the projects together with interest accrued thereon up to 31st May, 2016; and (iii) repayment of the advances by the Chuang's China Group's in relation to the project together with interest accrued thereon up to 31st May, 2016. Further announcement(s) about the legal proceeding will be made by the Company as and when appropriate.

Sales and revenues recognition for PRC projects

The Group has contracted sales in the PRC of about RMB340 million (equivalent to approximately HK\$401 million). Amongst this, contracted sales relating to completed properties amounted to about RMB42 million (equivalent to approximately HK\$49 million) whereas contracted sales related to properties under construction amounted to about RMB298 million (equivalent to approximately HK\$352 million), which are entirely related to Blocks 29 to 31 of Imperial Garden at Dongguan. Contracted sales will only be recognized as revenues of the Group when they are completed and properties are handed over to buyers.

At present, the Chuang's China Group's projects in Guangzhou and Dongguan have unsold completed residential properties for sale of about RMB74 million (equivalent to approximately HK\$87 million) and carparks of about RMB175 million (equivalent to approximately HK\$207 million). For the financial year ending 31st March, 2017, the Chuang's China Group will determine the strategy for the Dongguan project and if the Phase IV development is to proceed, presales of Blocks 15 to 20 of Imperial Garden at Dongguan will be launched in the first half of 2017, with sales value of about RMB993 million (equivalent to approximately HK\$1,172 million).

(D) Midas International Holdings Limited ("Midas", stock code: 1172)

Midas is a 60.8% owned listed subsidiary of the Group and Midas and its subsidiaries (the "Midas Group") are principally engaged in, inter alia, the printing business and property business. For the year ended 31st March, 2016, the Midas Group recorded revenues of HK\$256.0 million (2015: HK\$274.6 million) (which comprised revenues from the printing business of HK\$225.2 million (2015: HK\$262.1 million), revenues from the cemetery business of HK\$22.3 million (2015: HK\$12.5 million), revenues from property investment business of HK\$35,000 (2015: Nil) and revenues from securities investment and trading business of HK\$8.5 million (2015: Nil)) and profit attributable to equity holders of HK\$93.1 million (2015: loss of HK\$16.6 million). Such profit included the gain of HK\$108.7 million relating to the disposal of a property holding subsidiary to the Chuang's China Group.

(i) *Printing Business*

With the slowdown in recovery of the global economy, customers were still cautious in placing orders and, as a result, the Group recorded a lower than expected printing revenues. Revenues of the printing business of the Group during the year amounted to HK\$225.2 million, representing a decrease of 14.1% compared to that of the last year. In order to cope with this adverse market condition, the Group will continue its effort to solidify existing customers and broaden its clientele through proactive promotion of creative product design to customers.

In the cost aspects, the Group deployed various cost reduction measures to enhance profitability. In view of rising labour cost, the Group continued to invest in automated equipments so as to reduce reliance on labour force while maintaining the production capacity. Tight inventory control and effective cash flow management ensured proper allocation of financial resources to higher return sector. All these measures achieved savings in both production costs and administrative expenses, and despite reduction in revenues, the printing gross profit margin increased.

Taking into account the anticipated printing demand, the Midas Group considered that the current production facilities at Boluo, Huizhou is sufficient for its requirement in the coming years. Accordingly, in April 2015, the Midas Group entered into an agreement to dispose of the Midas Group's factory premise at Changan, Dongguan for RMB101.6 million (equivalent to approximately HK\$123.4 million) to the Chuang's China Group. The transaction was completed on 21st August, 2015.

(ii) Property for Sale – Cemetery Operation

The Group operates a cemetery – “Fortune Wealth Memorial Park” in Sihui, Guangdong which comprises a site of 518 mu, of which 100 mu are substantially completed and remaining 418 mu have commenced design work, and an adjacent site of 4,482 mu, which has been reserved, making up a total of 5,000 mu.

In the sales aspect, as the Guangzhou district was a major market for our cemetery, the Group concentrated its resources to develop this market. The Group has, during the year, set up two new sales offices in Guangzhou, making a total of six sales offices. In order to further expand its market presence, the Group has also, during the year, organized a large scale promotion campaign in Guangzhou. All these efforts boosted cemetery sales and as a result, sales during the year increased by 78.4% from HK\$12.5 million in the last year to HK\$22.3 million in this year.

In the development aspect, the Group has completed 12 graveyards (area M1 to M12) and a mausoleum which can accommodate niches on the 100 mu of land. As of to-date, there are 5,430 grave plots already built, of which 1,430 grave plots are sold, leaving 4,000 grave plots available for sales.

In anticipation of the growing demand of prestigious grave plots, the Midas Group is now in final stage of negotiation with the local government with a view to expand the cemetery by phases within the 418 mu.

(iii) Property for Investment

In order to diversify the income base of the Midas Group and to generate a steady and recurrent income stream, the Midas Group had during the year acquired a property located at Shop D, Ground Floor, Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon. The property is for commercial use and has a total gross area of about 1,588 square feet. The property is now leased to a third party with the tenancy agreement expiring in August 2018. Annual rental of this property amounted to about HK\$1.0 million. Details of the acquisition were set out in the announcement issued by Midas dated 2nd February, 2016. The Midas Group may in future acquire more investment properties so as to generate additional recurrent income.

(iv) Information Technology Business

As disclosed in the 2015 annual report, leveraging on the Midas Group's experience in the information technology business and the substantial growth potential in such business, the Midas Group will continue to explore investment opportunities, in particular, in the e-commerce, e-publishing and e-auction businesses, in order to generate additional source of revenues to the Midas Group.

(v) *Prospects of the Midas Group*

The Group believes that economic uncertainty and harsh operating environment will continue to confront the Group's printing business. Moving forward, the Group will continue to solidify its customer base, strengthen partnership with major customers while expanding domestic sales in the PRC. Internally, the Group will reinforce its cost saving measures to enhance cost efficiency. While fully cognizant of the challenge ahead, the Group is confident to achieve better result on its printing business on the strength of a professional service team and efficient production infrastructure.

The rapid growth of aged population in the PRC increases the demand of prestigious grave plots and niches. Coupled with improvements in infrastructure in the area nearby the cemetery, and our continuous investment in marketing, the Group is confident that this investment will provide solid and long term contributions.

In order to generate new sources of revenues to the Midas Group, in addition to investing in the bond market and looking into new business opportunities in the property investment and information technology sector, the Midas Group will continue to review the development strategies of its printing and cemetery businesses and such development strategies may include enticement of new investor, formation of strategic partnership, or disposing part or whole of such businesses in order to realize their intrinsic values.

(E) Other Businesses

(i) *Sintex Nylon and Cotton Products (Pte) Limited* ***("Sintex")***

Sintex is engaged in the sales of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the year, Sintex recorded revenues of HK\$76.9 million (2015: HK\$80.4 million) and incurred a slight loss of about HK\$0.5 million.

(ii) *Securities Investment and Trading*

During the year, securities investment and trading business of the Group recorded a profit of HK\$16.4 million, comprising realized gain on disposal of investments of HK\$3.6 million, dividend and interest income from investments of HK\$12.3 million, fair value gain on investments of HK\$1.5 million as a result of mark to market valuations as at the balance sheet date and exchange loss of HK\$1.0 million. As at 31st March, 2016, investments of the Group amounted to HK\$506.9 million, of which HK\$226.3 million were held by the Chuang's China Group and HK\$109.5 million were held by the Midas Group, and mainly comprised of high yield bonds and listed securities.

Financial Position

Net asset value

As at 31st March, 2016, net assets attributable to equity holders of the Company was HK\$8,614.7 million. Net asset value per share was HK\$5.09, which is calculated based on the book costs of the Group's properties for sale before taking into account their appreciated values.

Financial resources

As at 31st March, 2016, the Group's cash, bank balances (including pledged bank balances) and investments held for trading amounted to HK\$2,175.0 million (2015: HK\$2,113.1 million). Bank borrowings as at the same date amounted to HK\$3,971.1 million (2015: HK\$3,700.8 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and investments held for trading over net assets attributable to equity holders of the Company, was 20.8% (2015: 19.4%).

Approximately 63.1% of the Group's cash, bank balances and investments held for trading were denominated in Hong Kong dollar, 20.5% were in United States dollar, 15.9% were in Renminbi and the balance of 0.5% were in other currencies. Approximately 89.9% of the Group's bank borrowings were denominated in Hong Kong dollar, 6.0% were in Renminbi and the balance of 4.1% were in Malaysian Ringgit and Singapore dollar.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 17.9% of the Group's bank borrowings were repayable within the first year, 5.5% were repayable within the second year, 58.5% were repayable within the third to fifth years and the balance of 18.1% were repayable after the fifth year.

Foreign exchange risk

As disclosed in the "Business Review" section of this report, the Group also conducts its businesses in other places outside Hong Kong, with the income and the major costs items in those places being denominated in their local foreign currencies. Therefore, it is expected that any fluctuation of these foreign currencies' exchange rates would not have material effect on the operations of the Group. However, as the Group's consolidated financial statements are presented in Hong Kong dollar, the Group's financial position is subject to exchange exposure to these foreign currencies. The Group would closely monitor this risk exposure from time to time.

Prospects

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

In the current financial year, the Group has completed Parkes Residence and handed over sold units to end-purchasers. In June 2016, the Group entered into a conditional agreement to dispose of the property holding company that holds the property located at No. 15 Gough Hill Road, The Peak. Such disposals not only have generated/will generate substantial cashflow and profits to the Group but also laid a solid foundation for the continual growth of the Group. In the coming financial years, the Group will continue our mission to take steps to further enhance rental yield and return of our investment/hotel properties and thus their capital values, to unlock the store value of our other development projects in Hong Kong, the PRC and elsewhere in the region by speeding up their development and sales in accordance with local market conditions, and to identify opportunities for business development of the Group, including, inter alia, land acquisitions and property investments so as to further create value for our shareholders.

Staff

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 31st March, 2016, the Group (excluding the Chuang's China Group and the Midas Group) employed 407 staff, the Chuang's China Group employed 287 staff and the Midas Group employed 1,208 staff. The Group provides its staff with other benefits including discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

Appreciation

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

Alan Chuang Shaw Swee

Chairman

Hong Kong, 29th June, 2016





Corporate Information

Directors

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

* *Independent Non-Executive Directors*

Audit Committee

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

Nomination Committee/ Remuneration Committee

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

Corporate Governance Committee

Albert Chuang Ka Pun#
Chong Ka Fung
Candy Kotewall Chuang Ka Wai
Chan Chun Man

Chairman of the relevant committee

Company Secretary

Lee Wai Ching

Auditor

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

Corporate Information (Continued)

Registrars

Bermuda:

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

Hong Kong:

Tricor Standard Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking
Corporation Limited
HSBC Bank (China) Company Limited
Hang Seng Bank Limited
Hang Seng Bank (China) Limited
Bank of China (Hong Kong) Limited
CIMB Bank Berhad

Registered Office

Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

Principal Office in Hong Kong

25th Floor, Alexandra House,
18 Chater Road, Central, Hong Kong
Telephone: (852) 2522 2013
Facsimile: (852) 2810 6213
Email address: chuangs@chuangs.com.hk
Website: www.chuang-consortium.com

Singapore Office

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

Malaysia Office

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

Vietnam Office

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

Mongolia Office

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

Stock Code

367



Biographical Details of
Directors and
Senior Management

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Alan Chuang Shaw Swee (aged 64), the chairman, has extensive experience in business development and investment in Hong Kong, the People's Republic of China (the "PRC") and Southeast Asia. With his substantial connections, he has actively involved in the development and management of investments in Hong Kong, the PRC and Southeast Asia. He is also the honorary chairman of Chuang's China Investments Limited ("Chuang's China") and Midas International Holdings Limited ("Midas"), both are subsidiaries of the Company and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was an Adviser of Hong Kong Affairs and a member of the Selection Committee for the Government of the Hong Kong Special Administrative Region. He is a member of the National Committee of The Chinese People's Political Consultative Conference, a standing committee member of All-China Federation of Returned Overseas Chinese, the Honorary President of the Association for the Promotion of Global Chinese Traders Fraternity Ltd., the Honorary member of Guangzhou Panyu Overseas Exchanges Association, the Vice President of China Federation of Overseas Chinese Entrepreneurs and the Committee for the Promotion of Fujian-Taiwan Economic Cooperation, the Honorary President of Hunan Overseas Friendship Association and Fujian International Culture & Economy Exchange Foundation, an economic adviser to Chengdu, Sichuan, an overseas consultant to Sichuan Provincial Overseas Exchanges Association, an Honorary Citizen of Xiamen City, Guangzhou City and Chia-Yi, Taiwan and an executive director of the Board of Trustees of Jimei University, Xiamen City. He is also the Vice President of the Hong Kong Factory Owners Association, the Honorary President of the Hong Kong Federation of Overseas Chinese Association, the Honorary President of the Chinese General Chamber of Commerce, a director of The Real Estate Developers Association of Hong Kong, the Senate of the Democratic Alliance for the Betterment and Progress of Hong Kong, the Life Honorary President of the General Association of Xiamen (H.K.) Ltd., the Permanent President of Hong Kong Huian Natives Association, the Life Honorary President of Chuang & Yen Clansmen's General Association and a director of the Friends of Hong Kong Association Ltd.. He is the father of Mr. Albert Chuang Ka Pun, Mr. Chong Ka Fung and Mrs. Candy Kotewall Chuang Ka Wai. He joined the Group in 1970.

Mr. Albert Chuang Ka Pun (aged 36), the joint managing director, has over 12 years of experience in property business and general management. He is the managing director of Chuang's China. He holds a bachelor degree of arts with major in economics. He is a committee member (the Hong Kong Special Administrative Region) of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and the Twelfth All-China Youth Federation. He is the son of Mr. Alan Chuang Shaw Swee and the brother of Mr. Chong Ka Fung and Mrs. Candy Kotewall Chuang Ka Wai. He joined the Group in 2005.

Biographical Details of Directors and Senior Management (Continued)

Executive Directors (Continued)

Mr. Chong Ka Fung (aged 31), the joint managing director, has 6 years of experience in architecture, interior design and general management. He is also the deputy managing director of Chuang's China. He holds a bachelor degree of fine arts in architecture design covering architecture; interior; and urban planning. He is a director of The Chinese General Chamber of Commerce and the Hong Kong Chang Sha Chamber of Commerce, the vice chairman of Youth Committee of the Hong Kong Huian Natives Association, a committee member of the Hunan Youth Federation, and a member of The Y. Elites Association Limited, the China Green Building (Hong Kong) Council and the Hong Kong-Shanghai Youth Exchange Promotion Association. He is the son of Mr. Alan Chuang Shaw Swee, the brother of Mr. Albert Chuang Ka Pun and Mrs. Candy Kotewall Chuang Ka Wai. He joined the Group in 2012.

Mrs. Candy Kotewall Chuang Ka Wai (aged 34), an executive director, has 12 years of experience in general management, marketing and property business. She is the vice chairman of Midas and the chairman of Treasure Auctioneer International Limited. She is a member of The Chinese People's Political Consultative Conference, Xiamen Committee, Beijing Youth Federation, Fujian Youth Federation, Xiamen Overseas Friendship Association, The Y. Elites Association Limited and Hong Kong United Youth Association, the honorary president of the Hong Kong CPPCC of Fukien Province Members Association, the vice chairman of the General Association of Xiamen (H.K.) Ltd. and a member of the board of councillors of Public Art Hong Kong. Ms. Chuang is the daughter of Mr. Alan Chuang Shaw Swee, the sister of Mr. Albert Chuang Ka Pun and Mr. Chong Ka Fung. She joined the Group in 2005.

Mr. Wong Chung Wai (aged 47), an executive director, has over 24 years of experience in architecture, project management and contract administration. He holds a bachelor degree of science in building technology and management and is an associate member of both the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors. He joined the Group in 2001.

Mr. Chan Chun Man (aged 40), an executive director, has over 17 years of experience in finance, accounting and auditing. He holds a bachelor degree in accountancy and a master degree in business administration. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of each of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. He is also a Chartered Financial Analyst of CFA Institute. He joined the Group in 2003.

Independent Non-Executive Directors

Mr. Abraham Shek Lai Him G.B.S., J.P. (aged 71), was appointed as an independent non-executive director in 2004. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region, the Court of The Hong Kong University of Science & Technology, the Court and the Council of The University of Hong Kong and a non-executive director of the Mandatory Provident Fund Schemes Authority of Hong Kong. He holds a bachelor degree of arts. He is the chairman and an independent non-executive director of Chuang's China, an independent non-executive director of Midas, Paliburg Holdings Limited, Lifestyle International Holdings Limited, NWS Holdings Limited, ITC Corporation Limited, Country Garden Holdings Company Limited, Hop Hing Group Holdings Limited, MTR Corporation Limited, SJM Holdings Limited, ITC Properties Group Limited, China Resources Cement Holdings Limited, Lai Fung Holdings Limited, Cosmopolitan International Holdings Limited and TUS International Limited, all are listed on the Stock Exchange. Mr. Shek is also an independent non-executive director of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust, and Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust, both trusts are listed on the Stock Exchange.

Mr. Fong Shing Kwong (aged 68), was appointed as an independent non-executive director in 2008. Mr. Fong has over 38 years of experience in the hospitality industry and has extensive experience in property development, asset and facility management and investment business in the PRC. He is an executive director of New World China Land Limited, a company listed on the Stock Exchange.

Mr. Yau Chi Ming (aged 62), was appointed as an independent non-executive director in 2012. He is a practising certified public accountant in Hong Kong with over 31 years of experience. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Chartered Professional Accountants of British Columbia in Canada. He is an independent non-executive director of Midas.

Mr. David Chu Yu Lin S.B.S., J.P. (aged 72), was appointed as an independent non-executive director in 2013. Mr. Chu has extensive experience in finance, banking and property investment. He holds a bachelor of science degree and a master of science degree, both from Northeastern University, and a master of business administration degree from Harvard University. Mr. Chu was conferred with an honorary doctorate degree in public service by Northeastern University. He is an independent non-executive director of Chuang's China, AVIC International Holding (HK) Limited and Zhuhai Holdings Investment Group Limited, all are listed on the Stock Exchange. Mr. Chu was elected as a deputy of the Hong Kong Special Administrative Region to the 10th National Congress of the PRC.

Biographical Details of Directors and Senior Management (Continued)

Senior Management

Mr. Lee Yiu Sing (aged 49), the general manager of property development and sales, is responsible for property development, sales, leasing and management of the Group. He has over 23 years of experience in property sales, leasing, marketing and management. He has a bachelor degree in science and is a member of the Chartered Institute of Housing. He joined the Group in 2005.

Mr. Chan Ka On (aged 48), the senior project manager, has 23 years of experience in construction and property development. He holds a bachelor of science degree in building surveying. He joined the Group in 2001.

Mr. Chan Hing Kwong (aged 40), the senior sales and marketing manager, has over 17 years of experience in property sales, leasing, marketing and management. He holds a bachelor degree in science and a master degree in housing management. He joined the Group in 2008.

Mr. George Wang (aged 55), the general manager of the hotel division of the Group, has over 31 years of experience in the hospitality industry. He holds a bachelor degree of science in management and in consumer marketing. He is a member of The Federation of Hong Kong Hotel Owners, the Hong Kong Hotels Association and The Hong Kong Management Association. He joined the Group in 2013.

Mr. Andrew Ho Kar Kin (aged 33), the senior accounting manager, has over 11 years of experience in finance, accounting and auditing. He holds a bachelor degree in accountancy. He is an associate member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England & Wales. He joined the Group in 2009.

Ms. Cici Wong Shi Wai (aged 41), the legal counsel, has over 17 years of experience in legal field. She holds a bachelor degree in laws, a postgraduate certificate in laws and a master of laws degree in corporate and financial law. She is a solicitor of the High Court of Hong Kong. She joined the Group in 2006.

Ms. Lee Wai Ching (aged 55), the company secretary, is responsible for the Group's company secretarial matters. She has over 32 years of experience in corporate services and office administration. She holds a master degree in business administration and a master degree in laws. She is a fellow of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries. She joined the Group in 1998.

Senior Management (Continued)

Mr. Cheung Loon Hoi (aged 70), a director and the general manager of the Singapore Division, is responsible for the Group's operation in Singapore. He holds a higher diploma in textile technology and is a member of the Textile Institute of the United Kingdom. He joined the Group in 1970.

Mr. Ng Kek Chong (aged 58), the chief executive officer of the Malaysia division, is responsible for the Group's operation in Malaysia. He has over 34 years of experience in project management and property development. He holds a bachelor degree in architecture and is a member of the Malaysian Institute of Architects. He joined the Group in 1994.

Mr. Tong Kwok Lun (aged 37), the chief representative of the Vietnam Division, is responsible for the Group's development projects in Vietnam. He has over 12 years of experience in property investment and development. He holds a bachelor degree in real estate. He joined the Group in 2007.

Corporate Governance Report



Introduction

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

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

Report on corporate governance practices

(A) The Board

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

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

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

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

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

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(i) Board composition

The Board comprises 10 Directors as at the date of this report. The Board members are as follows:

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

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

** Mr. Lui Lop Kay retired and ceased to act as an Executive Director of the Company on 31st March, 2016.

*** Mr. Ko Sheung Chi ceased to act as the Managing Director of the Company on 12th April, 2016.

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

Report on corporate governance practices (Continued)

(A) The Board (Continued)

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

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

(iii) **Nomination Committee**

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

The attendance record of each committee member is as follows:

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

* *Chairman of the Nomination Committee*

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(iv) Board meeting

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

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

Name	Position	No. of meetings attended/held
Mr. Alan Chuang	Chairman	3/4
Mr. Albert Chuang	Joint Managing Director	4/4
Mr. Edwin Chong	Joint Managing Director	4/4
Ms. Candy Chuang	Executive Director	4/4
Mr. Wong Chung Wai	Executive Director	4/4
Mr. Chan Chun Man (appointed on 8th June, 2015)	Executive Director	3/4
Mr. Abraham Shek	Independent Non-Executive Director	4/4
Mr. Fong	Independent Non-Executive Director	4/4
Mr. Yau	Independent Non-Executive Director	4/4
Mr. David Chu	Independent Non-Executive Director	4/4

Report on corporate governance practices (Continued)

(A) The Board (Continued)

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

The roles of Chairman and Chief Executive Officer are separated. Currently, Mr. Alan Chuang is the Chairman, and Mr. Albert Chuang and Mr. Edwin Chong, who were appointed as the Joint Managing Directors, are the Chief Executive Officers.

(vi) **Responsibilities of Directors**

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

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

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

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

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

(ix) **Directors' training**

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

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(A) The Board (Continued)

(ix) Directors' training (Continued)

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

Name	Reading regulatory updates relating to the director's duties and responsibilities or information relevant to the Group or its business	Reading newspapers, journals and updates relating to the economy, environment and social issues or the director's duties and responsibilities	Attending in-house seminar(s) or seminar(s) organized by external professional institution(s) or attending conference(s) relevant to the director's duties and responsibilities
Mr. Alan Chuang	√	√	√
Mr. Albert Chuang	√	√	√
Mr. Edwin Chong	√	√	√
Ms. Candy Chuang	√	√	√
Mr. Wong Chung Wai	√	√	√
Mr. Chan Chun Man	√	√	√
Mr. Abraham Shek	√	√	√
Mr. Fong	√	√	√
Mr. Yau	√	√	√
Mr. David Chu	√	√	√

Report on corporate governance practices (Continued)

(B) Remuneration of Directors and senior management

(i) Remuneration policy of Executive Directors and senior management

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

(ii) Fees paid to Independent Non-Executive Directors

Each Independent Non-Executive Director of the Company entitles to an annual fee of HK\$150,000 from the Company. In determining such fee, the Board has taken into account the current market conditions. Such fee is also subject to the shareholders' approval in annual general meetings.

(iii) Remuneration Committee

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

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

The attendance record of each committee member is as follows:

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

* Chairman of the Remuneration Committee

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(C) Accountability and audit

(i) **Financial reporting**

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

The reporting responsibility of the Company's auditor on the consolidated financial statements of the Group is set out in the "Independent Auditor's Report" on pages 82 to 83 of this annual report.

(ii) **Risk management and internal control**

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

In this respect, the Group has adopted internal control procedures relating to financial, operational, compliance and risk management by integrating them into various business processes. The objectives are to provide reasonable assurance that assets are safeguarded against unauthorized use or disposition, transactions are executed in accordance with management's authorization, the accounting records are reliable for preparing financial information within the business and for publication and risk is being identified and managed in an effective manner. Qualified personnel throughout the Group maintains and monitors these internal control procedures on an ongoing basis.

The Group has also established an internal audit department which reports to the Audit Committee on a regular basis. The Audit Committee has endorsed the internal audit plan prepared by the internal audit department in respect of the risk management and internal control systems. The audit plan is prepared under a risk based approach and covers the Group's significant areas of operations, which will be reviewed on an annual basis.

Upon the review of the effectiveness of the risk management and internal control systems of the Group during the year and based on the assessment made by senior management and the internal audit department of the Group, the Board, in conjunction with the Audit Committee, is satisfied that the existing risk management and internal control systems of the Group are adequate for its present requirements.

Report on corporate governance practices (Continued)

(C) Accountability and audit (Continued)

(iii) Audit Committee

An Audit Committee was established by the Company with clear terms of reference to review and supervise the financial reporting process, and the risk management and internal control of the Group. By the end of March 2016, the Board had approved and adopted the revised terms of reference of the Audit Committee in light of the recent amendments of the CG Code in respect of the risk management, and the same had been published on the websites of the Company and the Stock Exchange. The Audit Committee comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Fong and Mr. Yau. The committee held four meetings during the year to discuss the relationship with the external auditor, to review the consolidated interim financial information for the six months ended 30th September, 2015 and the consolidated annual financial statements for the year ended 31st March, 2016 of the Group, and to evaluate the risk management and internal control systems of the Group.

The attendance record of each committee member is as follows:

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

* *Chairman of the Audit Committee*

(iv) Auditor's remuneration

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

Services rendered	HK\$'000
Audit and audit related services	4,350
Non-audit services	1,850
	6,200

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(D) Delegation by the Board

(i) Board Committees

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

(ii) Management function

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

(E) Corporate Governance

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

During the year, the CG Committee comprised three Executive Directors, Mr. Ko Sheung Chi, Mr. Albert Chuang and Ms. Candy Chuang. On 12th April, 2016, Mr. Ko Sheung Chi ceased to act as the Chairman of the CG Committee, and Mr. Albert Chuang and Mr. Edwin Chong have been appointed as the Chairman and a member of the CG Committee, respectively. On 29th June, 2016, Mr. Chan Chun Man has been appointed as a member of the CG Committee. The committee met twice during the year to review the corporate governance matters of the Company to ensure that the Company has complied with the principles and applicable code provisions of the CG Code.

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Mr. Ko Sheung Chi*	2/2
Mr. Albert Chuang**	2/2
Ms. Candy Chuang	1/2
Mr. Edwin Chong (appointed on 12th April, 2016)	N/A
Mr. Chan Chun Man (appointed on 29th June, 2016)	N/A

* Ceased to act as the Chairman of the CG Committee on 12th April, 2016

** Appointed as the Chairman of the CG Committee on 12th April, 2016

Report on corporate governance practices (Continued)

(F) Communication with shareholders

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

(i) Annual general meeting

The Board regards annual general meeting as the principal opportunity to meet the shareholders of the Company. With the exception of Mr. Fong and Mr. David Chu who did not attend the 2015 annual general meeting of the Company held on 31st August, 2015 (the "2015 AGM") due to other commitments, all Directors (including the Chairman of the Board and Chairmen of the respective Board Committees) attended the 2015 AGM to answer questions raised by the shareholders.

The attendance record of each of the current Director in the 2015 AGM is as follows:

Name	Position	Attendance
Mr. Alan Chuang	Chairman	Yes
Mr. Albert Chuang	Joint Managing Director	Yes
Mr. Edwin Chong	Joint Managing Director	Yes
Ms. Candy Chuang	Executive Director	Yes
Mr. Wong Chung Wai	Executive Director	Yes
Mr. Chan Chun Man (appointed on 8th June, 2015)	Executive Director	Yes
Mr. Abraham Shek	Independent Non-Executive Director	Yes
Mr. Fong	Independent Non-Executive Director	No
Mr. Yau	Independent Non-Executive Director	Yes
Mr. David Chu	Independent Non-Executive Director	No

(ii) Significant issues

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

(iii) Voting by poll

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

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(F) Communication with shareholders (Continued)

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

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

(v) Shareholders' enquiries

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

(G) Shareholders' rights

(i) Convening a special general meeting

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

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

(i) Convening a special general meeting (Continued)

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

(ii) Enquiries to the Board

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

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

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

(iii) Putting forward proposals at shareholders' meetings

(a) Shareholders may put forward proposals relating to the election of Directors in general meetings as follows:

- Pursuant to Bye-law no. 89 of the Company, a shareholder or shareholders (not being the person to be proposed) who holds or collectively hold not less than 5% in nominal value of the issued shares of any class of the Company may propose a person for election as a Director at any general meeting of the Company by giving the secretary of the Company a notice in writing:
 - of his/their intention to propose such person for election; and
 - signed by the person to be proposed of his willingness to be elected.

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

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

(a) (Continued)

- Any notice given for such proposal must include such person's information as may from time to time be required to be disclosed under Rule 13.51(2) of the Listing Rules in the event that such person is elected as a Director or any other applicable laws, rules and regulations which the Company may be subject to. Currently, the following information are required:
 - Full name and age;
 - Positions held with the Company and other members of the Group (if any);
 - Experience including (i) other directorships held in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;
 - Length or proposed length of service with the Company;
 - Relationships with any Directors, senior management or substantial or controlling shareholders of the Company;
 - His interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
 - Amount of the Director's or supervisor's emoluments and the basis of determining the Director's or supervisor's emoluments and how much of these emoluments are covered by a service contract; and
 - A declaration by the nominated person stating that he is not and has not been subject to any of the events provided for under Rule 13.51(2)(h) to (w) of the Listing Rules, or if any one or more of these provisions are applicable to him, full details thereof.

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

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

(a) (Continued)

- Any notice given for this purpose shall be directed to "The secretary, Chuang's Consortium International Limited" by one of the following means:
 - By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
 - By email to : chuangs@chuangs.com.hk
 - By facsimile to : (852) 2810 6213
- Any such shareholder(s) shall be one(s) that is/are entitled to attend and vote at the meeting for which such notice is given.
- The minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. If the notice is received less than fifteen (15) business days prior to that general meeting, the Company will need to consider adjournment of the general meeting in order to (i) assess the suitability of the proposed candidate; and (ii) publish an announcement or circulate a supplementary circular in relation to the proposal to the shareholders at least fourteen (14) clear days and not less than ten (10) business days prior to the general meeting.

(b) Except for proposals relating to the election of Directors which should follow the procedures mentioned in (a) above, shareholders may put forward proposals at general meetings by following the requirements and procedures as set out in sections 79 and 80 of the Companies Act 1981 of Bermuda (the "Act"). Specifically, such shareholders should:

- Collectively hold not less than one-twentieth of the total voting rights of all shareholders of the Company having at the date of the requisition the right to vote at the meeting to which the requisition relates, or constitute not less than 100 shareholders.
- Submit a written request stating the resolution intended to be moved at the annual general meeting ("AGM"), or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or business to be dealt with at that general meeting.

Corporate Governance Report (Continued)

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

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

(b) (Continued)

- The written request/statement must be signed by such shareholders, or two more copies which between them contain the signatures of all such shareholders, and deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, for the attention of the secretary of the Company:
 - In the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
 - In the case of any other requisition, not less than one week before the meeting, provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the time required by section 80 of the Act shall be deemed to have been properly deposited for the purposes thereof.
- If the written request is in order, the secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

Report on corporate governance practices (Continued)

(G) Shareholders' rights (Continued)

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

(b) (Continued)

- Any questions relating to putting forward proposals at shareholders' meetings should be directed in writing to "The Board of Directors, Chuang's Consortium International Limited" by one of the following means:
 - By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
 - By email to : consortium-board@chuangs.com.hk
 - By facsimile to : (852) 2810 6213

(H) Amendments to constitutional documents of the Company

No amendments had been made to the constitutional documents of the Company during the year ended 31st March, 2016.

Conclusion

Except as mentioned above, the Company has complied with the code provisions of the CG Code for the year ended 31st March, 2016.

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

Albert Chuang Ka Pun
Joint Managing Director

Hong Kong, 29th June, 2016

The background of the page is a complex, abstract geometric pattern. It consists of numerous thin, grey lines that intersect to form a variety of overlapping shapes, including rectangles, triangles, and irregular polygons. The lines are arranged in a way that creates a sense of depth and perspective, as if they are receding into the distance. The overall effect is a dense, intricate web of lines that fills the entire page.

Report of the Directors

The board of Directors (the “Board”) presents the report of the Directors together with the audited consolidated financial statements of the Company and its subsidiaries (collectively as the “Group”) for the year ended 31st March, 2016.

Business review

The review of the business of the Group during the year including discussion of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the year ended 31st March, 2016, and an indication of likely future developments in the Group’s business are provided in the Chairman’s Statement as set out on pages 2 to 37 of this report. Financial risks of the Group are shown in note 3 to the consolidated financial statements. The key financial and business performance indicators of the Group included revenues, gross profit, profit attributable to equity holders of the Company, shareholders’ funds, net debt to equity ratio and segment information. Details of these indicators are provided in the Chairman’s Statement and Summary of Financial Information as set out on pages 2 to 37 and page 184 of this report respectively, and note 6 to the consolidated financial statements.

Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out in note 43 to the consolidated financial statements.

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

Results and appropriations

The consolidated results of the Group for the year are set out in the consolidated income statement on page 84.

After taking into account the need to maintain sufficient financial resources for the working capital of the Group’s projects and businesses, the Board has resolved to recommend for the shareholders’ approval at the forthcoming annual general meeting of the Company (the “AGM”) the payment of a final dividend of 3.0 HK cents (2015: final scrip dividend with a cash option of 3.0 HK cents) per share for the year ended 31st March, 2016. The final dividend, if approved, will be paid on or before 21st October, 2016 to the shareholders whose names appear on the Company’s register of members on 13th September, 2016.

An interim dividend of 2.0 HK cents (2015: interim scrip dividend with a cash option of 2.0 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 5.0 HK cents (2015: 5.0 HK cents) per share, and the total amount will be HK\$85.4 million (2015: HK\$86.6 million).

Report of the Directors (Continued)

Donations

During the year, the Group made charitable donations and sponsorships amounting to approximately HK\$3,580,000.

Pre-emptive rights

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

Reserves

Movements in reserves of the Group and the Company during the year are set out in note 33 and note 42(a) to the consolidated financial statements respectively. Total distributable reserves of the Company amounted to approximately HK\$1,673,165,000 as at 31st March, 2016.

Particulars of principal properties

Particulars of principal properties held by the Group as at 31st March, 2016 are set out on pages 178 to 183.

Summary of financial information

A summary of financial information of the Group for the last five financial years is set out on page 184.

Directors

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

Mr. Alan Chuang Shaw Swee

Mr. Albert Chuang Ka Pun

Mr. Chong Ka Fung

Mrs. Candy Kotewall Chuang Ka Wai

Mr. Wong Chung Wai

Mr. Chan Chun Man (appointed on 8th June, 2015)

Mr. Abraham Shek Lai Him

Mr. Fong Shing Kwong

Mr. Yau Chi Ming

Mr. David Chu Yu Lin

Mr. Lui Lop Kay (retired on 31st March, 2016)

Mr. Ko Sheung Chi (ceased to act as managing director on 12th April, 2016)

Directors (Continued)

At the AGM, Mr. Alan Chuang Shaw Swee, Mr. Chong Ka Fung, Mr. Yau Chi Ming and Mr. David Chu Yu Lin will retire from office in accordance with the Company's Bye-laws nos. 87(2) and 87(3) and Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and, being eligible, will offer themselves for re-election.

Biographical details of Directors and senior management

Biographical details of the Directors and senior management as at the date of this report are set out on pages 42 to 47 of this report.

Directors' rights to acquire shares or debentures

Other than the share option schemes adopted by the Company and its subsidiaries as detailed in the section headed "Share option schemes" below, and the rights issue of Chuang's China Investments Limited ("Chuang's China") as announced on 17th March, 2016 and stated in note 40(a) to the consolidated financial statements (the "Rights Issue"), at no time during the year was the Company, any of its subsidiaries or its other associated corporations a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company, its specified undertaking or any of its associated corporations.

Report of the Directors (Continued)

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

As at 31st March, 2016, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Company

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	935,237,404	Note 1	55.21
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	1,299,678	Beneficial owner	0.08

(b) Interests in Chuang's China

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	1,361,804,923	Notes 2 & 5	84.00
Mrs. Candy Kotewall Chuang Ka Wai ("Ms. Candy Chuang")	1,255,004	Beneficial owner	0.08

(c) Interests in Midas International Holdings Limited ("Midas")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	2,013,573,887	Notes 3 & 5	60.82
Mr. Abraham Shek Lai Him	30,000	Beneficial owner	0.0009

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

(d) Interests in Treasure Auctioneer International Limited ("Treasure")

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

Note 1: Such interests comprised 727,629,332 shares in the Company owned by Evergain Holdings Limited ("Evergain"), a company beneficially owned by Mr. Alan Chuang, and the remaining interests arose as a result of Mr. Alan Chuang being a discretionary object of a discretionary trust, the trustee of which held 207,608,072 shares in the Company. Mr. Alan Chuang, Mr. Albert Chuang, Mr. Chong Ka Fung and Ms. Candy Chuang are directors of Evergain.

Note 2: Such interests comprised 907,869,949 shares of Chuang's China owned by Profit Stability Investments Limited ("PSI") and 453,934,974 rights shares to be subscribed by PSI pursuant to the irrevocable undertaking given by PSI in respect of the Rights Issue. PSI is a wholly-owned subsidiary of the Company.

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

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

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

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

Other than as disclosed herein, as at 31st March, 2016, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Report of the Directors (Continued)

Directors' service contracts

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

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Group's business

Save as disclosed, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests in competing business

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that Mr. Alan Chuang holds equity interests and directorships in, and Mr. Albert Chuang, Mr. Chong Ka Fung and Ms. Candy Chuang hold directorships in, certain private companies which are engaged in the businesses of luxurious residential property investment in Hong Kong and securities investment and trading. As the properties owned by the private companies are of different types and/or in different locations from those of the Group, and the composition of the boards of directors of the private companies are different from that of the Group, the Group operates its businesses independently of, and at arm's length from, the businesses of the private companies.

Management contracts

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

Substantial shareholders

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed "Directors' interests and short positions in shares, underlying shares and debentures" above, as at 31st March, 2016, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of Shareholder	Number of shares of the Company	Capacity	Percentage of shareholding
Evergain	727,629,332	Beneficial owner, Note 1	42.96
Mrs. Chong Ho Pik Yu	727,629,332	Note 2	42.96
Madam Chuang Shau Har ("Madam Chuang")	208,353,709	Note 3	12.30
Mr. Lee Sai Wai ("Mr. Lee")	208,353,709	Note 4	12.30

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

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

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

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

Save as disclosed above, as at 31st March, 2016, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

Report of the Directors (Continued)

Controlling shareholders' interests in contracts

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

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

During the year ended 31st March, 2016 and up to the date of this report, the Company repurchased a total of 49,500,000 shares on the Stock Exchange at an aggregate cash consideration of approximately HK\$49,466,600 (excluding expenses). All the repurchased shares were then cancelled and the number of issued shares of the Company was reduced accordingly. Particulars of the repurchases are as follows:

Period of repurchase	Total number of shares repurchased	Price per share paid		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
January 2016	10,088,000	0.88	0.85	8,680,360
February 2016	15,136,000	1.03	0.88	14,396,400
March 2016	19,136,000	1.14	1.02	21,070,640
April 2016	5,140,000	1.05	1.03	5,319,200
Total	49,500,000			49,466,600

Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31st March, 2016 and up to the date of this report.

Major suppliers and customers

The aggregate purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for approximately 14% and 36% of the total purchases of the Group for the year respectively.

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

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

Relationships with suppliers and customers

The Group establishes long-term cooperation relationships with reputable suppliers within the industries. The Group implements a series of procurement management systems and control procedures so as to select suppliers in a prudent manner.

The Group keeps good relationship and maintains effective communication mechanisms with its customers. This is to ensure that the Group is well aware of all customers' requirements or feedbacks on a timely basis and provides high quality services to its customers.

Environmental policies and performance

The Group is committed to be an environmentally-friendly corporation. Green office practices such as double-sided printing and copying, promoting using recycled papers and reducing energy consumption by switching off idle lighting and electrical appliances are encouraged in the operation of the Group's businesses. The Group will review its environmental practices from time to time and will consider implementing further practicable measures and practices to enhance environmental sustainability.

Compliance with the relevant laws and regulations

During the year under review, the Group had complied with all the relevant laws and regulations that have significant impacts on the businesses and operations of the Group. As far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

Key relationship with employees

The Group recognizes the employees as the most important and valuable assets of the Group. The objective of the Group's human resource management is to reward and to recognize performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, to promote career development and progression by appropriate training (if required) and to provide opportunities within the Group for career development.

Report of the Directors (Continued)

Retirement schemes

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

Permitted indemnity provision

Under Bye-law no. 166(1) of the Company's Bye-laws, the Directors for the time being acting in relation to any of the affairs of the Company, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts, provided that this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to any of said persons. During the year under review, the Company had taken out and maintained an insurance in respect of the Directors' liabilities.

Share option schemes

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

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

- | | |
|---|---|
| 1. Purpose: | To give incentive to Directors, employees or business consultants of the Group and any other party as approved under the Scheme |
| 2. Participants: | Including, inter alia, Directors, employees or business consultants of the Group |
| 3. Total number of shares available for issue under the Scheme and percentage of the issued share capital that it represents as at the date of this report: | 159,284,491 shares are available for issue under the Scheme, representing approximately 9.43% of the issued share capital as at the date of this report |

Share option schemes (Continued)

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

- | | |
|--|--|
| 4. Maximum entitlement of each participant: | 1% of the maximum aggregate number of shares that may be issued within 12 months pursuant to the Scheme |
| 5. Period within which the shares must be taken up under an option: | Not applicable. No share option has been granted since the date of adoption of the Scheme on 31st August, 2012 |
| 6. Amount payable on acceptance of an option and the period within which payments shall be made: | HK\$1.00 payable to the Company upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day) |
| 7. The basis of determining the exercise price: | No less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of the Company |
| 8. The remaining life of the Scheme: | Valid until 30th August, 2022 unless otherwise terminated under the terms of the Scheme |

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

- | | |
|------------------|---|
| 1. Purpose: | To give incentive to directors, employees or business consultants of Chuang's China and its subsidiaries (collectively as the "Chuang's China Group") and any other party as approved under the Chuang's China Scheme |
| 2. Participants: | Including, inter alia, directors, employees or business consultants of the Chuang's China Group |

Report of the Directors (Continued)

Share option schemes (Continued)

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

- | | | |
|----|---|---|
| 3. | Total number of shares of Chuang's China available for issue under the Chuang's China Scheme and percentage of the issued share capital of Chuang's China that it represents as at the date of this report: | 152,332,870 shares of Chuang's China are available for issue under the Chuang's China Scheme, representing approximately 6.26% of the issued share capital of Chuang's China as at the date of this report |
| 4. | Maximum entitlement of each participant: | 1% of the maximum aggregate number of shares of Chuang's China that may be issued within 12 months pursuant to the Chuang's China Scheme |
| 5. | Period within which the shares of Chuang's China must be taken up under an option: | Not applicable. No share option has been granted by Chuang's China since the date of adoption of the Chuang's China Scheme on 31st August, 2012 |
| 6. | Amount payable on acceptance of an option and the period within which payments shall be made: | HK\$1.00 payable to Chuang's China upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day) |
| 7. | The basis of determining the exercise price: | No less than the highest of (i) the closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of Chuang's China |
| 8. | The remaining life of the Chuang's China Scheme: | Valid until 30th August, 2022 unless otherwise terminated under the terms of the Chuang's China Scheme |

Share option schemes (Continued)

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

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

Report of the Directors (Continued)

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

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

The annual remuneration of the following Directors has been revised since 1st April, 2016:

Name of Director	Revised annual remuneration [#] HK\$'000
Mr. Wong Chung Wai	2,424
Mr. Chan Chun Man	1,856

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

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of the Company's securities as required under the Listing Rules throughout the year ended 31st March, 2016 and up to the date of this report.

Auditor

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

On behalf of the Board of

Chuang's Consortium International Limited

Albert Chuang Ka Pun

Joint Managing Director

Hong Kong, 29th June, 2016



Financial Information

Independent Auditor's Report



羅兵咸永道

TO THE SHAREHOLDERS OF CHUANG'S CONSORTIUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Chuang's Consortium International Limited (the "Company") and its subsidiaries set out on pages 84 to 177, which comprise the consolidated balance sheet as at 31st March, 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

*PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Auditor's Responsibility (Continued)

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

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

Opinion

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29th June, 2016

Consolidated Income Statement

For the year ended 31st March, 2016

	Note	2016 HK\$'000	2015 HK\$'000
Revenues	5	1,869,172	1,521,709
Cost of sales		(995,589)	(950,566)
Gross profit		873,583	571,143
Other income and net gain	7	126,876	103,680
Selling and marketing expenses		(141,558)	(96,926)
Administrative and other operating expenses		(496,402)	(470,814)
Change in fair value of investment properties	16	446,143	593,253
Operating profit	8	808,642	700,336
Finance costs	10	(86,999)	(66,769)
Share of results of associated companies	21	42	(1,350)
Share of results of joint ventures	22	64,265	(44)
Profit before taxation		785,950	632,173
Taxation	12	(158,836)	(105,672)
Profit for the year		627,114	526,501
Attributable to:			
Equity holders		597,759	502,952
Non-controlling interests		29,355	23,549
		627,114	526,501
		HK cents	HK cents
Earnings per share (basic and diluted)	14	34.51	29.17

The notes on pages 91 to 177 are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2016

	2016	2015
	HK\$'000	HK\$'000
Profit for the year	627,114	526,501
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss:		
Net exchange differences	(96,333)	(39,425)
Realization of exchange reserve upon disposal of subsidiaries	–	(1,094)
Change in fair value of available-for-sale financial assets	(58,840)	35,455
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	(199)	(371)
Total other comprehensive loss that may be reclassified subsequently to profit and loss	(155,372)	(5,435)
Item that may not be reclassified subsequently to profit and loss:		
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties, net of deferred tax	54,188	–
Total other comprehensive loss for the year	(101,184)	(5,435)
Total comprehensive income for the year	525,930	521,066
Total comprehensive income attributable to:		
Equity holders	539,939	486,837
Non-controlling interests	(14,009)	34,229
	525,930	521,066

The notes on pages 91 to 177 are an integral part of the consolidated financial statements.

Consolidated Balance Sheet

As at 31st March, 2016

	Note	2016 HK\$'000	2015 HK\$'000
Non-current assets			
Property, plant and equipment	15	676,503	768,066
Investment properties	16	6,777,007	5,969,808
Leasehold lands and land use rights	17	883,580	938,207
Properties for/under development	18	588,828	778,800
Cemetery assets	19	545,870	561,692
Associated companies	21	64,738	48,782
Joint ventures	22	351,465	66,215
Available-for-sale financial assets	23	179,736	243,708
Loans and receivables	24	159,007	12,553
		10,226,734	9,387,831
Current assets			
Properties for sale	25	2,321,074	2,569,602
Inventories	26	176,827	185,912
Cemetery assets	19	103,265	108,064
Debtors and prepayments	27	461,068	528,267
Financial assets at fair value through profit or loss	28	506,943	85,621
Pledged bank balances	29	40,173	55,269
Cash and bank balances	29	1,627,886	1,972,173
		5,237,236	5,504,908
Current liabilities			
Creditors and accruals	30	360,095	505,257
Sales deposits received	31	364,830	213,389
Short-term bank borrowings	34	15,098	243,466
Current portion of long-term bank borrowings	34	842,847	919,241
Taxation payable		313,232	348,808
		1,896,102	2,230,161
Net current assets		3,341,134	3,274,747
Total assets less current liabilities		13,567,868	12,662,578

	Note	2016 HK\$'000	2015 HK\$'000
Equity			
Share capital	32	423,479	433,432
Reserves	33	8,191,233	7,770,692
Shareholders' funds		8,614,712	8,204,124
Non-controlling interests		1,437,706	1,526,873
Total equity		10,052,418	9,730,997
Non-current liabilities			
Long-term bank borrowings	34	3,113,127	2,538,079
Deferred taxation liabilities	35	367,977	361,405
Loans and payables with non-controlling interests	36	34,346	32,097
		3,515,450	2,931,581
		13,567,868	12,662,578

Albert Chuang Ka Pun
Director

Chan Chun Man
Director

The notes on pages 91 to 177 are an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31st March, 2016

	Note	2016 HK\$'000	2015 HK\$'000
Cash flows from operating activities			
Cash used in operations	39(a)	(72,077)	(501,982)
Interest paid		(102,948)	(100,964)
Tax paid		(172,940)	(55,051)
Net cash used in operating activities		(347,965)	(657,997)
Cash flows from investing activities			
Purchase of property, plant and equipment		(14,926)	(47,518)
Additions to investment properties		(143,501)	(134,985)
Acquisition of an associated company		(1)	–
Purchase of available-for-sale financial assets		(560)	(4,099)
Proceeds from disposal of property, plant and equipment		6,642	13,316
Net proceeds from disposal of an investment property		–	38,284
Net proceeds from disposal of available-for-sale financial assets		2,778	5,516
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	39(c)	–	69,304
Increase in net amounts due from associated companies		(15,326)	(3,233)
Increase in amounts due from joint ventures		(2,750)	(2,309)
Decrease in pledged bank balances		15,096	171
(Increase)/decrease in bank deposits maturing more than three months from date of placement		(130,108)	43,877
Interest income received		16,436	31,664
Dividend income received		8,690	4,217
Net cash (used in)/from investing activities		(257,530)	14,205
Cash flows from financing activities			
New bank borrowings		798,148	796,627
Repayment of bank borrowings		(506,963)	(325,376)
Redemption of convertible note		–	(61,750)
Dividends paid to shareholders		(83,114)	(75,840)
Dividends paid to non-controlling interests		(22,008)	(28,691)
Capital injection by non-controlling interests		–	43,408
Loans from non-controlling interests		2,266	–
Acquisition of interest in a subsidiary		(271)	–
Repurchase of shares		(44,300)	–
Net cash from financing activities		143,758	348,378
Net decrease in cash and cash equivalents		(461,737)	(295,414)
Cash and cash equivalents at the beginning of the year		1,971,404	2,276,633
Exchange difference on cash and cash equivalents		(12,658)	(9,815)
Cash and cash equivalents at the end of the year	39(b)	1,497,009	1,971,404

The notes on pages 91 to 177 are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2016

	Attributable to equity holders of the Company					Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	Non- controlling interests HK\$'000	
At 1st April, 2014	430,515	1,270,060	6,092,552	7,793,127	1,478,027	9,271,154
Profit for the year	–	–	502,952	502,952	23,549	526,501
Other comprehensive income:						
Net exchange differences	–	(35,710)	–	(35,710)	(3,715)	(39,425)
Realization of exchange reserve upon disposal of subsidiaries	–	(665)	–	(665)	(429)	(1,094)
Change in fair value of available-for-sale financial assets	–	20,631	–	20,631	14,824	35,455
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	–	(371)	–	(371)	–	(371)
Total comprehensive (loss)/ income for the year	–	(16,115)	502,952	486,837	34,229	521,066
Transactions with owners:						
2014 final scrip dividend paid	1,207	2,721	(51,662)	(47,734)	–	(47,734)
2015 interim scrip dividend paid	1,710	4,722	(34,538)	(28,106)	–	(28,106)
Dividends paid to non-controlling interests	–	–	–	–	(34,865)	(34,865)
Increase of interests in subsidiaries by non-controlling interests	–	–	–	–	49,482	49,482
At 31st March, 2015	433,432	1,261,388	6,509,304	8,204,124	1,526,873	9,730,997

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31st March, 2016

	Attributable to equity holders of the Company					Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	Non- controlling interests HK\$'000	
At 1st April, 2015	433,432	1,261,388	6,509,304	8,204,124	1,526,873	9,730,997
Profit for the year	–	–	597,759	597,759	29,355	627,114
Other comprehensive income:						
Net exchange differences	–	(55,865)	–	(55,865)	(40,468)	(96,333)
Change in fair value of available- for-sale financial assets	–	(32,356)	–	(32,356)	(26,484)	(58,840)
Realization of investment revaluation reserve upon disposal of available- for-sale financial assets	–	(199)	–	(199)	–	(199)
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties, net of deferred tax	–	30,600	–	30,600	23,588	54,188
Total comprehensive (loss)/ income for the year	–	(57,820)	597,759	539,939	(14,009)	525,930
Transfer to statutory reserve	–	21,235	(21,235)	–	–	–
Reclassification (note 22)	–	–	–	–	(54,817)	(54,817)
Transactions with owners:						
2015 final scrip dividend paid	1,137	2,527	(52,012)	(48,348)	–	(48,348)
2016 interim dividend paid	–	–	(34,766)	(34,766)	–	(34,766)
Dividends paid to non-controlling interests	–	–	–	–	(28,127)	(28,127)
Acquisition of interest in a subsidiary	–	–	–	–	(271)	(271)
Increase of interests in subsidiaries by non-controlling interests	–	–	(1,937)	(1,937)	8,057	6,120
Repurchase of shares	(11,090)	(33,210)	–	(44,300)	–	(44,300)
At 31st March, 2016	423,479	1,194,120	6,997,113	8,614,712	1,437,706	10,052,418

The notes on pages 91 to 177 are an integral part of the consolidated financial statements.

1 General information

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

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

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

Effect of adopting amendments to standards

For the financial year ended 31st March, 2016, the Group adopted the following amendments to standards that are effective for the accounting periods beginning on or after 1st April, 2015 and relevant to the operations of the Group:

HKAS 19 (2011) (Amendment)	Employee Benefits: Defined Benefit Plans – Employee Contributions
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle

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

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

Effect of adopting amendments to standards (Continued)

The following amendments to standards were early adopted by the Group from 1st April, 2015:

HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The early adoption of HKFRS 10 and HKAS 28 (Amendments) did not have any impact to the Group in prior periods as the Group did not have any material associated companies or joint ventures. During the year ended 31st March, 2016, a subsidiary became a joint venture of the Group. The change itself involved accounting transfer of assets and did not constitute a business combination. No gain or loss was recognized by the Group as there was no change in substance and equity interest in the entity, and no consideration was involved.

New standards and amendments to standards that are not yet effective

The following new standards and amendments to standards have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1st April, 2016, but have not yet been early adopted by the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements – Disclosure Initiative (effective from 1st January, 2016)
HKAS 7 (Amendment)	Cash Flow Statements – Disclosure Initiative (effective from 1st January, 2017)
HKAS 12 (Amendment)	Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses (effective from 1st January, 2017)
HKAS 16 and HKAS 38 (Amendments)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (effective from 1st January, 2016)
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method in Separate Financial Statements (effective from 1st January, 2016)
HKFRS 9	Financial Instruments (effective from 1st January, 2018)
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception (effective from 1st January, 2016)
HKFRS 11 (Amendment)	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations (effective from 1st January, 2016)
HKFRS 14	Regulatory Deferral Accounts (effective from 1st January, 2016)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2018)
HKFRS 16	Leases (effective from 1st January, 2019)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle (effective from 1st January, 2016)

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

New standards and amendments to standards that are not yet effective

(Continued)

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

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year ended 31st March, 2016 and as a result, there are changes to the presentation and disclosures of certain information in the consolidated financial statements.

(b) Consolidation

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

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

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

2 Summary of significant accounting policies (Continued)

(c) Subsidiaries

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

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

(i) Business combinations

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

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

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

2 Summary of significant accounting policies (Continued)

(c) Subsidiaries (Continued)

(i) Business combinations (Continued)

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

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

(ii) Disposal of subsidiaries

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

(iii) Separate financial statements

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

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 Summary of significant accounting policies (Continued)

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

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

(e) Associated companies

An associated company is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associated companies are accounted for under the equity method of accounting. Under the equity method, the investments are initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associated companies include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associated company, any difference between the cost of the associated company and the Group's share of the net fair value of the associated company's identifiable assets and liabilities is accounted for as goodwill.

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

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

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

2 Summary of significant accounting policies (Continued)

(e) Associated companies (Continued)

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

(f) Joint arrangements

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

Joint operation

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

Joint venture

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

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

2 Summary of significant accounting policies (Continued)

(g) Goodwill

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

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

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

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

2 Summary of significant accounting policies (Continued)

(h) Property, plant and equipment

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

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

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

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

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

(i) Investment properties

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

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

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

2 Summary of significant accounting policies (Continued)

(i) Investment properties (Continued)

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

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

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

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

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

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

2 Summary of significant accounting policies (Continued)

(i) Investment properties (Continued)

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

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

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

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

If an owner-occupied property becomes an investment property because its use has changed, any difference resulting from the carrying amount and the fair value of this property at the date of transfer is recognized in other comprehensive income as revaluation reserve of property, plant and equipment. However, if the fair value gives rise to a reversal of a previous impairment, this amount is recognized in the consolidated income statement. This revaluation reserve shall remain and be transferred to retained profits upon disposal of this property.

If a property for/under development becomes an investment property when there is a change in use, any difference resulting from the fair value of the property at that date and its previous carrying amount is recognized in the consolidated income statement.

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

(j) Leasehold lands and land use rights

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

2 Summary of significant accounting policies (Continued)

(k) Cemetery assets

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

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

(l) Properties for/under development

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

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

(m) Properties for sale

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

(n) Financial assets

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

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

2 Summary of significant accounting policies (Continued)

(n) Financial assets (Continued)

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

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

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

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

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

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2 Summary of significant accounting policies (Continued)

(o) Inventories

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

(p) Trade and other debtors

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

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

(q) Impairment of non-financial assets

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

(r) Creditors and accruals

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

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

2 Summary of significant accounting policies (Continued)

(s) Provisions

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

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

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

(t) Share capital

Ordinary shares are classified as equity.

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

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

2 Summary of significant accounting policies (Continued)

(u) Borrowings

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

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

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

(v) Current and deferred taxation

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

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

Deferred taxation is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred taxation liabilities are not recognized if they arise from the initial recognition of goodwill, the deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

2 Summary of significant accounting policies (Continued)

(v) Current and deferred taxation (Continued)

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

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

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

(w) Operating leases

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

(x) Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of returns, rebates and discounts, allowances for credit and other revenue reducing factors.

The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

- (i) Sales of properties are recognized when the significant risks and rewards of the properties have been passed to the purchasers, which is when the construction of the relevant properties has been completed, notification of delivery of properties has been issued to the purchasers and the collectability of related receivables pursuant to the sale agreements is reasonably assured. Deposits and instalments received on properties sold prior to the transfer of the significant risks and rewards of the properties are included as sales deposits received under current liabilities.

2 Summary of significant accounting policies (Continued)

(x) Revenue and income recognition (Continued)

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

(y) Borrowing costs

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

(z) Employee benefits

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

2 Summary of significant accounting policies (Continued)

(z) Employee benefits (Continued)

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

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

(aa) Cash and cash equivalents

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

(ab) Translation of foreign currencies

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

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

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

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

2 Summary of significant accounting policies (Continued)

(ab) Translation of foreign currencies (Continued)

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

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

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

(ac) Segment reporting

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

(ad) Dividend distribution

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

(ae) Financial guarantee liabilities

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

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

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

3 Financial risk management

(a) Financial risk factors

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

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

(i) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial assets (other than available-for-sale financial assets and financial assets at fair value through profit or loss) after deducting any impairment provision in the consolidated balance sheet. The Group's exposure to credit risk arising from debtors and prepayments is set out in note 27.

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

The Group manages its deposits with banks and financial institutions by monitoring credit ratings and only places deposits with banks and financial institutions with no history of defaults. As at 31st March, 2016, the monies (including pledged bank balances) placed with Hong Kong and the PRC banks and financial institutions amounted to approximately HK\$1,312 million (2015: HK\$1,279 million) and HK\$342 million (2015: HK\$733 million) respectively.

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

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

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

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

The Group has provided guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Since the Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Group to the banks, the management considers that the Group's credit risk is minimal (see also note 38).

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of prudent ratios regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group has put in place a policy of obtaining long-term banking facilities to match its long-term investments in Hong Kong, the PRC and other countries. The Group also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the ordinary course of business. In addition, as at 31st March, 2016, the Group has standby banking facilities to provide contingent liquidity support which amounted to approximately HK\$814 million (2015: HK\$386 million). Details of the bank borrowings are disclosed in note 34.

The table below analyzes the Group's financial liabilities that will be settled in relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The amounts disclosed in the table are the contractual undiscounted cash flows including interest payment.

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

	Within the first year HK\$'000	Within the second year HK\$'000	Within the third to fifth years HK\$'000	After the fifth year HK\$'000	Total HK\$'000
2016					
Creditors and accruals	360,095	–	–	–	360,095
Bank borrowings	938,928	280,121	2,309,410	711,116	4,239,575
Loans and payables with non-controlling interests	–	–	–	34,346	34,346
	1,299,023	280,121	2,309,410	745,462	4,634,016
Financial guarantees (note 38)	–	–	–	1,079,858	1,079,858
2015					
Creditors and accruals	505,257	–	–	–	505,257
Bank borrowings	1,255,334	401,465	1,222,404	1,120,964	4,000,167
Loans and payables with non-controlling interests	–	–	–	32,097	32,097
	1,760,591	401,465	1,222,404	1,153,061	4,537,521
Financial guarantees (note 38)	–	–	–	795,441	795,441

(iii) Cash flow and fair value interest rate risk

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

The interest rate risk of the Group mainly arises from interest-bearing bank deposits, bank borrowings and bond investments in the financial assets at fair value through profit or loss. Bank deposits and bank borrowings issued at variable rates expose the Group to cash flow interest rate risk. Bond investments at fixed rates expose the Group to fair value interest rate risk. The Group currently does not have any interest rate hedging policy in relation to interest rate risk. The Board monitors the Group's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

As at 31st March, 2016, if interest rates had been 0.5% (2015: 0.5%) higher/lower with all other variables held constant, the pre-tax result of the Group would have decreased/increased by approximately HK\$6,739,000 (2015: HK\$2,197,000).

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(iv) Foreign exchange risk

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

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

(v) Price risk

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

The table below summarizes the impact of increase/decrease of the market price of the Group's publicly-traded investments by 5% (2015: 5%) with all other variables held constant:

	Impact on pre-tax result		Impact on investment revaluation reserve	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
5% change in market price	25,347	4,281	3,278	5,041

3 Financial risk management (Continued)

(b) Capital risk management

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

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings (including short-term and long-term bank borrowings as shown in the consolidated balance sheet) less cash and bank balances (including pledged bank balances) and financial assets at fair value through profit or loss. Total capital represents shareholders' funds as shown in the consolidated balance sheet. The gearing ratio at 31st March, 2016 is 20.8% (2015: 19.4%).

(c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current price within the bid-ask spread which is the most representative of the fair value in the given circumstances.

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

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

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

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

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value at 31st March, 2016 and 2015. The investment properties are measured at fair value and disclosed in note 16.

	Level 1 HK\$'000	Level 3 HK\$'000	Total HK\$'000
2016			
Assets			
Available-for-sale financial assets			
– Listed securities	95,978	–	95,978
– Unlisted investments	–	83,758	83,758
	95,978	83,758	179,736
Financial assets at fair value through profit or loss			
– Listed securities and bonds	506,943	–	506,943
Total assets	602,921	83,758	686,679
2015			
Assets			
Available-for-sale financial assets			
– Listed securities	156,168	–	156,168
– Unlisted investments	–	87,540	87,540
	156,168	87,540	243,708
Financial assets at fair value through profit or loss			
– Listed securities and bonds	85,621	–	85,621
Total assets	241,789	87,540	329,329

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

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

3 Financial risk management (Continued)

(c) Fair value estimation (Continued)

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

Specific valuation techniques used to value financial instruments include:

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

There was no transfer of financial assets among fair value hierarchy classifications for the years ended 31st March, 2016 and 2015.

The following table presents the changes in level 3 instruments of the Group for the years ended 31st March, 2016 and 2015.

	Assets
	Available-for-sale financial assets
	assets
	HK\$'000
At 1st April, 2014	90,149
Additions	992
Disposals	(5,019)
Change in fair value recognized in other comprehensive income	1,400
Changes in exchange rates	18
At 31st March, 2015	87,540
Additions	560
Disposals	(2,692)
Change in fair value recognized in other comprehensive income	1,350
Changes in exchange rates	(3,000)
At 31st March, 2016	83,758

3 Financial risk management (Continued)

(d) Financial instruments by category
2016

	Loans and receivables HK\$'000	Financial assets at fair value through profit or loss HK\$'000	Available- for-sale financial assets HK\$'000	Total HK\$'000
Assets as per the consolidated balance sheet				
Loans receivable from associated companies	17,356	–	–	17,356
Amounts due from joint ventures	115,814	–	–	115,814
Available-for-sale financial assets	–	–	179,736	179,736
Loans and receivables	159,007	–	–	159,007
Debtors and prepayments excluding prepayments	449,188	–	–	449,188
Financial assets at fair value through profit or loss	–	506,943	–	506,943
Pledged bank balances	40,173	–	–	40,173
Cash and bank balances	1,627,886	–	–	1,627,886
Total	2,409,424	506,943	179,736	3,096,103
			Financial liabilities at amortized cost HK\$'000	
Liabilities as per the consolidated balance sheet				
Creditors and accruals excluding accrued expenses				312,337
Bank borrowings				3,971,072
Loans and payables with non-controlling interests				34,346
Total				4,317,755

3 Financial risk management (Continued)

(d) Financial instruments by category (Continued)

2015

	Loans and receivables HK\$'000	Financial assets at fair value through profit or loss HK\$'000	Available- for-sale financial assets HK\$'000	Total HK\$'000
Assets as per the consolidated balance sheet				
Loan receivable from an associated company	1,394	–	–	1,394
Amounts due from joint ventures	66,623	–	–	66,623
Available-for-sale financial assets	–	–	243,708	243,708
Loans and receivables	12,553	–	–	12,553
Debtors and prepayments excluding prepayments	476,984	–	–	476,984
Financial assets at fair value through profit or loss	–	85,621	–	85,621
Pledged bank balances	55,269	–	–	55,269
Cash and bank balances	1,972,173	–	–	1,972,173
Total	2,584,996	85,621	243,708	2,914,325
Financial liabilities at amortized cost HK\$'000				
Liabilities as per the consolidated balance sheet				
Creditors and accruals excluding accrued expenses				462,984
Bank borrowings				3,700,786
Loans and payables with non-controlling interests				32,097
Total				4,195,867

4 Critical accounting estimates and judgments

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

(a) Estimate of fair value of investment properties

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

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

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

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

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

4 Critical accounting estimates and judgments (Continued)

(b) Classification of investment properties

In making the judgment to determine whether a property qualifies as investment property, the Group considers whether the property (land or building) is held to earn rental or for capital appreciation rather than for use in the production or supply of goods and services or sale and the Group has the financing capability to hold the property for long-term strategic investment. The Group considers each property separately in making its judgment.

(c) Fair values of financial assets

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

(d) Classification of investment in associated company

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

(e) Classification of investment in joint venture

Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. 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. Management judgment is required in determining whether joint control exists. Management considers all facts and circumstances before arriving at the appropriate conclusion. Changing the classification selected by management could significantly affect the accounting treatment and measurement of the investee and as a result affect the Group's results of operations and financial position.

4 Critical accounting estimates and judgments (Continued)

(f) Impairment of property, plant and equipment

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

(g) Impairment of properties for/under development and properties for sale

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

(h) Impairment of the Group's printing business

The management conducts an impairment review of the cash generating unit of the Group's printing business and determines the recoverable amount of the printing business based on the value in use model. This calculation takes into account the cash flow projections during the estimated useful lives of the property, plant and equipment and their disposal values at the end of their estimated useful lives. The cash flow projections is based on the detailed financial budgets approved by the management covering a 5-year period with a pre-tax discount rate of 16.2% and annual growth rates increasing from 0% to 3.5% and by extrapolating the cash flow projection based on these financial budgets using a steady growth rate of 3.5% for year 6 to year 12. Management estimates the cash flow projections based on certain assumptions, such as sales growth, unit price, production cost and production capacity. This evaluation is also subject to changes in factors such as industry performance and changes in technology. Estimates and judgments are applied in determining these assumptions, the disposal values of the property, plant and equipment and the pre-tax discount rate. The management determined that there was no impairment of the Group's printing business as at 31st March, 2016.

If the annual growth rates had been decreased by 1% with all other variables held constant, the Group would have recognized an impairment loss of approximately HK\$15,761,000 and would need to reduce the carrying value of the respective property, plant and equipment by approximately HK\$15,761,000 accordingly.

4 Critical accounting estimates and judgments (Continued)

(i) Impairment of the Group's cemetery business

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

The detailed financial budget for the cash flow projections approved by the management was prepared for a 5-year period with a post-tax discount rate of 15.9% and annual volume and price growth rates for various types of products ranging from 15% to 40% and 3% to 13% respectively and by extrapolating the cash flow projections based on this financial budget using steady volume and price growth rates of 33% and 6% respectively over another 30-year period. Management estimates the cash flow projections based on certain assumptions, such as sales volume, unit price, development plan and development cost. This evaluation is also subject to changes in factors such as government regulations, demographic growth rate and death rate. Estimates and judgments are applied in determining these assumptions and the post-tax discount rate. The management determined that there was no impairment of the Group's cemetery business as at 31st March, 2016.

(j) Impairment of inventories

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

(k) Impairment of receivables

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

4 Critical accounting estimates and judgments (Continued)

(l) **Income taxes, land use taxes, land appreciation taxes and deferred taxes**

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

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

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

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

(n) **Critical judgment in revenue recognition for sales of properties**

The Group has recognized revenues from the sales of properties as disclosed in note 5 according to the accounting policy as stated in note 2(x). The assessment of when an entity has transferred the significant risks and rewards of ownership of properties to buyers and whether it is probable that future economic benefit will flow to the entity requires significant judgment. In making this judgment, the Group evaluates, among other factors, the terms of payment under sales contract and relevant financing arrangement, the credit assessment of buyers, fair value of properties and risk of default of buyers.

5 Revenues

Revenues recognized during the year are as follows:

	2016 HK\$'000	2015 HK\$'000
Sales of properties	1,251,755	993,778
Rental income and management fees	175,893	164,593
Income from hotel operation and management	98,779	6,185
Sales of goods and merchandises	303,048	345,401
Securities trading	5,135	(1,942)
Interest income from financial assets at fair value through profit or loss	11,970	986
Dividend income from listed investments	292	236
Sales of cemetery assets	22,300	12,472
	1,869,172	1,521,709

6 Segment information

(a) Segment information by business lines

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

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

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

6 Segment information (Continued)

(a) Segment information by business lines (Continued)

The segment information by business lines is as follows:

	Property development, investment and trading HK\$'000	Hotel operation and management HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Cemetery HK\$'000	Others and corporate HK\$'000	2016 Total HK\$'000
Revenues	1,427,648	98,779	303,048	17,397	22,300	-	1,869,172
Other income and net gain/(loss)	92,204	-	20,510	(986)	40	15,108	126,876
Operating profit/(loss)	1,094,993	(66,030)	(24,807)	16,411	(5,558)	(206,367)	808,642
Finance (costs)/income	(69,151)	(14,749)	(3,513)	-	414	-	(86,999)
Share of results of associated companies	77	1,783	-	-	-	(1,818)	42
Share of results of joint ventures	64,265	-	-	-	-	-	64,265
Profit/(loss) before taxation	1,090,184	(78,996)	(28,320)	16,411	(5,144)	(208,185)	785,950
Taxation (charge)/credit	(160,261)	-	(158)	-	1,583	-	(158,836)
Profit/(loss) for the year	929,923	(78,996)	(28,478)	16,411	(3,561)	(208,185)	627,114
Segment assets	10,609,275	1,403,524	330,477	506,943	670,095	1,527,453	15,047,767
Associated companies	180	42,837	-	-	-	21,721	64,738
Joint ventures	351,465	-	-	-	-	-	351,465
Total assets	10,960,920	1,446,361	330,477	506,943	670,095	1,549,174	15,463,970
Total liabilities	4,390,479	728,486	90,965	-	161,046	40,576	5,411,552
Other segment items are as follows:							
Capital expenditure	760,597	3,530	8,087	-	3,881	618	776,713
Depreciation	2,300	27,427	19,069	-	775	13,621	63,192
Amortization of leasehold lands and land use rights							
- charged to the consolidated income statement	32	40,791	711	-	72	-	41,606
- capitalized into properties	4,000	-	-	-	-	-	4,000
Provision for impairment of properties for sale	2,263	-	-	-	-	-	2,263
Provision for impairment of inventories	-	-	5,521	-	-	-	5,521
Provision for impairment of trade debtors	481	-	235	-	209	-	925
Provision for impairment of other deposits	6,500	-	-	-	-	-	6,500
Reversal of provision for impairment of properties for sale	(2,392)	-	-	-	-	-	(2,392)
Reversal of provision for impairment of inventories	-	-	(1,644)	-	-	-	(1,644)
Reversal of provision for impairment of trade debtors	-	-	(269)	-	-	-	(269)

6 Segment information (Continued)

(a) Segment information by business lines (Continued)

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

6 Segment information (Continued)

(b) Geographical segment information

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

	Revenues		Capital expenditure	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Hong Kong	1,069,553	156,801	377,978	706,684
The PRC	485,607	1,019,777	354,908	303,959
Other countries	314,012	345,131	43,827	69,523
	1,869,172	1,521,709	776,713	1,080,166

	Non-current assets (Note)		Total assets	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Hong Kong	7,700,657	7,260,475	10,763,925	9,942,201
The PRC	1,598,538	1,355,657	3,754,742	4,051,567
Other countries	588,796	515,438	945,303	898,971
	9,887,991	9,131,570	15,463,970	14,892,739

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

7 Other income and net gain

	2016 HK\$'000	2015 HK\$'000
Interest income from bank deposits	15,641	32,261
Dividend income from available-for-sale financial assets	8,640	3,784
Sales of scraped materials	4,171	3,237
Write-back of provision for indemnity (Note a(i))	58,546	–
Gain on disposal of subsidiaries (Note a(ii))	–	17,107
Write-back of provision for expenses undertaking (Note b)	–	10,224
Fair value gain on transfer of properties from properties for sale to investment properties	21,187	4,283
Reversal of provision for impairment of properties for sale	2,392	–
Reversal of provision for impairment of trade debtors	269	523
Gain on disposal of an investment property	–	11,252
Net gain on disposal of property, plant and equipment	4,718	11,948
Loss on disposal of leasehold lands and land use rights	–	(333)
Gain on disposal of available-for-sale financial assets	285	868
Net exchange loss	(1,539)	(2,794)
Sundries	12,566	11,320
	126,876	103,680

Notes:

(a)(i) On 27th May, 2013, a subsidiary (the "Vendor") of the Group entered into an agreement with an independent third party (the "Purchaser") to dispose of its investment in a wholly-owned subsidiary at a consideration of HK\$1. The Vendor also executed an indemnity deed amounting to RMB48.8 million (equivalent to approximately HK\$58.5 million) in favour of the Purchaser for a period of two years from the date of completion of the disposal on 15th August, 2013 (note 30(c)). Details of the transaction were set out in the announcement of the Company dated 27th May, 2013. The write-back of provision for indemnity was related to this as the indemnity was expired during the year ended 31st March, 2016.

(a)(ii) On 14th May, 2014, a subsidiary of the Group entered into an agreement with an independent third party to dispose of its investment in the wholly-owned subsidiaries at a consideration of approximately HK\$78.2 million. The whole consideration was received on 21st May, 2014 and the transaction was completed during the year ended 31st March, 2015. Details of the transaction were set out in the announcement of Midas International Holdings Limited ("Midas") (a listed subsidiary of the Group) dated 14th May, 2014 and note 39(c).

(b) The write-back of provision for expenses undertaking was related to the disposal of certain subsidiaries by the Midas group in September 2007 as the respective undertaking expired in September 2014.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

8 Operating profit

	2016 HK\$'000	2015 HK\$'000
Operating profit is stated after crediting:		
Gross rental income from investment properties	143,460	132,953
Net realized gain of financial assets at fair value through profit or loss	3,653	4,188
Fair value gain of financial assets at fair value through profit or loss	1,482	–
Reversal of provision for impairment of inventories	1,644	–
and after charging:		
Cost of properties sold	632,466	605,047
Cost of inventories sold	177,139	210,478
Fair value loss of financial assets at fair value through profit or loss	–	6,130
Depreciation	63,192	55,663
Amortization of leasehold lands and land use rights	41,606	21,503
Provision for impairment of properties for sale	2,263	–
Provision for impairment of inventories	5,521	2,855
Provision for impairment of trade debtors	925	1,854
Provision for impairment of other deposits	6,500	29,000
Staff costs, including Directors' emoluments		
Wages and salaries	256,429	235,185
Retirement benefit costs (note 9)	9,490	8,476
Operating lease rental on land and buildings	18,548	20,117
Outgoings in respect of investment properties	44,831	41,011
Auditors' remuneration		
Audit and audit related services	5,116	4,681
Non-audit services	1,850	2,218

9 Employee retirement benefits

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

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

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

10 Finance costs

	2016 HK\$'000	2015 HK\$'000
Interest expenses		
Bank borrowings wholly repayable within five years	80,772	67,095
Bank borrowings wholly repayable after five years	22,906	32,960
Bank overdraft wholly repayable within five years	689	326
Convertible note wholly repayable within five years	–	2,688
	104,367	103,069
Fair value adjustment of trade debtors	(414)	(21)
Amounts capitalized into		
Investment properties	(4,183)	(5,799)
Properties under development	(12,771)	(27,792)
Cemetery assets	–	(2,688)
	(16,954)	(36,279)
	86,999	66,769

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements. The capitalization rates applied to funds borrowed for the development of properties range from 1.58% to 8.08% (2015: 1.59% to 7.20%) per annum, whereas the capitalized effective rate for cemetery assets was 14.86% per annum for 2015.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

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

(a) Directors' emoluments

Name of Director	(note i)	(note ii)			Total HK\$'000
	Fees HK\$'000	Salaries HK\$'000	Other benefits HK\$'000	Retirement scheme contributions HK\$'000	
2016					
Mr. Alan Chuang Shaw Swee	40	2,440	2,400	288	5,168
Mr. Albert Chuang Ka Pun ¹	50	1,680	–	18	1,748
Mr. Chong Ka Fung ¹	50	1,440	–	18	1,508
Mr. Ko Sheung Chi ²	30	3,000	–	18	3,048
Mrs. Candy Kotewall Chuang Ka Wai	50	1,200	–	18	1,268
Mr. Lui Lop Kay ⁶	20	1,620	852	122	2,614
Mr. Wong Chung Wai	30	2,256	–	18	2,304
Mr. Chan Chun Man ⁵	25	1,250	–	15	1,290
Mr. Abraham Shek Lai Him ³	530	–	–	–	530
Mr. Fong Shing Kwong ³	150	–	–	–	150
Mr. Yau Chi Ming ³	230	–	–	–	230
Mr. David Chu Yu Lin ³	270	–	–	–	270
	1,475	14,886	3,252	515	20,128
2015					
Mr. Alan Chuang Shaw Swee	30	2,440	2,400	288	5,158
Mr. Albert Chuang Ka Pun	40	1,440	–	18	1,498
Mr. Chong Ka Fung	40	1,200	–	18	1,258
Mrs. Alice Siu Chuang Siu Suen ⁴	20	600	–	45	665
Mr. Ko Sheung Chi	20	3,000	–	18	3,038
Mrs. Candy Kotewall Chuang Ka Wai	40	1,200	–	18	1,258
Mr. Lui Lop Kay	20	1,620	–	122	1,762
Mr. Wong Chung Wai	35	2,268	–	18	2,321
Mr. Abraham Shek Lai Him ³	480	–	–	–	480
Mr. Fong Shing Kwong ³	100	–	–	–	100
Mr. Yau Chi Ming ³	180	–	–	–	180
Mr. David Chu Yu Lin ³	200	–	–	–	200
	1,205	13,768	2,400	545	17,918

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

(a) Directors' emoluments (Continued)

- ¹ Appointed as the Joint Chief Executive Officers/Joint Managing Directors on 12th April, 2016
- ² Ceased to act as the Chief Executive Officer/Managing Director on 12th April, 2016
- ³ The Independent Non-Executive Directors
- ⁴ Retired on 31st March, 2015
- ⁵ Appointed on 8th June, 2015
- ⁶ Retired on 31st March, 2016

Certain comparative information for 2015 previously disclosed in accordance with the predecessor Companies Ordinance have been restated in order to comply with the new scope and requirements by the Hong Kong Companies Ordinance (Cap. 622).

- (i) The amounts represented emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings.
- (ii) The amounts represented emoluments paid or receivable in respect of Director's other services in connection with the management of the affairs of the Company or its subsidiary undertakings.
- (iii) There was no arrangement under which a Director waived or agreed to waive any emoluments during the years ended 31st March, 2016 and 2015.
- (iv) During the year, no emoluments, retirement benefits, payments or benefits in respect of termination of Directors' services were paid or made, directly or indirectly, to the Directors, nor are any payable (2015: Nil). No consideration was provided to or receivable by third parties for making available Directors' services (2015: Nil).
- (v) There are no loans, quasi-loans or other dealings in favour of Directors, their controlled bodies corporate and connected entities (2015: None).
- (vi) The Directors represent key management personnel of the Company having authority and responsibility for planning, directing and controlling the activities of the Group.
- (vii) The emoluments paid by the Company to the Independent Non-Executive Directors of the Company amounted to HK\$600,000 (2015: HK\$400,000).

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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

(c) Five highest paid individuals' emoluments

The five highest paid individuals in the Group include four (2015: three) Directors as at 31st March, 2016. Details of the emolument paid to the one (2015: two) individual, whose emolument was the five highest in the Group and who is not a Director as at 31st March, 2016, are set out below:

	2016 HK\$'000	2015 HK\$'000
Salaries and other benefits	2,300	4,130
Bonuses	–	150
Retirement scheme contributions	171	195
	2,471	4,475

The emolument of the individual falls within the following band:

Emolument band	Number of individuals	
	2016	2015
HK\$2,000,001 to HK\$2,500,000	1	2

(d) Senior management's emoluments

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

Emolument bands	Number of individuals	
	2016	2015
HK\$1,000,000 or below	6	5
HK\$1,000,001 to HK\$1,500,000	4	4
	10	9

12 Taxation

	2016 HK\$'000	2015 HK\$'000
Current taxation		
Hong Kong profits tax	24,500	(75,458)
Overseas profits tax	158	79
PRC corporate income tax	44,781	64,544
PRC land appreciation tax	80,437	118,153
Deferred taxation (note 35)	8,960	(1,646)
	158,836	105,672

12 Taxation (Continued)

Hong Kong profits tax has been provided at the rate of 16.5% (2015: Nil) on the estimated assessable profits for the year (2015: No provision for Hong Kong profits tax was made as the Group had sufficient tax losses brought forward to set off against the estimated assessable profits for the year). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

Share of taxation charge of associated companies for the year ended 31st March, 2016 of HK\$4,000 (2015: HK\$99,000) is included in the consolidated income statement as share of results of associated companies. Share of taxation charge of joint ventures for the year ended 31st March, 2016 of HK\$21,440,000 (2015: Nil) is included in the consolidated income statement as share of results of joint ventures.

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

	2016 HK\$'000	2015 HK\$'000
Profit before taxation	785,950	632,173
Share of results of associated companies	(42)	1,350
Share of results of joint ventures	(64,265)	44
	721,643	633,567
Tax charge at the rate of 16.5% (2015: 16.5%)	119,071	104,539
Effect of different taxation rates in other countries	14,852	4,555
Income not subject to taxation	(88,311)	(104,711)
Expenses not deductible for taxation purposes	11,955	11,755
PRC land appreciation tax deductible for taxation purposes	(13,272)	(19,495)
Utilization of previously unrecognized tax losses	(29,785)	(2,150)
Over-provision in previous years	–	(75,458)
Other temporary differences and tax losses not recognized and others	50,930	58,484
	65,440	(22,481)
Dividend income withholding tax	12,959	10,000
PRC land appreciation tax	80,437	118,153
Taxation	158,836	105,672

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31st March, 2016

13 Dividends

	2016 HK\$'000	2015 HK\$'000
Interim dividend of 2.0 HK cents (2015: interim scrip dividend with a cash option of 2.0 HK cents) per share	34,766	34,538
Proposed final dividend of 3.0 HK cents (2015: final scrip dividend with a cash option of 3.0 HK cents) per share	50,663	52,012
	85,429	86,550

On 29th June, 2016, the Board proposed a final dividend of 3.0 HK cents (2015: final scrip dividend with a cash option of 3.0 HK cents) per share amounting to HK\$50,663,000 (2015: HK\$52,012,000). The amount of HK\$50,663,000 is calculated based on 1,688,777,104 issued shares as at 29th June, 2016. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but will be reflected and accounted for as an appropriation of reserves in the year ending 31st March, 2017 upon the approval by the shareholders.

14 Earnings per share

The calculation of the earnings per share is based on the profit attributable to equity holders of HK\$597,759,000 (2015: HK\$502,952,000) and the weighted average number of 1,732,275,529 (2015: 1,724,432,370) shares in issue during the year.

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

15 Property, plant and equipment

	Buildings HK\$'000	Plant and machinery HK\$'000	Furniture and fixtures HK\$'000	Other assets HK\$'000	Total HK\$'000
Cost					
At 1st April, 2014	195,526	336,954	74,587	147,693	754,760
Changes in exchange rates	(3,709)	(137)	(477)	(476)	(4,799)
Additions	14,227	4,420	18,410	10,011	47,068
Transfer from investment properties (note 16(g))	517,000	–	–	–	517,000
Disposals	–	(50,211)	(4,395)	(4,708)	(59,314)
At 31st March, 2015	723,044	291,026	88,125	152,520	1,254,715
Changes in exchange rates	(541)	18	(490)	(428)	(1,441)
Additions	915	5,436	6,641	1,933	14,925
Transfer to investment properties (note e and note 16)	(78,366)	–	–	–	(78,366)
Disposals	(2,144)	(33,569)	(11,358)	(1,911)	(48,982)
Reclassification (note 22)	–	–	(345)	(475)	(820)
At 31st March, 2016	642,908	262,911	82,573	151,639	1,140,031
Accumulated depreciation and provision for impairment					
At 1st April, 2014	68,561	292,541	64,200	66,216	491,518
Changes in exchange rates	(1,703)	(132)	(327)	(424)	(2,586)
Charge for the year	21,074	14,976	4,292	15,321	55,663
Disposals	–	(49,266)	(4,266)	(4,414)	(57,946)
At 31st March, 2015	87,932	258,119	63,899	76,699	486,649
Changes in exchange rates	117	23	(459)	(379)	(698)
Charge for the year	29,384	11,962	6,438	15,408	63,192
Disposals	(648)	(33,169)	(11,341)	(1,900)	(47,058)
Transfer to investment properties (note e and note 16)	(38,084)	–	–	–	(38,084)
Reclassification (note 22)	–	–	(128)	(345)	(473)
At 31st March, 2016	78,701	236,935	58,409	89,483	463,528
Net book value					
At 31st March, 2016	564,207	25,976	24,164	62,156	676,503
At 31st March, 2015	635,112	32,907	24,226	75,821	768,066

15 Property, plant and equipment (Continued)

- (a) Buildings of the Group include hotel property. Other assets comprise computer equipment, motor vehicles and yachts.
- (b) Buildings and plant and machinery of the Group with net book value of HK\$517,619,000 (2015: HK\$595,065,000) have been pledged as securities for the borrowing facilities granted to the Group (note 34).
- (c) Buildings of the Group are located:

	2016 HK\$'000	2015 HK\$'000
In Hong Kong	496,468	519,831
Outside Hong Kong	67,739	115,281
	564,207	635,112

- (d) Depreciation of HK\$12,484,000 (2015: HK\$15,588,000), HK\$2,000 (2015: HK\$8,000) and HK\$50,706,000 (2015: HK\$40,067,000) have been included in cost of sales, selling and marketing expenses and administrative and other operating expenses, respectively.
- (e) On 21st April, 2015, Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of the Group) and its wholly-owned subsidiary entered into a sale and purchase agreement with Midas and its wholly-owned subsidiary to acquire the entire registered capital of a PRC wholly-owned subsidiary of Midas (the major assets are the land and completed property in the PRC) at a consideration of RMB101.6 million (equivalent to approximately HK\$123.4 million). The transaction was completed on 21st August, 2015. Details of the transaction were set out in the announcements of the Company dated 21st April, 2015 and 21st August, 2015 respectively. After the completion of this transaction, the property was leased out before the period ended 30th September, 2015, and accordingly the Group had reclassified the property, plant and equipment and the leasehold lands and land use rights to investment properties. As a result of this reclassification, a fair value gain on transfer of property of HK\$72,250,000 (2015: Nil) (note 16), net of the related deferred taxation of HK\$18,062,000 (2015: Nil) (note 35), resulting in an amount of HK\$54,188,000 (2015: Nil) and after deducting the non-controlling interests portion of HK\$23,588,000 (2015: Nil), the net amount of HK\$30,600,000 (2015: Nil) was recorded in property, plant and equipment revaluation reserve (note 33) through other comprehensive income during the year ended 31st March, 2016.

16 Investment properties

	Properties under development HK\$'000	Completed properties HK\$'000	Total HK\$'000
At 1st April, 2014	2,237,124	4,509,154	6,746,278
Changes in exchange rates	7	(47,245)	(47,238)
Additions	115,332	19,653	134,985
Interest expenses capitalized	5,799	–	5,799
Disposal	–	(27,032)	(27,032)
Transfer from properties for sale (note 25(d))	–	4,480	4,480
Transfer to property, plant and equipment (note g and note 15)	(517,000)	–	(517,000)
Transfer to leasehold lands and land use rights (note g and note 17(f))	(928,000)	–	(928,000)
Reclassification (note h)	(165,000)	165,000	–
Fair value gain on transfer of properties from properties for sale to investment properties (note 7)	–	4,283	4,283
Change in fair value	121,009	472,244	593,253
At 31st March, 2015	869,271	5,100,537	5,969,808
Changes in exchange rates	(7,074)	(30,361)	(37,435)
Additions	85,132	58,369	143,501
Interest expenses capitalized	4,183	–	4,183
Transfer from properties for sale (note 25(d))	–	104,043	104,043
Transfer from property, plant and equipment (note 15(e))	–	40,282	40,282
Transfer from leasehold lands and land use rights (note 15(e) and note 17(e))	–	13,045	13,045
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties (note 15(e))	–	72,250	72,250
Fair value gain on transfer of properties from properties for sale to investment properties (note 7)	–	21,187	21,187
Change in fair value	98,105	348,038	446,143
At 31st March, 2016	1,049,617	5,727,390	6,777,007

16 Investment properties (Continued)

(a) Investment properties of the Group are located:

	2016 HK\$'000	2015 HK\$'000
In Hong Kong	5,828,700	5,373,500
Outside Hong Kong	948,307	596,308
	6,777,007	5,969,808

- (b) Investment properties in Hong Kong, Malaysia and the PRC were revalued at 31st March, 2016 on an open market value basis by Colliers International (Hong Kong) Limited, VPC Alliance (KL) Sendirian Berhad and DTZ Cushman & Wakefield Limited, independent professional property valuers, respectively.
- (c) Investment properties of HK\$6,479,402,000 (2015: HK\$5,711,652,000) have been pledged as securities for the borrowing facilities granted to the Group (note 34).

(d) Valuation processes of the Group

The Group's investment properties were valued at 31st March, 2016 by independent professional valuers who hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

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

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

16 Investment properties (Continued)

(e) Valuation techniques

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

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

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

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

16 Investment properties (Continued)

(f) Significant unobservable inputs used to determine fair value

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

	Hong Kong	The PRC
2016		
Capitalization rates used for:		
Commercial properties	2.5%–3.8%	4.0%–6.0%
Residential properties	2.9%	N/A
2015		
Capitalization rates used for:		
Commercial properties	2.7%–4.0%	4.0%–6.5%
Residential properties	2.6%	N/A

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

Estimated costs to completion, developer's profit and risk margins required are estimated by valuers based on market conditions at 31st March, 2016 for investment properties under development in Hong Kong and the PRC. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The higher the costs and the margins, the lower the fair value.

- (g) During the year ended 31st March, 2015, the Group had transferred a Hong Kong investment property at its fair value of HK\$1,445,000,000 to hotel property upon completion of the redevelopment, and accordingly HK\$517,000,000 and HK\$928,000,000 were recorded as property, plant and equipment (note 15), and leasehold lands and land use rights (note 17(f)) respectively.
- (h) During the year ended 31st March, 2015, investment properties with fair value of HK\$165,000,000 were reclassified from properties under development to completed properties within investment properties upon completion of the redevelopment.

17 Leasehold lands and land use rights

	2016	2015
	HK\$'000	HK\$'000
Leasehold lands and land use rights	883,580	938,207

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

	2016	2015
	HK\$'000	HK\$'000
In Hong Kong	866,814	907,605
Outside Hong Kong	16,766	30,602
	883,580	938,207

- (c) Leasehold lands and land use rights of HK\$874,165,000 (2015: HK\$926,961,000) have been pledged as securities for the borrowing facilities granted to the Group (note 34).
- (d) Amounts of HK\$390,000 (2015: HK\$415,000) and HK\$41,216,000 (2015: HK\$21,088,000) of amortization charged to the consolidated income statement from leasehold lands and land use rights have been included in cost of sales and administrative and other operating expenses, respectively.
- (e) During the year ended 31st March, 2016, leasehold lands and land use rights of HK\$13,045,000 (2015: Nil) has been transferred to investment properties (note 15(e) and note 16).
- (f) During the year ended 31st March, 2015, leasehold lands and land use rights of hotel property with the fair value of HK\$928,000,000 had been transferred from the investment properties upon completion of the redevelopment (note 16(g)).

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

18 Properties for/under development

	2016 HK\$'000	2015 HK\$'000
At the beginning of the year	778,800	740,330
Changes in exchange rates	(15,976)	18
Additions	108,972	78,347
Interest expenses capitalized	5,023	3,632
Transfer to properties for sale (note 25(a))	–	(43,527)
Reclassification (note 22)	(287,991)	–
At the end of the year	588,828	778,800

(a) Properties for/under development of the Group are located:

	2016 HK\$'000	2015 HK\$'000
In Hong Kong	341,549	295,267
Outside Hong Kong	247,279	483,533
	588,828	778,800

(b) During the year, amortization of leasehold lands and land use rights classified under properties for/under development of HK\$4,000,000 (2015: HK\$4,000,000) was capitalized therein.

19 Cemetery assets

	2016 HK\$'000	2015 HK\$'000
Total cemetery assets	649,135	669,756
Current portion included in current assets	(103,265)	(108,064)
	545,870	561,692

As at 31st March, 2016, included in the cemetery assets which are classified as current assets are grave plots and niches for cremation urns of cemetery business with the aggregate carrying value of HK\$92,358,000 (2015: HK\$102,736,000) that are expected to be realized after more than twelve months from the balance sheet date.

20 Subsidiaries

Particulars of the principal subsidiaries which, in the opinion of the Directors, materially affect the results or net assets of the Group are set out in note 43 to the consolidated financial statements.

Set out below are the summarized consolidated financial information for the respective groups of Chuang's China and Midas, both are listed subsidiaries of the Group, that have non-controlling interest of 44.0% (2015: 43.5%) and 39.2% (2015: 39.2%) respectively which are material to the Group.

Summarized consolidated balance sheets as at 31st March, 2016 and 2015:

	Chuang's China		Midas (Note)	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Current				
Assets	2,935,382	3,149,309	350,682	348,777
Liabilities	(1,190,924)	(1,265,092)	(84,531)	(149,233)
Total current net assets	1,744,458	1,884,217	266,151	199,544
Non-current				
Assets	1,240,665	976,958	650,879	692,626
Liabilities	(476,255)	(201,233)	(161,585)	(177,644)
Total non-current net assets	764,410	775,725	489,294	514,982
Net assets	2,508,868	2,659,942	755,445	714,526

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

20 Subsidiaries (Continued)

Summarized consolidated income statements for the years ended 31st March, 2016 and 2015:

	Chuang's China		Midas (Note)	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenues	470,018	1,008,613	255,981	274,582
Profit/(loss) before taxation	217,205	263,012	87,264	(34,692)
Taxation (charge)/credit	(129,126)	(171,867)	1,583	1,920
Profit/(loss) for the year	88,079	91,145	88,847	(32,772)
Other comprehensive (loss)/income	(125,914)	26,071	(17,180)	(730)
Total comprehensive (loss)/income	(37,835)	117,216	71,667	(33,502)
Total comprehensive loss attributable to non-controlling interests	(1,039)	(3,265)	(3,022)	(858)

Summarized consolidated cash flow statements for the years ended 31st March, 2016 and 2015:

	Chuang's China		Midas	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities				
Cash from/(used in) operations	40,152	(343,482)	(103,729)	(31,976)
Interest paid	(25,604)	(25,768)	(2,895)	(5,273)
Tax paid	(172,922)	(55,161)	–	(357)
Net cash used in operating activities	(158,374)	(424,411)	(106,624)	(37,606)
Net cash (used in)/from investing activities	(173,383)	49,886	94,316	86,644
Net cash from/(used in) financing activities	39,994	144,418	(43,993)	(18,515)
Net (decrease)/increase in cash and cash equivalents	(291,763)	(230,107)	(56,301)	30,523
Cash and cash equivalents at the beginning of the year	871,107	1,108,191	99,442	68,917
Exchange difference on cash and cash equivalents	(13,850)	(6,977)	(63)	2
Cash and cash equivalents at the end of the year	565,494	871,107	43,078	99,442

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

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

20 Subsidiaries (Continued)

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

Chuang's China announced a rights issue on 17th March, 2016 which was completed after the year ended 31st March, 2016 (note 40(a)).

21 Associated companies

	2016 HK\$'000	2015 HK\$'000
Share of net assets	47,382	47,388
Loans receivable	17,356	1,394
	64,738	48,782
Unlisted investments, at cost, net	43,119	43,118

The movements of the associated companies are analyzed as follows:

	2016 HK\$'000	2015 HK\$'000
At the beginning of the year	48,782	52,765
Acquisition of an associated company	1	–
Loan receivable	15,962	–
Share of profit/(loss) before taxation	46	(3,451)
Share of taxation charge	(4)	(99)
Share of results	42	(3,550)
Dividend income received	(49)	(433)
At the end of the year	64,738	48,782

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31st March, 2016

21 Associated companies (Continued)

In 2015, share of results of associated companies in the consolidated income statement included a write-off of an amount payable to an associated company of HK\$2,200,000 (note 30(b)) and that associated company had made a provision for impairment of the same receivable correspondingly as included in the share of results above.

Loans receivable from associated companies are unsecured, interest free and not receivable within the next twelve months from the balance sheet date.

Particulars of the principal associated companies which, in the opinion of the Directors, materially affect the results or net assets of the Group are set out in note 44 to the consolidated financial statements.

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

	2016 HK\$'000	2015 HK\$'000
Revenues	10,638	9,191
Profit/(loss) for the year	42	(3,550)
Assets	88,162	71,614
Liabilities	(23,424)	(22,832)
	64,738	48,782

22 Joint ventures

	2016 HK\$'000	2015 HK\$'000
Share of net assets/(liabilities)	235,651	(408)
Amounts due from joint ventures	115,814	66,623
	351,465	66,215

During the year ended 31st March, 2016, a subsidiary became a joint venture of the Group. The change itself involved accounting transfer of assets and did not constitute a business combination. No gain or loss was recognized by the Group as there was no change in substance and equity interest in the entity, and no consideration was involved.

Amounts due from joint ventures are unsecured, interest free and not receivable within the next twelve months from the balance sheet date.

22 Joint ventures (Continued)

As at 31st March, 2016, the Group's commitments in the joint ventures were HK\$38,896,000 (2015: HK\$5,994,000).

As at 31st March, 2016, the Company had provided a guarantee of HK\$117,000,000 (2015: HK\$117,000,000) for the banking facility granted to a joint venture.

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

Name	Place of incorporation/ operation	Registered capital/ issued capital	Interest held by the Group 2016	Principal activities
Ample Excellent Limited	Hong Kong	HK\$2 with 2 shares	50.0%	Property development and investment
Xiamen Mingjia Binhai Resort Company Limited ("Xiamen Mingjia")	PRC	RMB140,000,000	70.0% (effective interest held by the Group is 33.3% for 2016 (2015: 33.6%))	Property and hotel development and investment

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

	2016 HK\$'000	2015 HK\$'000
Revenues	–	–
Profit/(loss) for the year	64,265	(44)
Assets	487,520	183,465
Liabilities	(136,055)	(117,250)
	351,465	66,215

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31st March, 2016

22 Joint ventures (Continued)

The joint ventures are private companies and there are no quoted market prices available for their shares.

Set out below is the summarized financial information for Xiamen Mingjia which is accounted for using the equity method:

Summarized balance sheet

	2016 HK\$'000
Cash and bank balances	1,342
Other current assets	2,737
Total current assets	4,079
Total current liabilities	(6,625)
Total non-current assets	426,610
Total non-current liabilities	(20,415)
	403,649

Share of results of joint ventures in the consolidated income statement includes a share of fair value gain of HK\$64,320,000 (2015: Nil) (net of the related deferred taxation of HK\$21,440,000 (2015: Nil)) in Xiamen Mingjia on the accounting transfer of properties from properties under development to investment properties during the year ended 31st March, 2016.

Reconciliation of the summarized financial information of Xiamen Mingjia presented to the carrying amount of such joint venture is shown below:

	2016 HK\$'000
At the beginning of the year	–
Addition of joint venture	311,763
Fair value gain for the year, net of the related deferred taxation	91,886
At the end of the year	403,649
Carrying amount of the joint venture @70%	282,554

Loss of HK\$55,000 (2015: HK\$44,000) is shared from Ample Excellent Limited during the year ended 31st March, 2016.

23 Available-for-sale financial assets

	2016 HK\$'000	2015 HK\$'000
Listed securities in Hong Kong	95,978	156,168
Unlisted investments, at fair value	83,758	87,540
	179,736	243,708

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

	2016 HK\$'000	2015 HK\$'000
At the beginning of the year	243,708	209,155
Changes in exchange rates	(3,000)	18
Additions	560	4,099
Disposals	(2,692)	(5,019)
Change in fair value recognized in other comprehensive income	(58,840)	35,455
At the end of the year	179,736	243,708

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

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

24 Loans and receivables

	2016 HK\$'000	2015 HK\$'000
Loans receivable (note a)	157,100	–
Loans to the joint venture partner (note b)	12,051	12,553
	169,151	12,553
Current portions included in debtors and prepayments (note 27)		
Loans receivable	(10,144)	–
	159,007	12,553

- (a) Loans receivable include a mortgage loan of HK\$157,000,000 (2015: Nil) provided to an independent third party to purchase the Group's property in Hong Kong amounted to HK\$220,000,000 (2015: Nil) and a loan to another independent third party in Hong Kong at the prevailing market rates. The mortgage loan is secured by the aforesaid property and details of the mortgage loan were set out in the announcement of the Company dated 24th March, 2016.
- (b) Loans to the joint venture partner are provided for financing the property project in the PRC and carry interests at prevailing lending rate quoted by the People's Bank of China. The loans and interests accrued thereon will be repaid from the joint venture partner's share of net proceeds upon the sale of properties.

25 Properties for sale

	2016 HK\$'000	2015 HK\$'000
Completed properties	742,723	803,960
Properties for/under development	1,578,351	1,765,642
	2,321,074	2,569,602

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

	2016 HK\$'000	2015 HK\$'000
At the beginning of the year	1,765,642	1,519,271
Changes in exchange rates	(21,353)	(2,677)
Property development expenditure	372,063	735,575
Interest expenses capitalized	7,748	24,160
Transfer from non-current properties for/under development (note 18)	–	43,527
Transfer to completed properties	(545,749)	(554,214)
At the end of the year	1,578,351	1,765,642

25 Properties for sale (Continued)

(b) Properties for sale of the Group are located:

	2016 HK\$'000	2015 HK\$'000
In Hong Kong	770,993	899,638
Outside Hong Kong	1,550,081	1,669,964
	2,321,074	2,569,602

(c) Properties for sale of HK\$540,728,000 (2015: HK\$970,219,000) have been pledged as securities for the borrowing facilities granted to the Group (note 34).

(d) During the year, completed properties of HK\$104,043,000 (2015: HK\$4,480,000) have been transferred to investment properties (note 16).

(e) In view of the respective market conditions, management performed impairment assessment on properties for sale and a provision for impairment of HK\$2,263,000 (2015: Nil) was recorded for completed properties for the year ended 31st March, 2016. The recoverable amount was determined based on the valuation performed by DTZ Cushman & Wakefield Limited, an independent professional property valuer.

26 Inventories

	2016 HK\$'000	2015 HK\$'000
Raw materials	14,422	19,551
Work in progress	9,881	14,716
Finished goods and merchandises	152,524	151,645
	176,827	185,912

27 Debtors and prepayments

	2016 HK\$'000	2015 HK\$'000
Trade debtors	76,864	100,875
Other debtors and prepayments	76,515	97,575
Utility and other deposits	307,689	329,817
	461,068	528,267

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

27 Debtors and prepayments (Continued)

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

As at 31st March, 2016, trade debtors from the cemetery business with the aggregate carrying value of HK\$1,548,000 (2015: HK\$2,644,000) are expected to be recovered after more than twelve months from the balance sheet date.

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

	2016	2015
	HK\$'000	HK\$'000
Below 30 days	31,034	48,637
31 to 60 days	12,267	23,339
61 to 90 days	9,492	11,767
Over 90 days	24,071	17,132
	76,864	100,875

As at 31st March, 2016, trade debtors of HK\$49,226,000 (2015: HK\$78,053,000) of the Group were neither past due nor impaired.

As at 31st March, 2016, trade debtors of HK\$27,638,000 (2015: HK\$22,822,000) of the Group were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debtors is as follows:

	2016	2015
	HK\$'000	HK\$'000
Below 30 days	5,015	5,218
31 to 60 days	7,208	3,010
61 to 90 days	2,340	1,092
Over 90 days	13,075	13,502
	27,638	22,822

Trade debtors of HK\$6,284,000 (2015: Nil) of the Group are held as collateral for the borrowing facilities granted to the Group (note 34).

Other deposits of the Group include net deposits of HK\$270,774,000 (2015: HK\$286,008,000) for property projects and acquisition of properties and leasehold lands and land use rights in Hong Kong, the PRC and Vietnam after the accumulated provision for impairment of HK\$73,772,000 (2015: HK\$67,272,000) as at 31st March, 2016.

27 Debtors and prepayments (Continued)

Other debtors of the Group include an amount receivable from an associated company of HK\$5,100,000 (2015: HK\$5,737,000) which is unsecured, interest free and receivable on demand. Other debtors also include receivables of HK\$10,144,000 (2015: Nil) from the current portions of the mortgage loan provided to a purchaser of the Group's property in Hong Kong and the loan to another independent third party in Hong Kong at the prevailing market rates (note 24(a)).

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

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

28 Financial assets at fair value through profit or loss

	2016 HK\$'000	2015 HK\$'000
Listed securities	70,364	22,214
Listed bonds	436,579	63,407
	506,943	85,621

The balances of the listed securities are dominated in Hong Kong dollar, whereas the balances of the listed bonds are denominated in United States dollar.

29 Pledged bank balances and cash and bank balances

	2016 HK\$'000	2015 HK\$'000
Pledged bank balances	40,173	55,269
Cash and bank balances		
Cash at bank and in hand	384,036	853,389
Short-term deposits	1,243,850	1,118,784
	1,627,886	1,972,173
	1,668,059	2,027,442

The effective interest rates on short-term deposits range from 0.001% to 0.90% (2015: 0.001% to 4.10%) per annum and these deposits have maturities ranged from 1 to 366 days (2015: 1 to 365 days).

Pledged bank balances of HK\$40,000,000 (2015: HK\$55,000,000) and HK\$173,000 (2015: HK\$269,000) have been pledged as securities for the borrowing facilities (note 34) and the financial guarantee facilities (note 38) granted to the Group, respectively.

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

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

As at 31st March, 2015, cash and bank balances of HK\$84,644,000 were restricted and could only be used for the payments of construction costs of certain properties for sale, and the repayment of bank borrowings on these properties.

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

Cash and bank balances (including pledged bank balances) are denominated in the following currencies:

	2016 HK\$'000	2015 HK\$'000
Hong Kong dollar	1,302,197	1,206,305
Renminbi	345,222	805,631
United States dollar	9,294	3,400
Others	11,346	12,106
	1,668,059	2,027,442

30 Creditors and accruals

	2016 HK\$'000	2015 HK\$'000
Trade creditors (<i>note a</i>)	45,610	67,448
Other creditors and accrued expenses (<i>note b</i>)	268,134	334,381
Provision for indemnity (<i>note c</i>)	–	60,901
Amounts payable to non-controlling interests (<i>note d</i>)	1,818	1,825
Tenant and other deposits	44,533	40,702
	360,095	505,257

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

	2016 HK\$'000	2015 HK\$'000
Below 30 days	24,814	32,484
31 to 60 days	4,421	11,287
Over 60 days	16,375	23,677
	45,610	67,448

30 Creditors and accruals (Continued)

- (b) Other creditors and accrued expenses of the Group include the construction cost payables and accruals of HK\$121,563,000 (2015: HK\$189,295,000) for the property projects of the Group. In 2014, other creditors included an amount payable to an associated company of HK\$2,200,000 which was written off during the year ended 31st March, 2015 (note 21).
- (c) On 27th May, 2013, the Vendor entered into an agreement with the Purchaser to dispose of its investment in a wholly-owned subsidiary at a consideration of HK\$1. The Vendor also executed an indemnity deed amounting to RMB48.8 million in favour of the Purchaser for a period of two years from the date of completion of the disposal on 15th August, 2013. This provision represents the Group's estimated liabilities under the indemnity deed. The indemnity was expired during the year ended 31st March, 2016 and write-back of provision for indemnity was recorded in "Other income and net gain" in the consolidated income statement (note 7).
- (d) Amounts payable to non-controlling interests are unsecured, interest free and repayable on demand.
- (e) Creditors and accruals are mainly denominated in Hong Kong dollar and Renminbi. The carrying values of creditors and accruals approximate their fair values.

31 Sales deposits received

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

32 Share capital

	2016 HK\$'000	2015 HK\$'000
Authorized:		
2,500,000,000 shares of HK\$0.25 each	625,000	625,000

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

32 Share capital (Continued)

	Number of shares	Amount HK\$'000
Issued and fully paid at HK\$0.25 each:		
At 1st April, 2014	1,722,060,190	430,515
2014 final scrip dividend and 2015 interim scrip dividend (note 13)	11,669,327	2,917
At 31st March, 2015	1,733,729,517	433,432
2015 final scrip dividend (note 13)	4,547,587	1,137
Repurchase of shares	(44,360,000)	(11,090)
At 31st March, 2016	1,693,917,104	423,479

All new shares rank pari passu to the existing shares.

During the year ended 31st March, 2016, the Company repurchased 44,360,000 shares of its own shares on the Stock Exchange with total amount of approximately HK\$44,300,000. The repurchased shares were cancelled subsequently after their repurchase. Subsequent to 31st March, 2016, the Company has further repurchased a total of 5,140,000 shares with total amount of approximately HK\$5,338,000 and the shares are also cancelled after repurchase.

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

33 Reserves

	Share premium	Capital redemption reserve	Capital reserve	Statutory reserve	Property, plant and equipment revaluation reserve	Investment revaluation reserve	Exchange reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2014	805,847	4,462	418,329	349	-	29,703	11,370	6,092,552	7,362,612
Profit for the year	-	-	-	-	-	-	-	502,952	502,952
Net exchange differences	-	-	-	-	-	-	(35,710)	-	(35,710)
Realization of exchange reserve upon disposal of subsidiaries	-	-	-	-	-	-	(665)	-	(665)
Change in fair value of available- for-sale financial assets	-	-	-	-	-	20,631	-	-	20,631
Realization of investment revaluation reserve upon disposal of available- for-sale financial assets	-	-	-	-	-	(371)	-	-	(371)
2014 final scrip dividend paid	2,721	-	-	-	-	-	-	(51,662)	(48,941)
2015 interim scrip dividend paid	4,722	-	-	-	-	-	-	(34,538)	(29,816)
At 31st March, 2015	813,290	4,462	418,329	349	-	49,963	(25,005)	6,509,304	7,770,692
Profit for the year	-	-	-	-	-	-	-	597,759	597,759
Net exchange differences	-	-	-	-	-	-	(55,865)	-	(55,865)
Change in fair value of available- for-sale financial assets	-	-	-	-	-	(32,356)	-	-	(32,356)
Realization of investment revaluation reserve upon disposal of available- for-sale financial assets	-	-	-	-	-	(199)	-	-	(199)
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties, net of deferred tax (note 15(e))	-	-	-	-	30,600	-	-	-	30,600
Transfer to statutory reserve	-	-	-	21,235	-	-	-	(21,235)	-
2015 final scrip dividend paid	2,527	-	-	-	-	-	-	(52,012)	(49,485)
2016 interim dividend paid	-	-	-	-	-	-	-	(34,766)	(34,766)
Increase of interests in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	(1,937)	(1,937)
Repurchase of shares	(33,210)	-	-	-	-	-	-	-	(33,210)
At 31st March, 2016	782,607	4,462	418,329	21,584	30,600	17,408	(80,870)	6,997,113	8,191,233

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

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

34 Borrowings

	2016 HK\$'000	2015 HK\$'000
Unsecured bank borrowings		
Short-term bank borrowings	6,297	4,045
Long-term bank borrowings	449,887	190,245
	456,184	194,290
Secured bank borrowings		
Short-term bank borrowings	8,801	239,421
Long-term bank borrowings	3,506,087	3,267,075
	3,514,888	3,506,496
Total bank borrowings	3,971,072	3,700,786

The total bank borrowings are analyzed as follows:

	2016 HK\$'000	2015 HK\$'000
Short-term bank borrowings	15,098	243,466
Long-term bank borrowings	3,955,974	3,457,320
	3,971,072	3,700,786

The long-term bank borrowings are analyzed as follows:

	2016 HK\$'000	2015 HK\$'000
Long-term bank borrowings		
Wholly repayable within five years *	3,052,058	1,859,504
Wholly repayable after five years *	903,916	1,597,816
	3,955,974	3,457,320
Current portion included in current liabilities		
Portion due within one year	(695,588)	(579,415)
Portion due after one year which contains a repayment on demand clause	(147,259)	(339,826)
	(842,847)	(919,241)
	3,113,127	2,538,079

* Ignoring the effect of any repayment on demand clause

34 Borrowings (Continued)

The bank borrowings of the Group are secured by certain assets including property, plant and equipment, investment properties, leasehold lands and land use rights, properties for sale, trade debtors and bank deposits with an aggregate carrying value of HK\$8,458,198,000 (2015: HK\$8,258,897,000), shares of certain subsidiaries and guaranteed by the Company, Chuang's China, Midas and a subsidiary, and bank borrowings of HK\$2,705,102,000 (2015: HK\$2,695,816,000) are also secured by the assignment of rental income.

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

	2016 HK\$'000	2015 HK\$'000
Within the first year	710,686	822,881
Within the second year	219,956	639,087
Within the third to fifth years	2,323,502	1,133,374
After the fifth year	716,928	1,105,444
	3,971,072	3,700,786

The effective interest rates of the bank borrowings at the balance sheet date range from 1.54% to 8.08% (2015: 1.57% to 7.80%) per annum. The fair values of the bank borrowings, based on the cash flows discounted at the borrowing rates of 1.54% to 8.08% (2015: 1.57% to 7.80%) per annum, approximate their carrying values and are within level 2 of the fair value hierarchy.

The bank borrowings are denominated in the following currencies:

	2016 HK\$'000	2015 HK\$'000
Hong Kong dollar	3,568,782	3,222,693
Renminbi	239,963	310,989
Malaysian Ringgit	157,744	167,104
Singapore dollar	4,583	–
	3,971,072	3,700,786

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

34 Borrowings (Continued)

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

	2016 HK\$'000	2015 HK\$'000
6 months or less	3,952,943	3,594,427
7 to 12 months	18,129	106,359
	3,971,072	3,700,786

35 Deferred taxation liabilities

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

	HK\$'000
At 1st April, 2014	360,550
Changes in exchange rates	(793)
Charged to the consolidated income statement	1,648
At 31st March, 2015	361,405
Changes in exchange rates	(7,710)
Charged to the consolidated income statement	8,960
Transferred to property, plant and equipment revaluation reserve (note 15(e))	18,062
Reclassification (note 22)	(12,740)
At 31st March, 2016	367,977

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

35 Deferred taxation liabilities (Continued)

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

	Deferred taxation liabilities				Deferred taxation assets	
	Fair value gains HK\$'000	Revaluation of investment properties HK\$'000	Accelerated tax depreciation HK\$'000	Dividend income withholding tax HK\$'000	Tax losses HK\$'000	
At 1st April, 2014	324,044	32,305	36,046	–	392,395	(31,845)
Changes in exchange rates	133	(861)	(65)	–	(793)	–
(Credited)/charged to the consolidated income statement	(18,255)	8,106	5,872	10,000	5,723	(4,075)
At 31st March, 2015	305,922	39,550	41,853	10,000	397,325	(35,920)
Changes in exchange rates	(5,894)	(1,966)	166	–	(7,694)	(16)
(Credited)/charged to the consolidated income statement	(8,703)	20,263	3,226	(4,000)	10,786	(1,826)
Transferred to property, plant and equipment revaluation reserve	18,062	–	–	–	18,062	–
Reclassification	(12,740)	–	–	–	(12,740)	–
At 31st March, 2016	296,647	57,847	45,245	6,000	405,739	(37,762)

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

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

Deferred taxation assets of HK\$407.1 million (2015: HK\$422.3 million) arising from unused tax losses of HK\$2,411.8 million (2015: HK\$2,478.6 million) and HK\$1.3 million (2015: HK\$0.7 million) on temporary differences in respect of accelerated tax depreciation of HK\$8.0 million (2015: HK\$4.0 million) have not been recognized in the consolidated financial statements respectively. These tax losses have no expiry dates or will expire within five years for those from the PRC.

Deferred taxation liabilities of HK\$0.1 million (2015: HK\$0.9 million) arising from withholding tax on the unremitted earnings of certain PRC subsidiaries have not been recognized in the consolidated financial statements as these earnings are expected to be reinvested.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31st March, 2016

36 Loans and payables with non-controlling interests

Loans and payables with non-controlling interests of the Group are unsecured, interest free and not repayable within the next twelve months from the balance sheet date. The balances are denominated in Hong Kong dollar, Renminbi and United States dollar.

37 Commitments

(a) Capital commitments

	2016 HK\$'000	2015 HK\$'000
Contracted but not provided for:		
Property projects and property, plant and equipment	364,000	428,034
Available-for-sale financial assets	47,964	49,964
	411,964	477,998

(b) Operating lease rental payable

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

	2016 HK\$'000	2015 HK\$'000
Within the first year	16,636	19,503
Within the second to fifth years	1,573	17,650
	18,209	37,153

37 Commitments (Continued)

(c) Operating lease rental receivable

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

	2016 HK\$'000	2015 HK\$'000
Within the first year	117,590	103,946
Within the second to fifth years	127,950	84,727
After the fifth year	22,233	2,275
	267,773	190,948

The Group leases properties under various agreements which will be terminated between 2016 to 2025 (2015: 2015 to 2025).

38 Financial guarantees

	2016 HK\$'000	2015 HK\$'000
Guarantees for mortgage loans to purchasers of properties of the Group in the PRC (Note)	1,079,858	795,441

Note: The financial guarantees provided by the Group represented the guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees will be terminated upon the earlier of (i) the issuance of the property ownership certificates which is generally available within six months to one year after the purchasers take possession of the relevant properties; or (ii) the satisfaction of mortgage loans by the purchasers of properties. Since the Group is able to retain the purchaser's deposits and sell the properties to recover any amounts paid by the Group to the banks, the estimated net amounts required to be settled by the Group and the fair value of the financial guarantees as calculated are not material and hence not recognized in the consolidated financial statements. Bank deposits of HK\$173,000 (2015: HK\$269,000) have been pledged for such financial guarantees provided by the Group (note 29).

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

39 Notes to the consolidated cash flow statement

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

	2016 HK\$'000	2015 HK\$'000
Operating profit	808,642	700,336
Interest income from bank deposits	(15,641)	(32,261)
Dividend income from available-for-sale financial assets	(8,640)	(3,784)
Write-back of provision for indemnity	(58,546)	–
Gain on disposal of subsidiaries	–	(17,107)
Write-back of provision for expenses undertaking	–	(10,224)
Fair value gain on transfer of properties from properties for sale to investment properties	(21,187)	(4,283)
Reversal of provision for impairment of properties for sale	(2,392)	–
Reversal of provision for impairment of trade debtors	(269)	(523)
Gain on disposal of an investment property	–	(11,252)
Net gain on disposal of property, plant and equipment	(4,718)	(11,948)
Loss on disposal of leasehold lands and land use rights	–	333
Gain on disposal of available-for-sale financial assets	(285)	(868)
Change in fair value of investment properties	(446,143)	(593,253)
Reversal of provision for impairment of inventories	(1,644)	–
Depreciation	63,192	55,663
Amortization of leasehold lands and land use rights	41,606	21,503
Provision for impairment of properties for sale	2,263	–
Provision for impairment of inventories	5,521	2,855
Provision for impairment of trade debtors	925	1,854
Provision for impairment of other deposits	6,500	29,000
Operating profit before working capital changes	369,184	126,041
Increase in loans and receivables	(157,000)	–
Increase in properties for/under development and properties for sale	(62,431)	(350,644)
Decrease/(increase) in inventories	5,208	(60,045)
(Increase)/decrease in cemetery assets	(1,593)	1,853
Decrease in debtors and prepayments	57,694	3,120
Increase in financial assets at fair value through profit or loss	(421,322)	(7,723)
(Decrease)/increase in creditors and accruals	(13,258)	51,877
Increase/(decrease) in sales deposits received	151,441	(266,461)
Cash used in operations	(72,077)	(501,982)

39 Notes to the consolidated cash flow statement (Continued)

(b) Analysis of cash and cash equivalents

	2016 HK\$'000	2015 HK\$'000
Cash and bank balances	1,627,886	1,972,173
Bank deposits maturing more than three months from date of placement	(130,877)	(769)
Cash and cash equivalents	1,497,009	1,971,404

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

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

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

	2015 HK\$'000
Net cash consideration received	77,398
Less: Cash and cash balances disposed of	(8,094)
Net cash flow from disposal of subsidiaries	69,304

40 Events after the reporting period

- (a) On 17th March, 2016, a wholly-owned subsidiary of the Company entered into an irrevocable undertaking with Chuang's China (the "Irrevocable Undertaking") in relation to the proposed rights issue of Chuang's China on the basis of one rights share for every two existing ordinary shares at the subscription price of HK\$0.28 per rights share to raise approximately HK\$227.0 million, before expenses (the "Rights Issue"). According to the Irrevocable Undertaking, the Group had undertaken to subscribe in full for its entitlement under the Rights Issue in the amount of approximately HK\$127.1 million. The Rights Issue was subsequently completed on 3rd May, 2016 and Chuang's China continues to be a 56.0% owned subsidiary of the Group. Details of the Rights Issue were set out in the announcement of the Company dated 17th March, 2016.

- (b) On 9th June, 2016, a wholly-owned subsidiary of the Group entered into a conditional agreement with an independent third party for the disposal of its wholly-owned subsidiary which held an investment property under construction in Hong Kong for a consideration of HK\$2.1 billion (subject to adjustments). The consideration will be satisfied as to approximately 80% by cash and as to approximately 20% by the transfer of a PRC property to the Group. The proposed disposal is subject to the approval of the shareholders of the Company and, if approved, is expected to be completed in the third quarter of 2018. Details of the disposal were set out in the announcement of the Company dated 15th June, 2016.

41 Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board on 29th June, 2016.

42 Balance sheet and reserves movement of the Company

Balance sheet of the Company

As at 31st March, 2016

	Note	2016 HK\$'000	2015 HK\$'000
Non-current assets			
Subsidiaries		889,708	889,708
Loan receivable from a subsidiary		56,225	56,225
		945,933	945,933
Current assets			
Debtors and prepayments		599	498
Amounts due from subsidiaries		1,159,203	493,825
Cash and bank balances		988,665	886,139
		2,148,467	1,380,462
Current liabilities			
Creditors and accruals		2,550	2,131
Amount due to a subsidiary		208,137	–
		210,687	2,131
Net current assets		1,937,780	1,378,331
Net assets		2,883,713	2,324,264
Equity			
Share capital	32	423,479	433,432
Reserves	a	2,460,234	1,890,832
Total equity		2,883,713	2,324,264

The balance sheet of the Company was approved by the Board on 29th June, 2016 and was signed on its behalf by:

Albert Chuang Ka Pun
Director

Chan Chun Man
Director

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

42 Balance sheet and reserves movement of the Company (Continued)

(a) Reserves movement of the Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st April, 2014	805,847	4,462	1,149,971	1,960,280
Profit for the year	–	–	9,309	9,309
2014 final scrip dividend paid	2,721	–	(51,662)	(48,941)
2015 interim scrip dividend paid	4,722	–	(34,538)	(29,816)
At 31st March, 2015	813,290	4,462	1,073,080	1,890,832
Profit for the year	–	–	686,863	686,863
2015 final scrip dividend paid	2,527	–	(52,012)	(49,485)
2016 interim dividend paid	–	–	(34,766)	(34,766)
Repurchase of shares	(33,210)	–	–	(33,210)
At 31st March, 2016	782,607	4,462	1,673,165	2,460,234

Total distributable reserves of the Company amounted to HK\$1,673,165,000 (2015: HK\$1,073,080,000) as at 31st March, 2016.

43 Principal subsidiaries

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2016	2015	
Accurate Development Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Property development and investment
Anshan Chuang's Property Development Company Limited	PRC	RMB170,000,000	56.0%	56.5%	Property development and investment
Anshan Chuang's Real Estate Development Company Limited	PRC	RMB210,000,000	56.0%	56.5%	Property development and investment
Chateau 15 Investments Limited (Formerly known as "Lambda Industrial Limited") (note 40(b))	Hong Kong	HK\$3,000,000 with 3,000,000 shares	100.0%	100.0%	Property investment
Chengdu Chuang's Investment Services Limited	PRC	HK\$80,000,000	56.0%	56.5%	Property development and investment
China Cyberworld Limited	Hong Kong	HK\$2 with 2 shares	56.0%	56.5%	Property development and investment
China Policy Limited	British Virgin Islands/ Vietnam	US\$1 with 1 share	100.0%	100.0%	Investment holding
Chinaculture.com Limited	British Virgin Islands/ Hong Kong	US\$1 with 1 share	56.0%	56.5%	Investment holding
* Chuang's China Investments Limited	Bermuda/ Hong Kong	HK\$81,057,177 with 1,621,143,544 shares (2015: HK\$80,384,728 with 1,607,694,567 shares)	56.0%	56.5%	Investment holding
Chuang's China Realty Limited	Bermuda/ Hong Kong	HK\$100,000 with 2,000,000 shares	56.0%	56.5%	Investment holding
Chuang's China Treasury Limited	Cayman Islands/ Hong Kong	US\$1 with 1 share	56.0%	56.5%	Investment holding
@ Chuang's Consortium Limited	Hong Kong	HK\$455,141,193 with 4,000 shares	100.0%	100.0%	Investment holding

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

43 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2016	2015	
Chuang's Credit Limited	Hong Kong	HK\$10,300,000 with 10,300,000 shares	100.0%	100.0%	Money lending
Chuang's Development (Chengdu) Limited	Hong Kong	HK\$20 with 2 shares HK\$1,000,000 with 100,000 non-voting deferred shares	56.0%	56.5%	Property investment
Chuang's Development (Dong Guan) Limited	Hong Kong	HK\$2 with 2 shares	56.0%	56.5%	Investment holding
Chuang's-Edelweiss LLC	Mongolia	US\$100,000 with 100,000 shares	53.0%	53.0%	Property development and investment
Chuang's Engineering Limited	Hong Kong	HK\$20 with 2 shares	100.0%	100.0%	Project management
Chuang's Industrial (Holdings) Limited	Hong Kong	HK\$196,825,069 with 189,231,936 shares	100.0%	100.0%	Investment holding, hire of assets and trading of merchandises
Chuang's Properties (Central Plaza) Sdn. Bhd.	Malaysia	MYR5,000,000 with 5,000,000 shares	100.0%	100.0%	Property investment
@ Chuang's Properties International Limited	British Virgin Islands/ Hong Kong	US\$10 with 10 shares	100.0%	100.0%	Investment holding, property development and investment
Chuang's Properties Limited	Hong Kong	HK\$300,000,000 with 300,000,000 shares	100.0%	100.0%	Investment holding
Chuang's Properties Mongolia Limited	British Virgin Islands/ Mongolia	US\$1 with 1 share	100.0%	100.0%	Investment holding
Chuang's Properties Vietnam Limited	British Virgin Islands/ Vietnam	US\$10 with 10 shares	100.0%	100.0%	Investment holding

43 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2016	2015	
Chuang's Real Estate Agency Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Property agency services
Dongguan Chuang's Real Estate Development Company Limited	PRC	RMB135,420,000	56.0%	56.5%	Property development and investment
Dongguan Midas Printing Company Limited	PRC	RMB126,734,400	56.0%	60.8%	Property investment
Equity King Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Securities trading
Ever Favour Limited	Hong Kong	HK\$1 with 1 share	100.0%	100.0%	Property development and investment
Fanus Limited	British Virgin Islands/ Hong Kong	US\$100 with 100 shares	100.0%	100.0%	Investment holding
Fortune Wealth Memorial Park Limited	Hong Kong	HK\$10,000 with 1,000 shares	53.2%	53.2%	Investment holding
Fortune Wealth Memorial Park (Si Hui) Limited	PRC	HK\$45,700,000	50.7%	50.7%	Development and construction of cemetery and provision of related management services in the PRC
General Nominees Limited	Hong Kong	HK\$5,000 with 500 shares	100.0%	100.0%	Nominee and secretarial services
@ Gold Throne Finance Limited	British Virgin Islands/ Hong Kong	US\$1 with 1 share	100.0%	100.0%	Investment holding

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

43 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2016	2015	
Guangdong Boluo Yuanzhou Midas Printing Limited	PRC	US\$12,500,000	60.8%	60.8%	Book printing and binding
Guangzhou Chuang's Investment Services Limited	PRC	RMB39,000,000 (2015: RMB22,500,000)	56.0%	56.5%	Investment holding and property investment
Guangzhou Panyu Chuang's Real Estate Development Company Limited	PRC	RMB60,000,000	56.0%	56.5%	Property development and investment
[^] Hunan Han Ye Real Estate Development Company Limited	PRC	RMB25,000,000	30.2%	30.5%	Property development and investment
Income Holdings Limited	British Virgin Islands/ Hong Kong	US\$1 with 1 share	100.0%	100.0%	Investment holding
Island 37 Investment Limited (Formerly known as "Chuang's Finance & Investments Limited")	Hong Kong	HK\$1,100,000 with 110,000 shares	100.0%	100.0%	Property investment
Jannerson Limited	Hong Kong	HK\$5,000 with 5,000 shares	100.0%	100.0%	Property investment
Koledo Company Limited	Hong Kong	HK\$200 with 2 shares HK\$200 with 2 non- voting deferred shares	100.0%	100.0%	Property investment
Ladona Limited	British Virgin Islands/ Vietnam	US\$10 with 10 shares	100.0%	100.0%	Investment holding

43 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2016	2015	
Lever Printing Factory Limited	Hong Kong	HK\$500,000 with 3,500 ordinary shares and 1,500 founders' shares	60.8%	60.8%	Securities investment and trading
MD Limited	Hong Kong	HK\$1,000,000 with 1,000,000 shares	56.0%	56.5%	Securities investment and trading
Mega Well Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Hotel operation and property investment
* Midas International Holdings Limited	Cayman Islands/ Hong Kong	HK\$331,081,242 with 3,310,812,417 ordinary shares	60.8%	60.8%	Investment holding
Midas Printing International Limited	Hong Kong	HK\$7,000 with 7,000 shares	60.8%	60.8%	Trading of printed products
Mongolia Property Development LLC	Mongolia	US\$100,000 with 1,000 shares	100.0%	100.0%	Property development and investment
On Profit Investment Limited	Hong Kong	HK\$2 with 2 shares	56.0%	56.5%	Property development and investment
Option Success Limited	British Virgin Islands/ Mongolia	US\$1 with 1 share	100.0%	100.0%	Investment holding
@ Profit Stability Investments Limited	British Virgin Islands/ Hong Kong	US\$1 with 1 share	100.0%	100.0%	Investment holding

Notes to the Consolidated Financial Statements (Continued)
For the year ended 31st March, 2016

43 Principal subsidiaries (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2016	2015	
Rich Joint Limited	Hong Kong	HK\$1 with 1 share	56.0%	56.5%	Securities investment and trading
@ Sav Hospitality Limited	Hong Kong	HK\$1,000,000 with 1,000,000 shares	100.0%	100.0%	Hotel management
Silver Chase Investment Limited	Hong Kong	HK\$2 with 2 shares	56.0%	56.5%	Property development and investment
Silver Dragon Investment Limited	Hong Kong	HK\$2 with 2 shares	56.0%	56.5%	Property development and investment
Sintex Nylon and Cotton Products (Pte) Limited	Singapore	S\$850,000 with 8,500 shares	88.2%	88.2%	Manufacture and sale of home finishing products
Supreme Property Services Limited	Hong Kong	HK\$1,000 with 1,000 shares	100.0%	100.0%	Property management
Uniworld Property Management Limited	Hong Kong	HK\$2 with 2 shares	100.0%	100.0%	Property management
^ Xiamen Mingjia Binhai Resort Company Limited	PRC	RMB140,000,000	N/A (note 22)	33.6%	Property and hotel development and investment

* Listed in Hong Kong

@ Directly held by the Company

^ As at 31st March, 2016, these companies are subsidiaries of Chuang's China of which the Group holds 56.0% (2015: 56.5%) equity interest. Accordingly, these companies are classified as subsidiaries of the Group.

44 Principal associated companies

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group		Principal activities
			2016	2015	
[^] Best Peak Developments Limited	British Virgin Islands/ Hong Kong	US\$300 with 300 shares	18.6%	–	Manufacture of yacht
Marigondon Realty & Development Co., Inc.	Philippines	PHP6,000,000 with 6,000 shares	40.0%	40.0%	Hotel operation
Pacific Cebu Resort International, Inc.	Philippines	PHP70,000,000 with 70,000 shares	40.0%	40.0%	Hotel operation
[^] Treasure Auctioneer International Limited	British Virgin Islands/ Hong Kong	US\$1,000,000 with 1,000,000 shares	14.0%	14.1%	Auction services
[^] Versilcraft International Limited	Hong Kong	HK\$1 with 1 share	18.6%	56.5%	Manufacture of yacht

[^] As at 31st March, 2016, these companies are associated companies of Chuang's China of which the Group holds 56.0% (2015: 56.5%) equity interest. Accordingly, these companies are classified as associated companies of the Group.

Particulars of Principal Properties

The following list contains only properties held by the Group as at 31st March, 2016 which are material to the Group as the Directors are of the opinion that a complete list will be of excessive length.

1. Investment/Hotel properties

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

1. Investment/Hotel properties (Continued)

Location	Term	Usage	Group's interest
Malaysia			
Central Plaza, No. 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Lot no. 1262, Section 57, Kuala Lumpur, Federal Territory	Freehold	Commercial/Offices/ Carparking spaces	100.0%
Taiwan			
sáv Residence, Xinyi District, Taipei City	Freehold	Residential	100.0%
The People's Republic of China			
Commercial podium, Phase II, Chuang's Le Papillon, Guangzhou, Guangdong	Medium lease	Commercial	56.0%
Chuang's New City, Dongguan, Guangdong			
– Gold Coast: Club house	Medium lease	Commercial	56.0%
– Imperial Garden Phase I: Commercial podium	Medium lease	Commercial	56.0%
– Imperial Garden Phase III: Commercial podium	Medium lease	Commercial, works in progress	56.0%
Industrial property, Xiaobian Village, No. 64 Dezheng Middle Road, Changan, Dongguan, Guangdong	Medium lease	Industrial	56.0%
Units 01, 02, 03, 06 and 07, 38th Floor, R&F Yingkai Square, Zhujiang New Town, Guangzhou, Guangdong	Medium lease	Office	56.0%
6th Floor, Chengdu Digital Plaza, No. 1 Renmin South Road, Section 4, Wuhou District, Chengdu, Sichuan Province	Medium lease	Commercial	56.0%
Commercial podium, Chuang's Mid-town, Anshan, Liaoning	Medium lease	Commercial, works in progress	56.0%

Particulars of Principal Properties (Continued)

2. Property projects

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Hong Kong					
Parkes Residence, No. 101 Parkes Street, K.I.L. No. 1511, R.P.S.A., S.D., S.E., S.S.2.S.C., R.P.S.C. and S.B. of K.I.L. No. 1510	Completed	Completed	Residential/ Commercial	Site area – about 4,882 sq. ft. Saleable area – about 7,948 sq. ft.	100.0%
Villa 28 and Villa 30, Po Shan Road, I.L. No. 6070	Evaluation of tenders of site formation and foundation works in progress	N/A	Residential	Site area – about 10,000 sq. ft. Gross floor area – about 40,662 sq. ft.	50.0%
Yip Wong Road, Tuen Mun Town Lot No. 514, Tuen Mun, New Territories	Excavation and lateral support works in progress	2019	Residential/ Commercial	Site area – about 2,428 sq. m. Gross floor area – about 13,290 sq. m.	56.0%
Vietnam					
Greenview Garden, Thu Duc District, Ho Chi Minh City	Construction permit obtained	N/A	Residential/ Commercial	Site area – about 20,300 sq. m. Gross floor area – about 94,000 sq. m.	100.0%

2. Property projects (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Mongolia					
International Finance Centre, Sukhbaatar District, Ulaanbaatar	Site formation and foundation works completed	N/A	Commercial/ Offices	Site area – about 3,272 sq. m. Gross floor area – estimated to be about 40,000 sq. m.	100.0%
The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar					
– First tower	Internal and external finishing works in progress	First quarter of 2017	Residential/ Commercial	Site area – about 3,600 sq. m. Gross floor area – about 19,000 sq. m.	53.0%
The People's Republic of China					
Chuang's Le Papillon, Guangzhou, Guangdong					
– Phase I and II: Block A to N	Completed	Completed	Residential/ Commercial	Site area – about 119,721 sq. m. Gross floor area – about 5,442 sq. m. (and 1,039 carparking spaces)	56.0%
Block P	Completed	Completed	Residential	Site area – about 3,309 sq. m. Gross floor area – about 6,987 sq. m.	56.0%
– Phase III:	Preparatory works	N/A	Comprehensive development area	Site area – about 33,200 sq. m. Gross floor area – about 54,000 sq. m.	56.0%
– Remaining:	Strategic planning stage	N/A	Comprehensive development area (subject to approvals)	Site area – about 60,276 sq. m.	56.0%

Particulars of Principal Properties (Continued)

2. Property projects (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
The People's Republic of China (Continued)					
Imperial Garden, Chuang's New City, Dongguan, Guangdong					
- Phase I and II: Block 1 to 14	Completed	Completed	Residential	Site area – about 33,275 sq. m. Gross floor area – about 7,291 sq. m. (and 73 carparking spaces)	56.0%
- Phase III: Block 29 to 31	Superstructure works completed	End of 2016	Residential/ Commercial	Site area – about 6,610 sq. m. Gross floor area – about 40,344 sq. m. (and 157 carparking spaces)	56.0%
- Phase IV: Block 15 to 20	Foundation works substantially completed	N/A	Residential	Site area – about 26,213 sq. m. Gross floor area – about 83,000 sq. m.	56.0%
- Remaining: Block 21 to 55 (excluding Block 29 to 31)	Planning stage	N/A	Comprehensive development area	Site area – about 125,753 sq. m. Gross floor area – about 234,000 sq. m.	56.0%

2. Property projects (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
The People's Republic of China (Continued)					
Chuang's Mid-town, Anshan, Liaoning	Internal and external finishing works in progress	2016–2017	Comprehensive development area	Site area – about 11,000 sq. m. Gross floor area – about 100,000 sq. m.	56.0%
Chuang's Plaza, Anshan, Liaoning	Master planning in progress	N/A	Comprehensive development area	Site area – about 39,500 sq. m. Gross floor area – about 390,000 sq. m.	56.0%
Phase I, Beverly Hills, Changsha, Hunan	Completed	Completed	Residential	Site area – about 95,948 sq. m. Gross floor area – about 18,400 sq. m.	30.2%
	Superstructure works completed	N/A	Commercial/Hotel	Gross floor area – about 11,600 sq. m.	30.2%
Xiamen Mingjia Hotel, Xiamen, Fujian	Interior renovation works completed	Completed	Resort and villa	Site area – about 27,574 sq. m. Gross floor area – about 18,000 sq. m.	33.3%

Summary of Financial Information

Results

	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000	2016 HK\$'000
Revenues	2,207,128	1,100,345	1,389,053	1,521,709	1,869,172
Profit attributable to equity holders	901,313	1,147,641	468,530	502,952	597,759
Earnings per share (HK cents)	57.07	70.88	27.71	29.17	34.51
Dividend per share (HK cents)					
Interim	2.00	2.00	2.00	2.00	2.00
Final	3.50	3.00	3.00	3.00	3.00
Total	5.50	5.00	5.00	5.00	5.00

Assets and liabilities

	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000	2016 HK\$'000
Non-current assets	6,372,086	7,719,567	8,679,319	9,387,831	10,226,734
Current assets	4,883,002	5,138,575	5,580,216	5,504,908	5,237,236
Total assets	11,255,088	12,858,142	14,259,535	14,892,739	15,463,970
Total liabilities	(3,536,371)	(4,014,780)	(4,988,381)	(5,161,742)	(5,411,552)
Non-controlling interests	(1,477,061)	(1,465,272)	(1,478,027)	(1,526,873)	(1,437,706)
Shareholders' funds	6,241,656	7,378,090	7,793,127	8,204,124	8,614,712
Net asset value per share (HK\$)	3.92	4.39	4.53	4.73	5.09

Net debt to equity ratio

	2012 HK\$'M	2013 HK\$'M	2014 HK\$'M	2015 HK\$'M	2016 HK\$'M
Cash and bank balances and investments held for trading	2,220.7	2,081.3 [#]	2,454.6 [#]	2,113.1 [#]	2,175.0[#]
Bank borrowings	2,335.7	2,557.8	3,252.3	3,700.8	3,971.1
Net debt to equity ratio (%)	1.8	6.5	10.2	19.4	20.8

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of Chuang's Consortium International Limited (the "Company") will be held at Chater Room, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Wednesday, 31st August, 2016 at 12:00 noon for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and the auditor for the year ended 31st March, 2016.
2. To declare a final dividend.
3.
 - (a) To re-elect Mr. Alan Chuang Shaw Swee as an executive Director;
 - (b) To re-elect Mr. Chong Ka Fung as an executive Director;
 - (c) To re-elect Mr. Yau Chi Ming as an independent non-executive Director;
 - (d) To re-elect Mr. David Chu Yu Lin as an independent non-executive Director;
 - (e) To authorize the board of Directors to fix the remuneration of the Directors.
4. To re-appoint PricewaterhouseCoopers as the auditor and to authorize the board of Directors to fix its remuneration.
5. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

Ordinary Resolutions

(A) **"THAT:**

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

Notice of Annual General Meeting (Continued)

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

- (B) “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares of the Company and to make or grant offers, agreements, options and other rights, or issue warrants and other securities, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and other rights, and issue warrants and other securities, which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate number of Shares allotted or to be allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:
 - (i) a Rights Issue (as defined below); or
 - (ii) the exercise of any option under any option scheme of the Company; or
 - (iii) an issue of Shares upon exercise of the subscription or conversion rights attaching to or under the terms of any warrants of the Company; or
 - (iv) any scrip dividend or similar arrangement in accordance with the Bye-laws of the Company; or
 - (v) a specific authority granted by the shareholders of the Company in general meeting,shall not in aggregate exceed 20 per cent. of the number of the issued Shares of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

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

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

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

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

6. To transact any other business.

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

Hong Kong, 29th July, 2016

Notice of Annual General Meeting (Continued)

Notes:

1. Any member entitled to attend and vote at the annual general meeting of the Company (the "AGM") is entitled to appoint one or more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
3. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 25th August, 2016 to Wednesday, 31st August, 2016, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 24th August, 2016.
4. The board of Directors has recommended a final dividend of 3.0 HK cents per share.
5. The proposed final dividend is subject to the approval of the shareholders at the AGM. The record date for entitlement to the proposed final dividend is Tuesday, 13th September, 2016. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 7th September, 2016 to Tuesday, 13th September, 2016, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 6th September, 2016.
6. Concerning Resolutions numbered 3 and 5 above, the information necessary to enable the shareholders to make decisions on whether to vote for or against the Resolutions, as required by the Listing Rules, will be set out in a separate document from the Company to be enclosed with the 2016 Annual Report.

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www.chuangs-consortium.com

Stock Code: 367