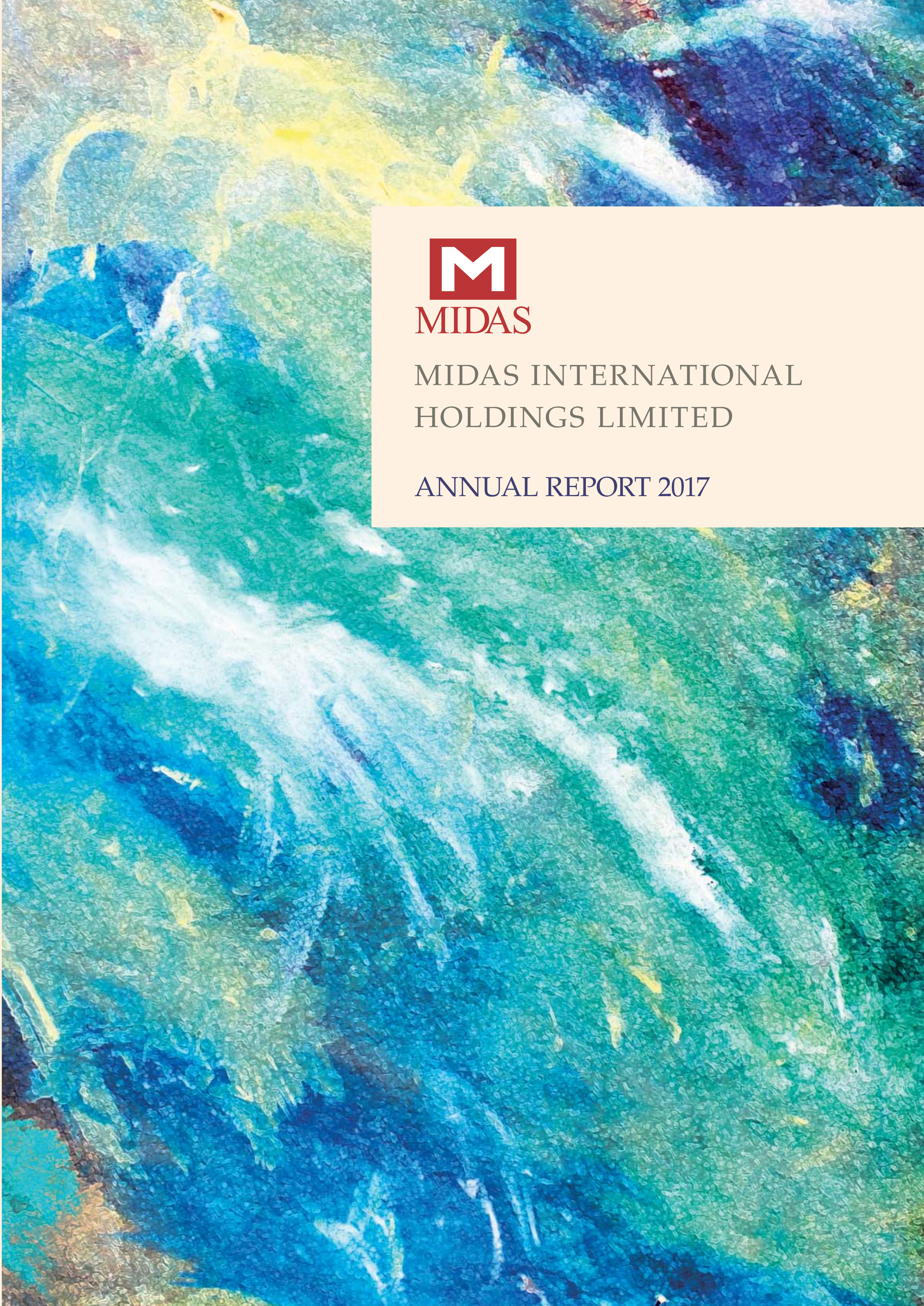


MIDAS

MIDAS INTERNATIONAL HOLDINGS LIMITED

ANNUAL REPORT 2017

Contents

Chairman's Statement

Financial Results

The board of Directors (the "Board") announces that the audited profit attributable to ordinary shareholders of the Company for the year ended 31st March, 2017 amounted to HK$50.4 million (2016: HK$93.1 million). Earnings per ordinary share was 1.52 HK cents (2016: 2.82 HK cents).

Management Discussion on Results for the Year Ended 31st March, 2017

Financial Review

The principal activities of the Group were printing business, property business, securities investment and trading business and information technology business. Printing business comprised of manufacture and sale of printed products including art books, packaging boxes and children's books while property business focused on the property investment in Hong Kong and the People's Republic of China (the "PRC").

For the year ended 31st March, 2017, revenues and net gain of the Group amounted to HK$197.6 million (2016: HK$233.7 million), representing a decrease of 15.4% compared to that of the last year. This was mainly due to the decrease in the sales of printed products. Revenues and net gain of the Group comprised revenues from printing business of HK$186.0 million (2016: HK$225.2 million), revenues from rental of investment property of HK$1.0 million (2016: HK$0.04 million), and revenues and net gain from securities investment and trading business of HK$10.6 million (2016: HK$8.5 million).

Despite the decrease in revenues of the printing segment, tighter cost control and improvement in printing production efficiency contributed to the increase in the Group's gross profit. As a result, gross profit during the year increased to HK$64.3 million (2016: HK$55.0 million), representing an increase of 16.9% compared to that of the last year. Gross profit margin improved to 32.6% (2016: 23.6%). Other income and net gain decreased to HK$8.3 million (2016: HK$121.1 million). For the year ended 31st March, 2016, other income and net gain included a gain of HK$108.7 million resulted from disposal of a subsidiary engaged in holding of a property located in Changan, Dongguan, the PRC. A breakdown of other income and net gain is shown in note 7 to the consolidated financial statements of this report. Furthermore, the Group also recorded an upward revaluation surplus of HK$4.0 million (2016: nil) for its investment properties, reflecting the improvement in property prices in Hong Kong during the year.

On the costs side, selling and marketing expenses decreased to HK$13.1 million (2016: HK$15.0 million) while administrative and other operating expenses decreased to HK$53.8 million (2016: HK$63.1 million) mainly due to effective cost control. Finance costs decreased to HK$1.1 million (2016: HK$2.8 million) mainly due to the reduction in the level of bank borrowings during the year.

During the year, the Group disposed of the cemetery operation and as a result, the profit from the cemetery operation of HK$42.0 million (comprising a net gain of HK$42.2 million on disposal and a net loss of HK$0.2 million on operation) was classified under profit from discontinued operation.

Taking all the above into account, profit attributable to equity holders of the Company amounted to HK$50.4 million (2016: HK$93.1 million). Earnings per share was 1.52 HK cents (2016: 2.82 HK cents).

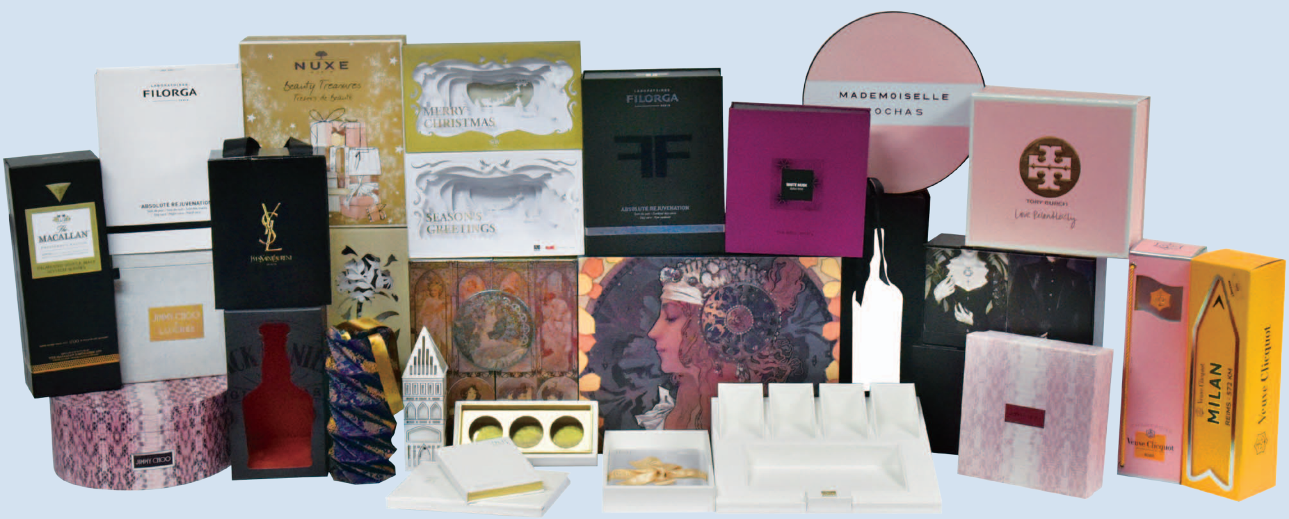
Dividend

The Board has resolved not to recommend the payment of a final dividend for the year (2016: nil). No interim dividend was paid during the year (2016: nil). On 19th April, 2017, the Board declared a special dividend of 1.0 HK cent per share amounting to HK$33.1 million and was paid on 26th May, 2017.

Business Review

(A) Printing Business

The Group started an aggressive sales approach in the middle of 2016 and broadened its marketing and sales effort extensively. Despite a push of sales effort late in the year, the revenues of printing business during the year amounted to HK$186.0 million, representing a decrease of 17.4% compared to that of the last year. It is true that there are external factors such as uncertainty of economic outlook and the general trend of moving printing back to Europe hindering the Group's business growth.



Paper Products

In order to cope with this adverse market condition, the Group is focusing its efforts not only on improving relationships with our core customers but is reaching out to a broader range of customers across the paper product spectrum. The Group has gained substantial interest from new customer base especially with the establishment of our newly created design group which is capable of graphic, product and paper structure design. In terms of cooperation, the Group is looking to strengthen and expand sales channel by developing new product idea with various players globally.

In the cost aspects, throughout the year, a tremendous amount of effort has been put forth to lay the foundations going forward. The Group has completed extensive production data analysis and machinery feasibility studies to identify ways to significantly lower cost and improve efficiency. As a result, there had been significant reduction in labour while maintaining capacity. All these measures contributed to reduction in production costs and administrative expenses, and despite reduction in revenues, the profit contribution for the year of printing segment amounted to HK$0.5 million as compared to the loss of HK$15.5 million (net of a one-off gain of HK$108.7 million from the disposal of a subsidiary) in the last year. Moreover, a complete computer system overhaul is underway and we expect the resulting system will facilitate managers at all levels to make faster and better decisions so as to achieve further cost reduction.

(B) Property Business

The Group owns a property located at Shop D, Ground Floor, Wuhu Residence, No.111 Wuhu Street, Hunghom, Kowloon as a long term investment. The property is for commercial use and has a total gross area of about 1,588 sq. ft.. The property is leased to a third party with the tenancy agreement expiring in August 2018. During this financial year, the Group recorded a rental income of about HK$1.0 million and an upward revaluation surplus of HK$4.0 million from this property.

During the year, the Group operated a cemetery — "Fortune Wealth Memorial Park" in Sihui, Guangdong, the PRC and recorded revenues of HK$17.6 million (2016: HK$22.3 million). In order to enable the management of the Group to deploy more resources towards its printing business and properties that generate stable and recurrent income, the Group has, in March 2017, completed the disposal of the cemetery operation to its fellow subsidiary, Chuang's China Investments Limited ("Chuang's China"), for a consideration of RMB398.0 million (equivalent to approximately HK$449.3 million). Upon completion, the Group received cash consideration of RMB174.0 million (equivalent to approximately HK$196.4 million) and the investment properties located in Chengdu and Guangzhou, the PRC with total valuation of RMB124.0 million (equivalent to approximately HK$140.0 million). As to the remaining RMB100.0 million (equivalent to approximately HK$112.9 million), Chuang's China will pay to the Group a combination of cash and/or a maximum of 40 villas in Changsha, the PRC within 3 years. During this period, Chuang's China will pay to the Group semi-annually an interest of 2% per annum on the amount of RMB100.0 million.

The property located in Chengdu is a commercial premises at 6th Floor, Chengdu Digital Plaza, No. 1 Renmin South Road Fourth Portion, Wuhou District, Chengdu, Sichuan Province, the PRC with a gross area of approximately 4,255 sq. m. and is currently leased to a third party for a monthly rent of RMB260,000. Such monthly rent will be increased to RMB273,000 in October 2017 and RMB286,650 in October 2018. The lease will expire in September 2019.

The property located in Guangzhou comprises five commercial units in R&F Yingkai Square, No. 16 Huaxia Road, Tianhe District, Guangzhou, Guangdong Province, the PRC with a total gross area of approximately 895 sq. m. and is currently leased to a third party for a monthly rent of RMB180,441. The lease will expire in May 2018.

In order to further expand the investment property portfolio, in May 2017, the Group acquired a property located at Shop B, Ground Floor, Wuhu Residence, No.111 Wuhu Street, Hunghom, Kowloon. The property is for commercial use and has a total gross area of about 1,247 sq. ft.. The property is leased to a third party with the tenancy agreement expiring in February 2019. Annual rental of this property amounted to about HK$1.0 million.

All the above investment properties are expected to contribute an aggregate annual rental income of approximately HK$8.1 million to the Group for the financial year 2017/18. Along with the existing strategy of the Group, the Group will continue to look for opportunities to acquire further investment properties with a view to strengthen its properties portfolio so as to further enhance its recurrent income and benefit from the long term capital appreciation in values of these investment properties.

(C) Securities Investment and Trading Business

As at 31st March, 2017, investments of the Group, classified in accordance with Hong Kong Financial Reporting Standards under current assets as "financial assets at fair value through profit or loss", amounted to HK$112.1 million, comprised of quoted high yield bonds. The Group may continue to make further investments of its surplus cash in the bond market as it considers appropriate as part of its treasury operation. Revenues and net gain generated from this business activity during the year amounted to about HK$10.6 million, with details as follows:

Issuer of senior notes	**Shimao Property Holdings Limited**	**Country Garden Holdings Company Limited**
Principal activities	Property development, property investment and hotel operation	Property development, construction, fitting and decoration, property investment, property management and hotel operation
Face value of bonds held	US$8.0 million	US$5.0 million
Market value as at 31st March, 2017	HK$70.2 million	HK$41.9 million
Fair value gain for the year	HK$1.1 million	HK$1.4 million
Interest income for the year	HK$5.2 million	HK$2.9 million
Percentage of market value to net assets as at 31st March, 2017	11.0%	6.5%

(D) Information Technology Business

Leveraging on the Group's experience in the information technology business and the substantial growth potential in such business, the 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 Group.

Financial Position

Financial resources

As at 31st March, 2017, cash and bank balances of the Group amounted to HK$279.8 million (2016: HK$43.1 million) whereas bank borrowings as at the same date amounted to HK$60.5 million (2016: HK$10.5 million). The debt to equity ratio (calculated as a percentage of bank borrowings over net asset value attributable to equity holders of the Company) amounted to 9.4% (2016: 1.7%). Approximately 97.0% of the Group's cash and bank balances were denominated in Hong Kong dollar and United States dollar, 2.9% were in Renminbi and the balance of 0.1% were in other currencies. Approximately 87.5% of the Group's bank borrowings were denominated in Hong Kong dollar, 11.7% were in United States dollar and the balance of 0.8% were in Euro. Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 59.6% of the Group's bank borrowings were repayable within the first year, 2.6% were repayable within the second year and the remaining balance of 37.8% were repayable within the third to fifth years.

Net asset value

Net asset value attributable to equity holders of the Company as at 31st March, 2017 amounted to HK$642.3 million (2016: HK$634.5 million), equivalent to about HK$0.194 (2016: HK$0.192) per share.

Foreign exchange risk

For the Group's printing business, the income is mainly denominated in United States dollar and thus the exchange exposure is minimal. The major cost items are denominated in Renminbi and thus the Group is exposed to Renminbi's exchange risk. For the Group's property business in the PRC, the income and the major cost items are denominated in Renminbi. Therefore, it is expected that any fluctuation of Renminbi's exchange rate would not have material effect on such activities 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 in Renminbi. The Group would closely monitor these risk exposures from time to time.

Prospects

This fiscal year has been a purposeful year for the Group's printing business. This marks the first profit making year for an extended period of losses. Going into 2017, the Group continues to invest in latest machineries to compete, lower labour dependency, innovate in areas of automation and use available technologies and software to better manage the factory resources and operation. In addition to technology enhancement, in a competitive printing industry, the Group continues to create value added services to differentiate it from pure manufacturing. This year serves as a foundation of future progress and the Group is optimistic that despite all the challenges externally and within, the printing business will continue to grow.

In order to enhance its recurrent income base, in addition to investing in the bond market, the Group will continue to expand its investment properties portfolio. The Group will continue to look for suitable investment opportunities in the property sector with a view to increase stable rental income and the shareholders' value of the Group in the medium to long term.

Staff

As at 31st March, 2017, the Group, including its subcontracting processing plants, employed approximately 743 staff and workers, with their remuneration normally reviewed annually. The Group also provides its staff with other benefits including year-end double-pay, 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 express my heartfelt thanks to all management and staff for their dedicated contribution. With the support of my colleagues, I am confident that we can look ahead and continue to maximize our resources to bring the greatest reward to our shareholders.

Richard Hung Ting Ho
Chairman

Hong Kong, 23rd June, 2017

Corporate
Information

Honorary Chairman	Mr. Alan Chuang Shaw Swee
Board of Directors	**Executive Directors** Mr. Richard Hung Ting Ho *(Chairman)* Mrs. Candy Kotewall Chuang Ka Wai *(Vice Chairman)* Mr. Geoffrey Chuang Ka Kam *(Managing Director)* Mr. Neville Charles Kotewall# Mr. Wong Chi Sing **Non-Executive Director** Mr. Dominic Lai **Independent Non-Executive Directors** Mr. Abraham Shek Lai Him, G.B.S., J.P. Dr. Eddy Li Sau Hung, B.B.S., J.P. Mr. Yau Chi Ming
Audit Committee	Mr. Abraham Shek Lai Him*, G.B.S., J.P. Dr. Eddy Li Sau Hung, B.B.S., J.P. Mr. Yau Chi Ming Mr. Dominic Lai
Nomination Committee	Mr. Abraham Shek Lai Him*, G.B.S., J.P. Dr. Eddy Li Sau Hung, B.B.S., J.P. Mr. Dominic Lai
Remuneration Committee	Mr. Yau Chi Ming* Mr. Abraham Shek Lai Him, G.B.S., J.P. Mr. Dominic Lai
Corporate Governance Committee	Mr. Richard Hung Ting Ho* Mrs. Candy Kotewall Chuang Ka Wai Mr. Geoffrey Chuang Ka Kam
Company Secretary	Ms. Lee Wai Ching
Auditor	PricewaterhouseCoopers 22nd Floor Prince's Building 10 Chater Road Central Hong Kong

Appointed on 26th June, 2017

* *Chairman of the relevant committee*

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

25th Floor, Alexandra House
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Central
Hong Kong
Website: http://www.midasprinting.com

Other Office in the People's Republic of China (the "PRC")

Guangdong Boluo Yuanzhou Midas Printing Limited
Boluo Yuanzhou Town Xianan Administration District
Huizhou
Guangdong
The PRC

Registrars

Principal Registrar
Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Registrar in Hong Kong
Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Principal Bankers	The Hongkong and Shanghai Banking Corporation Limited Hang Seng Bank Limited Bank of China (Hong Kong) Limited
Stock Code	1172

Biographical
Details of Honorary
Chairman and Directors

Honorary Chairman

Mr. Alan Chuang Shaw Swee, aged 65, has been the consultant of the Group since 2002 and was appointed as the Honorary Chairman of the Company in February 2008. Mr. Chuang is the chairman of Chuang's Consortium International Limited ("CCIL", the controlling shareholder of the Company) and the honorary chairman of Chuang's China Investments Limited ("Chuang's China"), both are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He 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 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 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..

Executive Directors

Mr. Richard Hung Ting Ho, aged 63, the Chairman of the Group, is responsible for the overall strategic direction and management of the Group. He has more than 38 years of experience in corporate development and general administration. He is an executive director of CCIL. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Institute of Chartered Secretaries. He joined the Group in 2007. He is currently a non-executive director of CNT Group Limited, a company listed on the Stock Exchange.

Mrs. Candy Kotewall Chuang Ka Wai, aged 35, the Vice Chairman of the Group, is assisting the Chairman in the overall strategic planning and direction of the Group. She has over 13 years of experience in general management, marketing and property business. She is an executive director of CCIL and the chairman of Treasure Auctioneer International Limited. Ms. Chuang is the daughter of Mr. Alan Chuang Shaw Swee, the sister of Mr. Geoffrey Chuang Ka Kam, the Managing Director of the Company, and the spouse of Mr. Neville Charles Kotewall. 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. She joined the Group in 2010.

Mr. Geoffrey Chuang Ka Kam, aged 29, the Managing Director of the Group, is responsible for the overall day-to-day business operations of the Group. He has 8 years of experience in financial and general management. He holds a Bachelor degree of Arts with major in economics. Mr. Chuang is the son of Mr. Alan Chuang Shaw Swee, the brother of Mrs. Candy Kotewall Chuang Ka Wai, the Vice Chairman of the Company and the brother-in-law of Mr. Neville Charles Kotewall. He joined the Group in 2011.

Mr. Neville Charles Kotewall, aged 36, is responsible for the printing business and information technology division of the Group. Mr. Kotewall has about 6 years of experience in asset management, wealth management and corporate and investment banking. He also has experiences in managing entrepreneurial ventures in the information technology, beverage, music and real estate industries. He holds a Bachelor of Science degree in Information Systems from Carnegie Mellon University and also a Master of Science degree in Investment Management from the Hong Kong University of Science and Technology. Mr. Kotewall is the spouse of Mrs. Candy Kotewall Chuang Ka Wai, the brother-in-law of Mr. Geoffrey Chuang Ka Kam and the son-in-law of Mr. Alan Chuang Shaw Swee. Mr. Kotewall joined the Group in 2016.

Mr. Wong Chi Sing, aged 46, is responsible for the corporate finance, treasury and internal audit functions of the Group. He has over 23 years of experience in finance, accounting and auditing. He holds a Bachelor degree in Business Administration and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in 2004.

Non-Executive Director

Mr. Dominic Lai, aged 70, was an Independent Non-Executive Director of the Company from 20th March, 2000 until his re-designation as a Non-Executive Director of the Company on 5th August, 2004. He is a practising solicitor in Hong Kong and is admitted as a solicitor in England and Wales, the Republic of Singapore and the States of New South Wales and Victoria, Australia. Mr. Lai is currently a non-executive director of NWS Holdings Limited and Oriental Press Group Limited, both are listed on the Stock Exchange.

Independent Non-Executive Directors

Mr. Abraham Shek Lai Him, G.B.S., J.P., aged 72, was appointed as an Independent Non-Executive Director of the Company in 2001. 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, a non-executive director of the Mandatory Provident Fund Scheme Authority of Hong Kong and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. 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 CCIL, Paliburg Holdings Limited, Lifestyle International Holdings Limited, NWS Holdings 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 Goldin Financial Holdings 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.

Dr. Eddy Li Sau Hung, B.B.S., J.P., aged 62, was appointed as an Independent Non-Executive Director of the Company in 2004. He has over 32 years of experience in the manufacturing business. He is a member of the National Committee of The Chinese People's Political Consultative Conference, the president of the Chinese Manufacturers' Association of Hong Kong and the president of Hong Kong Economic & Trade Association. Dr. Li holds a Master degree in Business Administration and a Ph.D. degree in Economics. He was the 1991 awardee of The Ten Outstanding Young Persons and the 1993 awardee of Young Industrialists of Hong Kong. He is currently an independent non-executive director of Oriental Watch Holdings Limited and Man Yue Technology Holdings Limited, both are listed on the Stock Exchange.

Mr. Yau Chi Ming, aged 63, was appointed as an Independent Non-Executive Director of the Company in 2004. He is a practising certified public accountant in Hong Kong with over 32 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. Mr. Yau is an independent non-executive director of CCIL.

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.

Report on Corporate Governance Practices (continued)

(A) The Board (continued)

(i) Board composition

The Board comprises 4 Executive Directors, 1 Non-Executive Director and 3 Independent Non-Executive Directors as at the date of this report:

Name	Position
Mr. Richard Hung Ting Ho ("Mr. Richard Hung")	Chairman
Mrs. Candy Kotewall Chuang Ka Wai ("Ms. Candy Chuang")*	Vice Chairman
Mr. Geoffrey Chuang Ka Kam ("Mr. Geoffrey Chuang")*	Managing Director
Mr. Wong Chi Sing	Executive Director
Mr. Dominic Lai	Non-Executive Director
Mr. Abraham Shek Lai Him ("Mr. Abraham Shek")	Independent Non-Executive Director
Dr. Eddy Li Sau Hung ("Dr. Eddy Li")	Independent Non-Executive Director
Mr. Yau Chi Ming	Independent Non-Executive Director

* *Ms. Candy Chuang is the sister of Mr. Geoffrey Chuang*

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 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 Honorary Chairman and Directors" of this annual report.

(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 (including Non-Executive Director) is subject to retirement by rotation at least once every three years. All Non-Executive and Independent Non-Executive Directors are appointed for a term of three years, subject to retirement by rotation as aforesaid.

Report on Corporate Governance Practices (continued)

(A) The Board (continued)

(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 two Independent Non-Executive Directors, Mr. Abraham Shek and Dr. Eddy Li and a Non-Executive Director, Mr. Dominic Lai. 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 *(note)*	1/1
Dr. Eddy Li	1/1
Mr. Dominic Lai	1/1

note: Chairman of the Nomination Committee

(iv) Board meetings

The Board held five 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 and the Managing Director established the agenda for each Board meeting. Other Directors had been invited to include items in the agenda. Minutes of Board meetings were kept in sufficient details to reflect the decisions made in the relevant meetings.

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

Name	Position	No. of meetings attended/held
Mr. Richard Hung	Chairman	5/5
Ms. Candy Chuang	Vice Chairman	5/5
Mr. Geoffrey Chuang	Managing Director	5/5
Mr. Wong Chi Sing	Executive Director	5/5
Mr. Dominic Lai	Non-Executive Director	5/5
Mr. Abraham Shek	Independent Non-Executive Director	5/5
Dr. Eddy Li	Independent Non-Executive Director	5/5
Mr. Yau Chi Ming	Independent Non-Executive Director	5/5

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. Richard Hung is the Chairman and Mr. Geoffrey Chuang, the Managing Director, is the Chief Executive Officer.

(vi) Responsibilities of Directors

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

Report on Corporate Governance Practices (continued)

(A) The Board (continued)

(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.

During the year, the Company has 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 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. Richard Hung	✓	✓	✓
Ms. Candy Chuang	✓	✓	✓
Mr. Geoffrey Chuang	✓	✓	✓
Mr. Wong Chi Sing	✓	✓	✓
Mr. Dominic Lai	✓	✓	✓
Mr. Abraham Shek	✓	✓	✓
Dr. Eddy Li	✓	✓	✓
Mr. Yau Chi Ming	✓	✓	✓

(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 Non-Executive Directors

Each Non-Executive Director of the Company received an annual fee of HK$80,000. In determining such fee, the Board has taken into account the current market conditions. Such fee is also subject to shareholders' approval in annual general meetings.

(iii) Remuneration Committee

A Remuneration Committee was established 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 two Independent Non-Executive Directors, Mr. Yau Chi Ming and Mr. Abraham Shek and a Non-Executive Director, Mr. Dominic Lai. 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. Yau Chi Ming *(note)*	1/1
Mr. Abraham Shek	1/1
Mr. Dominic Lai	1/1

note: Chairman of the Remuneration Committee

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 58 to 67 of this annual report.

(ii) Risk management and internal control

(a) Responsibilities of the Board and management

The Board acknowledges that it is responsible for maintaining an appropriate and effective risk management and internal control systems in the Group and reviewing the systems effectiveness to safeguard the Group's assets and shareholders' interests. These risk management and internal control systems can only reasonably, but do not absolutely ensure the non-occurrence of material misstatement, significant loss, error or fraud and they are designed to manage, rather than eliminate the risk of failure in the Group's operational systems to achieve its business objectives.

Management of the Company is responsible for designing, implementing and monitoring the risk management and internal control systems; and providing confirmation to the Audit Committee on the systems effectiveness through the completion of controls self-assessment on key business processes in the Group.

(b) Risk Management

To provide sound and effective risk management, the Board has established an enterprise risk management framework which includes the following key features:

◦ Risk Governance Structure

The Group's risk governance structure comprises of day-to-day operational management and control, risk and compliance oversight, and independent assurance. The Group has developed a risk management policy which outlines the principles and procedures for the Group to manage its risks and also clearly defines roles and responsibilities of each of the multiple layers of the structure, including the Board, the Audit Committee, department heads, staff at operational levels and the internal audit, in order to achieve the Group's strategic and operational goals and objectives.

(C) Accountability and audit (continued)

(ii) Risk management and internal control (continued)

(b) Risk Management (continued)

◦ Risk Management Process

A robust risk management process is developed to identify, evaluate and manage significant risks. The risk management process includes the following elements:

- Risk identification — Identify the risks faced by the Group.

- Risk assessment and prioritization — Analyze the identified risks based on two dimensions: potential impact and likelihood of occurrence; prioritize key risks and confirm top risks.

- Risk treatment — Select an appropriate risk treatment and develop the relevant risk management strategies for identified key risks.

- Control activities — Controls must be designed, evaluated and implemented on the identified risks.

- Risk monitoring — Perform ongoing and periodic monitoring of risks to ensure the risk management strategies are operating effectively.

- Risk reporting — Consolidate the results from the risk assessment; establish detailed action plan; and report to management and the Audit Committee in a timely manner.

The Group maintains a risk register, which includes information of key enterprise-level risks, their potential consequences, likelihood, impact and overall risk rating. Risk owners will execute risk mitigation actions and respond to their assigned risks in the risk register based on the Board's risk tolerance. On an annual basis, the risks in the risk register are re-evaluated, with consideration of potential new or emerging risks. Also, depending on changes in circumstances and the external environment, risk tolerances and risk responses are adjusted accordingly.

(c) Internal Control

The Group has implemented an internal control system in accordance with an integrated internal control framework established by the COSO (Committee of Sponsoring Organizations of the Treadway Commission), which comprises five main features and principal components of internal control: the control environment, risk assessment, control activities, information and communication, and monitoring activities.

Report on Corporate Governance Practices (continued)

(C) Accountability and audit (continued)

(ii) Risk management and internal control (continued)

(c) Internal Control (continued)

The Group has an internal audit function and has engaged a professional internal control consultant to perform independent reviews of key business processes in the Group under a co-sourcing arrangement. The Internal Audit Department used a risk-based approach to derive an internal audit plan and it is approved by the Audit Committee on an annual basis to assess the adequacy, effectiveness, efficiency and reliability of internal control procedures over financial, operational and compliance activities of the Group. The results of the independent reviews together with the recommended remedial actions, in the form of internal audit reports, are submitted to the Audit Committee and management on a regular basis. Follow-up reviews are performed to ensure that all identified issues have been resolved satisfactorily.

The Head of the Internal Audit Department reports directly to the Audit Committee. During the year, the Internal Audit Department conducted reviews and reported the status of implementation of follow-up actions on control deficiencies. Relevant recommendations reported by the Internal Audit Department will be implemented by management to enhance the Group's internal control policies, procedures and practices, and to resolve material internal control deficiencies in a timely manner.

The Group has also developed an Inside Information Disclosure Policy and internal controls for the handling and dissemination of inside information to ensure consistent and timely disclosure, and fulfilment of the Group's disclosure obligations. The Group has also established and implemented procedures to guide its staff on how to report, escalate and handle inside information, and strictly prohibit them from any unauthorized use of inside information.

(d) Review of Systems Effectiveness

Through the Audit Committee, the Board had conducted an annual review of the effectiveness and adequacy of the risk management and internal control systems by reviewing the work performed by the Internal Audit Department and the controls self-assessment on key business processes performed by management for the year ended 31st March, 2017. The review covered all material controls, including financial, operational and compliance controls, and risk management functions. The scope and quality of ongoing monitoring of risks and the internal control systems have been assessed. The changes in the nature and extent of significant risks faced by the Group and response plans have been evaluated. The Board considered that the risk management and internal control systems are functioning effectively and adequately.

During the review, the Board also assessed and was satisfied with the adequacy of the resources, staff qualification and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions. Qualified personnel throughout the Group maintains and monitors these internal control procedures on an ongoing basis.

The Board is satisfied that the Group has fully complied with the code provisions C.2 on risk management and internal control set out in the CG Code as set forth in the Appendix 14 of the Listing Rules for the year ended 31st March, 2017.

(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 Group's financial reporting process and its risk management and internal control, and review the relationship with the auditor. The Audit Committee held four meetings during the year under review in accordance with the relevant requirements, and reviewed with the Directors and the auditor the accounting principles and practices adopted by the Group, the risk management and internal control and financial reporting process and the Group's consolidated financial statements for the year ended 31st March, 2017. The current members of the Audit Committee are three Independent Non-Executive Directors, Mr. Abraham Shek, Dr. Eddy Li and Mr. Yau Chi Ming and a Non-Executive Director, Mr. Dominic Lai.

The attendance record of each committee member is as follows:

Name	**No. of meetings attended/held**
Mr. Abraham Shek *(note)*	4/4
Dr. Eddy Li	4/4
Mr. Yau Chi Ming	4/4
Mr. Dominic Lai	4/4

note: 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	**1,650**
Non-audit services	**2,620**
	4,270

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 the 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 recommendation to the Board for any disclosure requirement or actions required. The CG Committee comprises three Executive Directors, Mr. Richard Hung, Ms. Candy Chuang and Mr. Geoffrey Chuang.

The committee met twice during the year to review the corporate governance matters of the Company to ensure that the Company had 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. Richard Hung *(note)*	2/2
Ms. Candy Chuang	2/2
Mr. Geoffrey Chuang	2/2

note: Chairman of the CG Committee

(F) Communication with shareholders

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

(i) General meetings

The Board regards general meetings as the principal opportunity to meet shareholders of the Company. With the exception of two Independent Non-Executive Directors who had not attended the extraordinary general meeting of the Company ("16/17 EGM") due to other commitments, all other Directors attended the annual general meeting of the Company held on 25th August, 2016 (the "2016 AGM") and the 16/17 EGM to answer questions raised by shareholders.

The attendance records of each Director in the 2016 AGM and the 16/17 EGM are as follows:

		Attendance	
		2016 AGM	**16/17 EGM**
Name	**Position**	**25th August, 2016**	**24th March, 2017**
Mr. Richard Hung	Chairman	Yes	Yes
Ms. Candy Chuang	Vice Chairman	Yes	Yes
Mr. Geoffrey Chuang	Managing Director	Yes	Yes
Mr. Wong Chi Sing	Executive Director	Yes	Yes
Mr. Dominic Lai	Non-Executive Director	Yes	Yes
Mr. Abraham Shek	Independent Non-Executive Director	Yes	No
Dr. Eddy Li	Independent Non-Executive Director	Yes	Yes
Mr. Yau Chi Ming	Independent Non-Executive Director	Yes	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 all 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.

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. Details have been published in the website of the Company.

(G) Shareholders' rights

(i) Convening an extraordinary general meeting

Pursuant to Article 72 of the Articles of Association of the Company, an extraordinary general meeting may be convened on the written requisition of any two or more shareholders of the Company deposited at the principal office of the Company in Hong Kong at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong or, in the event the Company ceases to have such a principal office, the registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognized clearing house (or its nominee) deposited at the principal office of the Company in Hong Kong at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong or, in the event the Company ceases to have such a principal office, the registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up share capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly convene the meeting, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

(G) Shareholders' rights (continued)

(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, Midas International Holdings Limited" by one of the following means:

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

The Board will respond promptly to proper enquiries raised by 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 Article 120 of the Articles of Association 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 a notice in writing to the secretary of the Company:

- of his/their intention to propose such person for election; and
- signed by the person to be proposed of his willingness to be elected.

◦ The period for lodgement of such a written notice will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than seven (7) days prior to the date of such general meeting. If the notice is received less than fifteen (15) business days prior to that general meeting, the Company will need to consider adjournment of the general meeting in order to (i) assess the suitability of the proposed candidate; and (ii) publish an announcement or circulate a supplementary circular in relation to the proposal to the shareholders at least fourteen (14) clear days and not less than ten (10) business days prior to the general meeting.

Report on Corporate Governance Practices (continued)

(G) Shareholders' rights (continued)

(iii) Putting forward proposals at shareholders' meetings

(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

(a) (continued)

◦ Any notice given for this purpose shall be directed to "The Secretary, Midas International Holdings Limited" by one of the following means:

- By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
- By email to : midas-board@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.

(b) To propose to put forward any other proposals at shareholders' meeting, and for questions relating to putting forward proposals at shareholders' meetings, shareholders could direct all such enquiries/proposals in writing to "The Board of Directors, Midas International Holdings Limited" by one of the following means:

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

Report on Corporate Governance Practices (continued)

(H) Amendments to constitutional documents of the Company

At the 2016 AGM, special resolutions were passed by shareholders to amend the then Memorandum of Association and Articles of Association of the Company and adopt the third amended and restated Memorandum of Association and Articles of Association so as to dispense with the requirements to obtain shareholders' approval by way of special resolution for a reduction of share premium of the Company, to confer express authority on the Board to pay special dividends out of the distributable reserves (including share premium) of the Company and update the share capital clauses for reflecting the increased authorized share capital of the Company. Details of the amendments were set out in the circular to shareholders dated 22nd July, 2016.

Conclusion

Except as mentioned above, the Company has complied with the code provisions of the CG Code for the year ended 31st March, 2017.

On behalf of the Board of
Midas International Holdings Limited

Richard Hung Ting Ho
Chairman

Hong Kong, 23rd June, 2017

Environmental,

Social and Governance Report

The Company and its subsidiaries (collectively as the "Group") is committed to the long-term sustainability of its businesses, which is the key of the Group's development and growth strategy. The Group is committed to developing initiatives that will merit value and positive impact for the betterment of its stakeholders and of the communities within which it operates and serves.

About this Report

This is the first Environmental, Social and Governance ("ESG") report of the Group issued in accordance with the ESG Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Group is principally engaged in manufacturing and trading of printed products, property business, securities investment and trading business and information technology business. This report mainly covers the printing business of the Group as it has the most significant impact to the investors and other stakeholders. The report details the ESG achievements and challenges as well as initiatives undertaken for the financial year ended 31st March, 2017.

Within the businesses activities, the Group focuses on the environmental and social sustainability aspects which the Group believes having an impact on it and its stakeholders. The views of a number of the Group's major stakeholder groups were sought to gain an understanding of the sustainability performance and challenges which they believe facing the business and communities the Group served. And this has enabled the Group to better focus on the Group's strategy to enhance its sustainability and develop action plans for the future. This report will focus on those ESG aspects that are most material to the Group, but the Group will continue to monitor and report other aspects of ESG.

(A) Environmental Protection

The Group strives to create excellence in its business. It believes a key success factor in driving sustainable business may be achieved through effective and efficient utilization of the Group's resources within its day to day operations.

The Group has established environmental protection policies that include minimal consumption of resources, reduction in waste, and promotion of environmental protection with suppliers from the operations of its printing business, in order to minimize impact of pollution to the environment.

The Group's environmental commitment is demonstrated through the compliance with the environmental protection regulations set out by the respective environmental protection bureaus of the People's Republic of China where the Group's printing factory is located. To ensure the Group adheres to all relevant regulations, it has a procedure in place so that any update on environmental protection regulations are promptly reviewed.

(A) Environmental Protection (continued)

(i) Climate Change and Energy Management

Climate change and resource scarcity are two key environmental concerns for the Group as these issues are critical to both its business and to society as a whole. The Group is committed to promoting an environmentally-friendly environment and has strict policies and procedures in place to achieve this. This includes:

- Developing and promoting a culture of an environmentally responsible company;
- Ensuring that environmental protection objectives and targets are achieved by providing adequate and appropriate resources; and
- Educating, training and encouraging team members to participate in environmental protection initiatives to cultivate a spirit of corporate social responsibility.

The Group has embedded these into its day to day business activities. For example, as part of the procurement process, the Group prioritizes the selection of greener or environmentally-friendly materials and products. Some of the factors considered include:

- Use high recycled content and reusability of the materials and products;
- Business conduct which fosters the sustainable use of the earth's resources by minimizing waste and mitigating any adverse environmental impacts; and
- Use of "greener" alternatives and adoption of, or investment in, energy efficient practices and technologies.

(ii) Resources Management

The Group strives to reuse scrape paper generated from production process. Paper that is not capable to reuse is collected by paper mills for recycling. Chemical waste is also separated into recyclable, hazardous and non-hazardous waste. Recyclable material like metal, wood and zinc plate is sold to recycled material operators. Liquid chemicals are collected by qualified hazardous waste collection agents in compliance with relevant local regulations. The Group checks the qualifications of such agents annually.

To assist in the creation of a green living environment, energy efficient and eco-friendly measures are being introduced to the Group. In the factory dormitory, electricity meters have been installed to enable employees to measure their own electricity consumption and compare it to average usage, thereby raising their awareness of electricity conservation.

(A) Environmental Protection (continued)

(ii) Resources Management (continued)

The printing business of the Group is certified by ISO 14001:2004 Environmental Management System. To raise awareness of environment protection, the Group offers relevant environmental protection trainings to its employees to ensure energy/environmental resource efficient operations.

For a printing business, paper is the major raw material consumed in the production process. The Group has a formal paper policy in place to ensure paper comes from legal forests or plantations. The Group encourages the use of paper from well-managed forests and has obtained certifications from the FSC™ CoC (Forestry Stewardship Council Chain of Custody) since 2007.

To encourage and drive an environmentally-friendly culture, the Group has also implemented a number of "green office practices" such as paper printing conservation by monitoring the total amount of printed paper of every employee, use of recycled paper and use of electronic memo across offices. The Group also minimizes energy consumption by controlling room temperature at around 25.5 degree Celsius as suggested by the Hong Kong Environmental Protection Department, to ensure the lights, computers and copying machines are switched off whenever they are not required after works.

(B) Workplace Practices

The Group is an equal opportunity employer, offering equal employment and advancement opportunities to all candidates and employees as well as implementing fair and consistent human resources policies and programs.

The Group believes that its human resource is the most valuable asset it has because it recognizes that it is its people that delivers business growth and success. The Group is committed to retaining and empowering talent through various measures. The Group believes that continued workforce satisfaction is critical in order to achieve sustained outstanding business outcomes. As a measure of this, the Group is passionately committed to provide a safe and healthy working environment for all employees and site staff.

As a driving force behind the key human resource initiatives for all employees, the Group has developed:

- Human Resources Policies;
- Employee Health and Safety Standards;
- Employee Training and Development Program; and
- Ethics and Anti-Corruption Policies.

(B) Workplace Practices (continued)

(i) Human Resources Policies

As part of its core strategy to create an open and harmonious workplace, the Group seeks to provide its employees with the most competitive compensation and benefits. These include:

- Entitlement to compassionate leave;
- Financial allowance for external training, as well as entitlement to training leave for eligible employees to pursue their learning and development;
- Ability for employees to leave their workplace early to attend to personal matters;
- Early retirement schemes for eligible employees; and
- Other privileges, including discounts on hotel accommodation.

To maintain a strong and diverse workforce, the Group continues to nurture its employees through its retention policy:

- Excellent culture: The Group advocates an open and trusting working relationship amongst its employees. In this year, the Group held an event and rewarded the "most helpful employee" to show appreciation and encourage the culture of collaboration.
- Competitive package: The Group offers full-time employees compensation such as a discretionary bonus, contributory provident fund, share options and medical insurance.
- Emotional care: The Group understands the importance of family values and culture and encourages celebration of international and national holidays and events such as Chinese New Year, Mid-Autumn Festival and Christmas, and complement these festivities with gift packages to the staff, lunch gatherings and early leave.
- Employee referral program: The Group uses various recruitment channels to attract and retain talent. It launched an employee referral program to encourage its employees to refer talent to the Group to maintain its culture and would provide employee referral rewards to the successful cases.

Furthermore, the Group emphasizes in building employee engagement, striving to enrich both their work and personal lives. Various kinds of activities were regularly organized for employees for enjoyment and relaxation and promoting teambuilding and bonding. The Group dismisses employees and compensates them in accordance with the relevant laws and regulations.

(B) Workplace Practices (continued)

(ii) Employee Health and Safety Standards

The Group is committed to provide a safe and secure workplace for employees, factory workers and staff across its entire operations. With its core business in printing business, safety at factory is of utmost importance.

To achieve this, the Group has adopted a number of health and safety initiatives and requirements, including:

- Fulfillment of all relevant and applicable legal obligations;
- Systematic framework for identifying and reviewing safety responsibilities;
- Management of the health and safety risks arising from work activities;
- Communication of relevant policies and procedures to employees and other stakeholders as appropriate;
- Adequate and sufficient personal protective equipment and tools required for the job;
- Adequate training and motivation of team members to observe health and safety preventive measures at workplace;
- Communication of applicable health and safety requirements to employees and factory workers;
- Complementary fruits to all employees in the summer season and other months to show care to its employees; and
- Continuous improvement of corporate policies, procedures, programs and work performance.

Moreover, each manufacturing facility has established an effective safety management system through guidelines and procedures focused on operations safety, staff training and education and supervision of processes. A tailor-made code of practice to address the potential operational risk is also in place, which takes into account regulations by local and national authorities and government bodies. Such internal procedures and guidelines include contingency plan and emergency response procedures, fire safety management control and code of practice on using chemicals and hazards.

(B) Workplace Practices (continued)

(iii) Employee Training and Development Program

The Group believes that the development of employees and enhancement of their skills and knowledge will contribute significantly to the growth and success of the business. As such, the Group is committed in developing and implementing a number of comprehensive training programs for its people. These programs seek to advance the employees' professional development based on identified areas of growth, while ensuring that the credibility of the Group's workforce meets current business needs. The Group's commitment to this is demonstrated through the following programs:

- On boarding program — This program seeks to enable employees, especially new hires to learn and understand about the mission, vision, values, service culture and such of the Group;

- Compliance programs — This program is designed for all staff, such as anti-corruption training in order to avoid bribery, extortion and fraud activities;

- Operations and job skills programs — The aim of this program is to develop employees to obtain the essential skills and competencies required for their jobs; and

- Manager and leadership programs — This includes the accelerated development program and leader program, which assists employees in creating personal management plans to progress their careers and achieve higher levels of responsibility. For the directors of the Group, they are offered in various programs for continuous development to constantly enhance their skills and knowledge in leading the Group. With an emphasis on developing the directors' understanding of their roles, functions and duties, their contribution to the Group can be assured to be informed and relevant.

Through these programs, the Group ensures that all employees receive full support in their development and progress in the Group. These initiatives differentiate the Group from other competitive businesses to attract, retain, and prepare the workforce for greater personal and organizational success while achieving employee satisfaction and gratification.

(B) Workplace Practices (continued)

(iv) Ethics and Anti-Corruption Policies

Further to the abovementioned initiatives and programs, the Group implements policies in full compliance with local laws and regulations on professional and ethical business practices. No material non-compliance was identified in the financial year.

The Group embraces and enforces rules, regulations and procedures in accordance with the Group's code of business conduct to ensure that the business is conducted in full compliance with all applicable laws and regulations. In recognition of the importance of this, strict standards and policies related to anti-corruption are in place. These standards and practice expectations are imposed on all employees, independent contracted third-parties, as well as the Group's business partners. Trainings on relevant laws and regulations are also provided to directors and senior management in an ongoing basis.

The Group has maintained a whistle-blowing system to allow whistleblowers to disclose information in relation to any misconduct, malpractice or irregularity through a confidential reporting channel. All reported cases would be investigated in a fair and proper manner by the Audit Committee of the Group. The Audit Committee classifies the reported cases according to their nature and reports the cases directly to the board of Directors of the Group. The investigation reports of the reported cases are sent to the Audit Committee of the Group on a regular basis for review.

The Group pays high attention to privacy, protecting the data of its customers, staffs and those potential recruits. All job applicants had agreed to the personal information collection statement, while the data the Group collected from all employees would not be released to any third party without the prior consent from the employees. All customers' and employees' data is protected by the Personal Data Privacy Ordinance in Hong Kong, whereas in the other countries the Group followed all relevant local and national regulations.

(C) Operational Practices

The Group continuously strives to achieve and employ sustainable business practices in its operations, products and services across the organization. It strongly believes that it is its responsibility to maintain sound operational practices which provide customers with products and services that are safe and are of high quality.

Documented policies and procedures are in place which clearly define duties, control measures, and requirements for various levels and functions within the Group's operations for quality and safety management. Specifically, this consists of policies and initiatives relating to:

- Supply Chain Management; and

- Product Responsibility.

(i) Supply Chain Management

The Group has a diverse range of supply chain relationships. The Group recognizes the critical role supply chain management plays in running an efficient business operation and to provide quality services in accordance with the highest ethical, social and environmental standards. The Group is committed to be a responsible corporation to include a good management of its suppliers so as to maintain the high standard of products delivered to its customers.

The Group is committed to developing initiatives to manage environmental and social risks of the supply chain. This includes the implementation of strict standards and policies to select and provide services, adhering to and exceeding where practicable, all relevant legal obligations and codes of practice ensuring that, where possible:

- Minimal to naught adverse impact on the environment; and

- Prevention of pollution, reduction of waste production and efficient utilization of resources.

Embedded within its supplier selection process, the Group considers the following key aspects:

- The environmental values and commitments of suppliers;

- The environmental certification and memberships of suppliers;

- Supplier's compliance with international environmental laws and regulations; and

- Supplier's commitment to meeting the Group's environmental specifications.

The Group remains in close contact with its suppliers, monitoring their performance to ensure alignment with its commitments.

(C) Operational Practices (continued)

(ii) Product Responsibility

As part of the Group's operational practices, it employs firm-wide quality assurance procedures to protect the health and safety of its employees, contractors and customers while providing high quality products and services. These are strictly imposed across all business operations, employees and third parties under the Group. For example, to ensure high quality, all new employees must undergo:

- Induction training which instils the mission and vision of the Group;
- Training in relation to proper product knowledge and customer service standards;
- Buddy training in order to identify areas for improvement of the new team member; and
- Refresher and additional training to overcome areas of improvement.

(D) Community Investments

The Group advocates the philosophy of "what is taken from the community is to be used for the good of the community." It continuously aims to incorporate this idea as part of its business strategy in helping to meet the needs of society.

(i) Community Contributions

The Group brought back to the society through making donations in cash to different non-profit making organizations. During the financial year ended 31st March, 2017, the Group has contributed charitable donations and sponsorships which were used to sponsor organizations and institutions that provide help to the needs.

(ii) Staff Participation in Charity Events

Staff members are encouraged to play an active role in charity projects, organized either by the Group or other organizations. The Group is dedicated to fostering volunteerism as part of its corporate culture of giving back to the community. During the financial year ended 31st March, 2017, the Group supported the "Love Teeth Day" and the "Dress Casual Day" organized by The Community Chest of Hong Kong as Group events and help to raise fund to support the needs.

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, 2017.

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, 2017, 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 9 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 and net gain, gross profit, profit attributable to equity holders of the Company, shareholders' funds, debt to equity ratio and segment information. Details of these indicators are provided in the Chairman's Statement and Financial Summary as set out on pages 2 to 9 and page 144 of this report respectively, and note 6 to the consolidated financial statements.

In addition, discussions on the Group's environmental policies and performance and the key relationships with its employees, customers, suppliers and others that have significant impact on the Group are provided in the Environmental, Social and Governance Report as set out on pages 36 to 45 of this report.

Principal Activities and Geographical Analysis of Operations

The Company is an investment holding company. The principal activities and other details of the principal subsidiaries are set out in note 39 to the consolidated financial statements.

Analysis of the performance of 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 results of the Group for the year ended 31st March, 2017 are set out in the consolidated statement of comprehensive income on pages 68 to 69.

The Board does not recommend the payment of a final dividend for the year ended 31st March, 2017. No interim dividend was paid during the year. As declared by the Board on 19th April, 2017, a special dividend of 1.0 HK cent per share amounting to HK$33.1 million has been paid on 26th May, 2017.

Particulars of Investment Properties

Particulars of investment properties held by the Group as at 31st March, 2017 are set out on page 143.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 144.

Major Suppliers and Customers

The aggregate purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for approximately 10.3% and 33.6% of the total purchases of the Group for the year respectively.

The aggregate revenues attributable to the largest customer and the five largest customers of the Group accounted for approximately 9.7% and 37.3% of the total revenues of the Group for the year respectively.

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 these major suppliers or customers.

Relationship 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 provide high quality services to its customers.

Distributable Reserves

Pursuant to the special resolution approved by the shareholders of the Company in the 2016 annual general meeting of the Company, share premium, other reserve and contributed surplus of the Company are available for distribution to ordinary shareholders (after deduction of the accumulated losses) provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. Accordingly, the Company's reserves available for distribution to shareholders at 31st March, 2017 amounted to approximately HK$265,497,000.

Purchase, Sale or Redemption of Securities

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Directors

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

Executive Directors:
Mr. Richard Hung Ting Ho *(Chairman)*
Mrs. Candy Kotewall Chuang Ka Wai *(Vice Chairman)*
Mr. Geoffrey Chuang Ka Kam *(Managing Director)*
Mr. Wong Chi Sing

Non-Executive Director:
Mr. Dominic Lai

Independent Non-Executive Directors:
Mr. Abraham Shek Lai Him
Dr. Eddy Li Sau Hung
Mr. Yau Chi Ming

In accordance with Article 116 of the Company's Articles of Association 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"), Mrs. Candy Kotewall Chuang Ka Wai and Mr. Dominic Lai will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The term of office of each Non-Executive Director and Independent Non-Executive Director will be three years, subject to retirement by rotation and re-election at least once every three years.

Biographical Details of Directors

Biographical details of the Directors as at the date of this report are set out on pages 14 to 17 of this report.

Directors' Service Contracts

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or its subsidiaries which is not terminable by the Group within one year without payment of compensation, other than statutory compensation.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31st March, 2017, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and the 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:

Interests in the Company

Name of Director	Number of ordinary shares held	Capacity	Nature of interest	Approximate % of shareholding
Mr. Abraham Shek Lai Him	30,000	Beneficial owner	Personal interest	0.0009%

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

Name of Director	Number of ordinary shares held	Capacity	Nature of interest	Approximate % of shareholding
Mrs. Candy Kotewall Chuang Ka Wai ("Ms. Candy Chuang")	1,255,004	Beneficial owner	Personal interest	0.05%

Other than as disclosed herein, as at 31st March, 2017, none of the Directors and the chief executive of the Company had any interest or short position 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.

Other than as disclosed herein, during the year, none of the Directors and the chief executive 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.

Arrangements to Purchase Shares or Debentures

Other than the share option scheme adopted by the Company as disclosed in the section headed "Share Option Scheme of the Company" below, the share option schemes adopted by Chuang's Consortium International Limited ("CCIL") and Chuang's China, and the rights issue of Chuang's China announced on 17th March, 2016, at no time during the year was the Company, any of its holding companies, its subsidiaries and fellow 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.

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, any of its holding companies or its subsidiaries and fellow 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 Ms. Candy Chuang holds directorship in CCIL and equity interests and directorship in a private company, Mr. Geoffrey Chuang Ka Kam holds equity interests and directorship in a private company, and Mr. Richard Hung Ting Ho holds directorships in CCIL and CNT Group Limited ("CNT"), a company whose shares are listed on the Stock Exchange. The principal activities of CCIL include property investment in Hong Kong and the People's Republic of China (the "PRC") and securities investment and trading, the principal activity of the private company includes securities investment and trading, and the principal activities of CNT include property investment in Hong Kong and the PRC. As the compositions of the respective boards of directors of CCIL, the private company and CNT are different from that of the Group, the Group operates its businesses independent of, and at arm's length from, the businesses of CCIL, the private company and CNT.

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 the Directors or chief executive of the Company and save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 31st March, 2017, 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 ordinary shares of the Company held		Capacity
Gold Throne Finance Limited ("Gold Throne")	2,013,573,887	(note 1)	Beneficial owner
CCIL	2,013,573,887	(note 1)	(note 2)
Evergain Holdings Limited ("Evergain")	2,013,573,887	(note 1)	(note 2)
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	2,013,573,887	(note 1)	(note 2)
Mrs. Chong Ho Pik Yu	2,013,573,887	(note 1)	(note 3)

notes:

1. *Such interests represented 60.82% of the issued ordinary share capital owned by Gold Throne. Gold Throne is a wholly-owned subsidiary of CCIL.*

2. *Such interests arose through the interests in the relevant shares owned by Gold Throne. Evergain, a company beneficially owned by Mr. Alan Chuang, is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of CCIL. Mr. Richard Hung Ting Ho is a director of CCIL. Ms. Candy Chuang is a director of CCIL and Evergain. Mr. Geoffrey Chuang Ka Kam is a director of Evergain.*

3. *Such interests arose by attribution through her spouse, Mr. Alan Chuang.*

Save as disclosed above, as at 31st March, 2017, 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 under 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.

Controlling Shareholder's Interests in Contracts

Save as the transaction as disclosed in the section headed "Connected Transaction" below, there was no other contract of significance between the Company or any of its subsidiaries and the controlling shareholder or any of its subsidiaries at the reporting date or at any time during the year and up to the date of this report.

Share Option Scheme of the Company (the "Scheme")

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:	220,720,827 shares are available for issue under the Scheme, representing approximately 6.67% of the issued share capital as at the date of this report
4.	Maximum entitlement of each participant:	1% of the maximum aggregate number of shares that may be issued within 12 months pursuant to the Scheme
5.	Period within which the shares must be taken up under an option:	Not applicable. No share option has been granted since the date of adoption of the Scheme on 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 the Company upon acceptance of option which should be taken up within 28 days from the date of offer for option (the "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 28th August, 2022 unless otherwise terminated under the terms of the Scheme

Pre-Emptive Rights

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

Disclosure under Rule 13.21 of the Listing Rules

1. The Group has entered into a facility letter, which still subsists as at the date of this report, with a bank for various trade related facilities up to HK$14.4 million. Pursuant to the terms of the facility letter, CCIL is required to beneficially own no less than 38% of the issued share capital of the Company at all times during the subsistence of the banking facilities. As at 31st March, 2017, no balance was outstanding. The banking facilities are subject to annual review.

2. The Group has entered into a facility letter, which still subsists as at the date of this report, with a bank for various trade related facilities up to HK$20.0 million. Pursuant to the terms of the facility letter, CCIL is required to maintain its shareholding in the Company for no less than 35% of the issued share capital of the Company at all times during the subsistence of the banking facilities. As at 31st March, 2017, no balance was outstanding. The banking facilities are subject to annual review.

3. The Group has entered into a facility letter, which still subsists as at the date of this report, with a bank for an overdraft facility and trade related facilities up to HK$35.0 million. Pursuant to the terms of the facility letter, CCIL is required to remain as the single largest shareholder of the Company at all times during the subsistence of the banking facilities. As at 31st March, 2017, the balance outstanding was approximately HK$13.5 million. The banking facilities are subject to annual review.

Connected Transaction

The following is the connected transaction of the Group conducted during the year and up to the date of this report and the Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules:

On 21st January, 2017, the Company entered into a sale and purchase agreement with Chuang's China (a listed subsidiary of CCIL) to sell its equity interests in the companies that hold and operate a cemetery located in Sihui, the PRC, at a consideration of RMB398 million (equivalent to approximately HK$449 million). The transaction was completed on 31st March, 2017. Details of the transaction were set out in the announcement of the Company dated 22nd January, 2017 and the circular of the Company dated 8th March, 2017, respectively.

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.

Permitted Indemnity Provision

Under Article 179 of the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. During the year under review, the Company had taken out and maintained an insurance in respect of the Directors' liabilities.

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, 2017 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
Midas International Holdings Limited

Richard Hung Ting Ho
Chairman

Hong Kong, 23rd June, 2017

Financial
Information

羅兵咸永道

To the Shareholders of
Midas International Holdings Limited
(Incorporated in Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Midas International Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 68 to 142, which comprise:

- the consolidated statement of financial position as at 31st March, 2017;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment on operating assets of printing business;
- Valuation of investment properties;
- Recoverability of accounts receivable; and
- Carrying value of inventories.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment on operating assets of printing business *Refer to Notes 4(a), 14 and 15 to the consolidated financial statements* The Group's printing business had operating assets of HK$78.2 million including prepaid lease payments in the People's Republic of China (the "PRC"), respective property, plant and equipment and other net operating assets (the "Printing Assets") as at 31st March, 2017. Management performed an impairment review of the Printing Assets as at 31st March, 2017 as an impairment indicator exists. Management considers the printing business to be a single cash generating unit and has calculated the recoverable amount by using value-in-use calculations which require the use of assumptions such as estimated revenue, estimated margin on earnings before interest, tax, depreciation and amortization, expected revenue growth rates beyond the 5-year projection period, estimated disposal values of the Printing Assets at the end of their estimated useful lives and discount rate. The impairment assessment of the Printing Assets involves significant judgment to determine the recoverable amount of the Printing Assets. Changes in the assumptions could result in material changes to the recoverable amount of the Printing Assets and provision for impairment losses may result. Due to the significance of the carrying amounts of the Printing Assets, together with the existence of significant judgments in estimating the recoverability of such carrying amounts, we considered this a key audit matter.	Our procedures in relation to the discounted cash flow forecasts prepared by management that support the impairment assessment included: • Understanding and evaluating the appropriateness of the methodology adopted and checking the mathematical accuracy of the value-in-use calculation used to estimate the recoverable amount. • Checking the accuracy of the data used in the cash flow forecasts by agreeing them to historical actual information and approved management budgets. • Assessing the reasonableness of key input data such as estimated revenue, estimated margin on earnings before interest, tax, depreciation and amortization and estimated disposal values of the Printing Assets by reference to historical results, management approved budgets and our knowledge of the industry. • Comparing the expected revenue growth rates beyond the 5-year projection period to relevant market expectations such as industry information. • Evaluating the discount rate used by reference to our understanding of the business and comparing it to those used by other similar companies. • Performing sensitivity analysis on the key assumptions used in the assessment to assess the potential impact of possible changes in these key assumptions. We found the judgments and assumptions used in the impairment assessment were supported by the available evidence.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties *Refer to Notes 4(e) and 16 to the consolidated financial statements* The Group had investment properties held by subsidiaries as at 31st March, 2017 for which a revaluation gain/loss was recognized and presented as "change in fair value of investment properties" in the consolidated statement of comprehensive income. The Group's investment properties portfolio comprises of completed commercial properties in Hong Kong and the PRC. Management has engaged independent valuers to determine the valuation of the Group's completed investment properties held by the Group's subsidiaries as at 31st March, 2017. The valuation was arrived at using the income capitalization method by considering the capitalized income derived from existing tenancies and the reversionary potential, including capitalization rates and prevailing market rents, of the properties, and wherever appropriate, the direct comparison method by reference to market evidence of recent market transaction prices of comparable properties. There are significant judgments and estimates involved in the valuation. Due to the existence of significant judgments and estimates in the assumptions involved in the valuation of investment properties held by the Group's subsidiaries, we considered this a key audit matter.	Our procedures in relation to the key assumptions used in management's valuation of investment properties held by the Group's subsidiaries included: • Evaluating the independent valuers' competence, capabilities and objectivity. • Obtaining the valuation reports and meeting with the independent valuers to discuss the valuation methodologies applied. • Checking the accuracy of the input data used in the valuation of properties, on a sample basis, including rental rates from existing tenancies and occupancy rates, by agreeing them to management's records, historical actual information or other supporting documentation including key terms of lease agreements and rental income schedules. • Assessing the appropriateness of the key assumptions used in the valuation of properties by comparing published market yields for capitalization rates, prevailing market rents of leasing transactions of comparable properties and recent market transaction prices of properties with comparable conditions and locations, where appropriate. We found the key assumptions used in management's valuation of investment properties were supported by the available evidence.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of accounts receivable *Refer to Notes 4(c) and 21 to the consolidated financial statements* As at 31st March, 2017, the Group's accounts receivable, net of provision for doubtful debts of HK$8.8 million, amounted to HK$35.0 million, of which HK$13.9 million was past due but not impaired. At the end of each reporting period, management judgment is required to determine whether there is objective evidence of impairment and, if such evidence is determined to exist, the amount required to write down the accounts receivable to their recoverable amounts. The Group estimates their recoverable amounts by taking into account the creditworthiness and past collection history of each customer, as well as the amounts covered by credit insurance. Due to the existence of significant judgments and estimates involved in the determination of provision for doubtful debts, we considered this as a key audit matter.	Our procedures to assess the provision for doubtful debts in respect of accounts receivable included: • Testing the key controls around the credit control process with a particular focus on, but not limited to, controls over monitoring of overdue debts and estimation of provisions made. • Evaluating the recorded provision for doubtful debts by, on a sample basis, agreeing deposits received and credit insurance cover to supporting documentation including bank advices and credit insurance notes issued by Export Credit Insurance Corporation, and comparing cash receipts after the end of the reporting period against accounts receivable balances at the end of the reporting period, taking into account credit terms granted to the relevant customers. • Assessing the basis of management's conclusions about the recoverability of the significant or long overdue balances by reference to recent history of settlement, defaults or disputes and the assessment of the delinquent trade debtors' financial condition and estimated date of settlement. • Assessing the historical accuracy of the assumptions and estimates made by management for the provision of doubtful debts by examining, on a sample basis, the utilization or release of previously recorded provision for doubtful debts during the current year and write-offs of accounts receivable during the year which were not provided for at the end of the preceding financial year. We found that management's assessment of recoverability of accounts receivable is supported by the available evidence.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Carrying value of inventories *Refer to Notes 4(b) and 20 to the consolidated financial statements* The Group held inventories of HK$29.2 million as at 31st March, 2017. When assessing the carrying value of inventories at each period end, the Group consistently applies a provisioning methodology for slow moving inventory based on an estimation of net realizable value and inventory aging and makes specific provision for obsolete inventory. Significant judgments and estimates are applied in the estimation of provisions applied to different aged inventory categories and the estimation of specific provisions for obsolete inventory, which takes into account historical experience of selling products of a similar nature as well as expectations of future selling price under current market conditions, less applicable variable selling expenses. These estimations are also subject to uncertainty as a result of changes in market trends, customer taste and competitor actions. Due to the existence of significant judgments and estimates involved in making inventory provisions, we considered this as a key audit matter.	Our procedures in relation to management's assessment of carrying value of inventories included: • Testing the key controls around the generation of the inventory aging schedule and the estimation of inventory provisions. • Assessing the reasonableness of methods and assumptions applied to estimate inventory provisions by: • inquiring of management and other relevant employees on the basis applied; • comparing against historical sales patterns and prior year experience including key inventory ratios (e.g. inventory turnover days) to estimate future sales projections; • assessing the impact of known external factors considered by management on the inventory provision; • testing the accuracy of provision calculation by reviewing inventory aging schedules, testing inventory movements to confirm that they were assigned to the correct aging category by the system, and performing mathematic recalculation; and • comparing the selling prices used in the net realizable value calculations to actual selling prices subsequent to year end. • Observing the physical condition of inventories during stocktake to identify slow moving, or obsolete inventories, and inquiring of management if appropriate inventory provision had been provided for those inventories. We found that management's assessment of the carrying value of inventories is supported by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Cho Kin Lun.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 23rd June, 2017

(If there is any inconsistency between the English and Chinese versions of this independent auditor's report, the English version shall prevail.)

Consolidated Statement of Comprehensive Income

For the year ended 31st March, 2017

	Note	2017 HK$'000	2016 HK$'000 (Restated)
Continuing operations			
Revenues and net gain	5	**197,630**	233,681
Revenues		**195,137**	230,673
Net gain of financial assets at fair value through profit or loss		**2,493**	3,008
Cost of sales		**(133,288)**	(178,634)
Gross profit		**64,342**	55,047
Other income and net gain	7	**8,257**	121,095
Selling and marketing expenses		**(13,131)**	(14,953)
Administrative and other operating expenses		**(53,825)**	(63,111)
Change in fair value of investment properties	16	**4,000**	–
Operating profit	8	**9,643**	98,078
Finance costs	9	**(1,098)**	(2,824)
Profit before taxation		**8,545**	95,254
Taxation	10	**(114)**	–
Profit for the year from continuing operations		**8,431**	95,254
Discontinued operation			
Profit/(loss) for the year from discontinued operation	31(a)	**41,976**	(2,649)
Profit for the year		**50,407**	92,605
Profit/(loss) for the year attributable to:			
Equity holders of the Company			
Continuing operations		**8,431**	95,254
Discontinued operation		**42,006**	(2,108)
		50,437	93,146
Non-controlling interests			
Discontinued operation		**(30)**	(541)
		50,407	92,605

	Note	2017 HK$'000	2016 HK$'000 (Restated)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss			
Net exchange differences		**(22,240)**	(17,067)
Realization of exchange reserve upon disposal of subsidiaries	31(e)	**(29,544)**	(113)
Total other comprehensive loss that may be reclassified subsequently to profit and loss		**(51,784)**	(17,180)
Total comprehensive (loss)/income for the year		**(1,377)**	75,425
Total comprehensive (loss)/income for the year attributable to:			
Equity holders of the Company			
Continuing operations		**8,431**	95,141
Discontinued operation		**(6,889)**	(16,694)
		1,542	78,447
Non-controlling interests			
Discontinued operation		**(2,919)**	(3,022)
Total comprehensive (loss)/income for the year		**(1,377)**	75,425
		HK cents	HK cents (Restated)
Earnings/(loss) per share (basic and diluted)	13		
Continuing operations		**0.25**	2.88
Discontinued operation		**1.27**	(0.06)
		1.52	2.82

The notes on pages 75 to 142 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31st March, 2017

	Note	2017 HK$'000	2016 HK$'000
Non-current assets			
Prepaid lease payments	14	**3,287**	5,339
Property, plant and equipment	15	**38,616**	49,497
Investment properties	16	**196,081**	38,000
Cemetery assets	17	**–**	501,280
Amount due from a fellow subsidiary	18	**112,880**	–
		350,864	594,116
Current assets			
Inventories	20	**29,150**	32,002
Cemetery assets	17	**–**	78,552
Accounts receivable	21	**35,002**	53,581
Deposits, prepayments and other receivables		**12,814**	9,296
Financial assets at fair value through profit or loss	22	**112,095**	109,460
Cash and bank balances	23	**279,754**	43,078
		468,815	325,969
Current liabilities			
Accounts payable	24	**21,539**	31,929
Accrued charges and other payables	24	**33,802**	31,278
Amount due to a non-controlling shareholder	25	**–**	1,366
Taxation payable		**50,022**	9,443
Short-term bank borrowings	26	**34,480**	10,515
Current portion of long-term bank borrowings	26	**1,560**	–
		141,403	84,531
Net current assets		**327,412**	241,438
Total assets less current liabilities		**678,276**	835,554

	Note	**2017 HK$'000**	2016 HK$'000
Equity			
Share capital	29	**331,081**	331,081
Reserves	30	**311,177**	303,377
Shareholders' funds		**642,258**	634,458
Non-controlling interests		**–**	65,825
Total equity		**642,258**	700,283
Non-current liabilities			
Deferred income	27	**–**	3,923
Deferred taxation liabilities	28	**11,578**	131,348
Long-term bank borrowings	26	**24,440**	–
		36,018	135,271
		678,276	835,554

Geoffrey Chuang Ka Kam
Director

Richard Hung Ting Ho
Director

The notes on pages 75 to 142 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31st March, 2017

	2017 HK$'000	2016 HK$'000
Cash flows from operating activities		
Operating profit from continuing and discontinued operations	**8,560**	93,734
Adjustments for:		
Depreciation of property, plant and equipment	**14,396**	15,410
Amortization of prepaid lease payments	**177**	236
Provision for impairment of accounts receivable	**–**	209
Reversal of provision for impairment of inventories	**(1,420)**	(1,644)
Reversal of provision for impairment of accounts receivable	**–**	(269)
Gain on disposal of property, plant and equipment	**(4,476)**	(4,229)
Gain on disposal of subsidiaries	**–**	(108,718)
Change in fair value of investment properties	**(4,000)**	–
Interest income	**(33)**	(406)
Operating profit/(loss) before working capital changes	**13,204**	(5,677)
Decrease in inventories	**4,251**	16,362
Increase in cemetery assets	**(11,737)**	(2,807)
Decrease in accounts receivable	**9,831**	12,813
(Increase)/decrease in deposits, prepayments and other receivables	**(3,563)**	3,003
Increase in financial assets at fair value through profit or loss	**(2,635)**	(109,460)
Decrease in accounts payable	**(9,398)**	(14,327)
Increase/(decrease) in accrued charges and other payables	**4,528**	(5,282)
Increase in deferred income	**1,059**	1,646
Cash generated from/(used in) operations	**5,540**	(103,729)
Interest paid	**(1,119)**	(2,895)
Net cash generated from/(used in) operating activities	**4,421**	(106,624)

	Note	2017 HK$'000	2016 HK$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		**(12,371)**	(8,760)
Acquisition of a subsidiary	33	**–**	(37,900)
Proceeds from disposal of property, plant and equipment		**5,403**	4,643
Decrease in pledged bank balances		**–**	15,000
Proceeds from disposal of the cemetery operation, net of cash and bank balances disposed of/acquired	31(f)	**189,260**	–
Interest income received		**33**	434
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	32	**–**	120,899
Net cash generated from investing activities		**182,325**	94,316
Cash flows from financing activities			
New bank borrowings		**140,811**	146,473
Repayment of bank borrowings		**(90,817)**	(190,466)
Net cash generated from/(used in) financing activities		**49,994**	(43,993)
Net increase/(decrease) in cash and cash equivalents		**236,740**	(56,301)
Cash and cash equivalents at the beginning of the year		**43,078**	99,442
Exchange difference on cash and cash equivalents		**(64)**	(63)
Cash and cash equivalents at the end of the year	23	**279,754**	43,078

The notes on pages 75 to 142 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2017

	Attributable to equity holders of the Company								
	Share capital HK$'000	Share premium HK$'000	Other reserve HK$'000 *(note i)*	Merger reserve HK$'000 *(note ii)*	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1st April, 2015	331,081	290,782	4,000	24,000	63,594	(157,446)	556,011	68,847	624,858
Profit/(loss) for the year	–	–	–	–	–	93,146	93,146	(541)	92,605
Other comprehensive loss:									
Net exchange differences	–	–	–	–	(14,586)	–	(14,586)	(2,481)	(17,067)
Realization of exchange reserve upon disposal of a subsidiary	–	–	–	–	(113)	–	(113)	–	(113)
Total comprehensive (loss)/income for the year	–	–	–	–	(14,699)	93,146	78,447	(3,022)	75,425
At 31st March, 2016	331,081	290,782	4,000	24,000	48,895	(64,300)	634,458	65,825	700,283
Profit/(loss) for the year	–	–	–	–	–	50,437	50,437	(30)	50,407
Other comprehensive loss:									
Net exchange differences	–	–	–	–	(19,351)	–	(19,351)	(2,889)	(22,240)
Realization of exchange reserve upon disposal of subsidiaries	–	–	–	–	(29,544)	–	(29,544)	–	(29,544)
Total comprehensive (loss)/income for the year	–	–	–	–	(48,895)	50,437	1,542	(2,919)	(1,377)
Increase of interest in a subsidiary	–	–	–	–	–	6,258	6,258	(6,258)	–
Disposal of subsidiaries	–	–	–	–	–	–	–	(56,648)	(56,648)
At 31st March, 2017	**331,081**	**290,782**	**4,000**	**24,000**	**–**	**(7,605)**	**642,258**	**–**	**642,258**

Notes:

(i) *The other reserve of the Group relates to contribution by the substantial shareholders of the Company who were also the holders of the preference shares. It represents the excess of the face value of redeemable preference shares over the consideration paid upon redemption in 2004.*

(ii) *The merger reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's ordinary shares issued for the acquisition at the time of a group reorganization in 1996.*

The notes on pages 75 to 142 are an integral part of these consolidated financial statements.

1. General information

Midas International Holdings limited (the "Company") is a limited liability company incorporated in the Cayman Islands and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is 25th Floor, Alexandra House, 18 Chater Road, Central.

As at 31st March, 2017, the Company was a 60.8% owned subsidiary of Gold Throne Finance Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of Chuang's Consortium International Limited ("CCIL"), a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The Directors regard CCIL as the ultimate holding company.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are manufacturing and trading of printed products, property business, securities investment and trading business and information technology business. During the year, the Group disposed of the cemetery operation and the results of such operation together with the related net gain on disposal have been presented as discontinued operation in the consolidated statement of comprehensive income for the year (note 31). The comparative figures have been restated to conform presentation.

2. Summary of significant accounting policies

The significant accounting policies adopted for the preparation of these consolidated financial statements are set out below, which have been consistently applied for 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 and financial assets at fair value through profit or loss at fair value, and in accordance with all applicable 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.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Effect of adopting new standard and amendments to standards

For the financial year ended 31st March, 2017, the Group adopted the following new standard and amendments to standards that are effective for the accounting periods beginning on or after 1st April, 2016 and relevant to the operations of the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements – Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method in Separate Financial Statements
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities – Applying the Consolidation Exception
HKFRS 14	Regulatory Deferral Accounts
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle

The Group has assessed the impact of the adoption of these new standard and 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.

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, 2017, but have not yet been early adopted by the Group:

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)
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions (effective from 1st January, 2018)
HKFRS 9	Financial Instruments (effective from 1st January, 2018)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2018)
HKFRS 15 (Amendment)	Clarifications to HKFRS 15 (effective from 1st January, 2018)
HKFRS 16	Leases (effective from 1st January, 2019)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014–2016 Cycle (effective from 1st January, 2017 or 1st January, 2018, as appropriate)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

New standards and amendments to standards that are not yet effective (continued)

Key developments of these new standards and amendments to standards which may have an impact to the Group's accounting policies and presentation of the consolidated financial statements are described below:

HKFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses ("ECL") model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a 'three stage' approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2018 and earlier application is permitted. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

HKFRS 15 will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. HKFRS 15 is based on the principle that revenue is recognized when control of a good or service transfers to a customer. Management is currently assessing the effects of adoption of HKFRS 15 on the Group's consolidated financial statements and has initially identified areas which are likely to be affected including identification of separate performance obligations, the determination of stand-alone selling price and its relative allocation. At this stage, the Group is not yet able to estimate the impact of the adoption of HKFRS 15 on the Group's consolidated financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

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.

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st March.

Results attributable to subsidiaries acquired or disposed of during the financial period are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal as applicable.

The gain or loss on disposal of subsidiaries 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 value, unless another measurement basis is required by HKFRSs.

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

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 in profit or loss. 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 is recognized directly in the profit or loss.

Inter-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 entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in the consolidated statement of comprehensive income. 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 entity 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 profit or loss or transferred to another category of equity as specific/permitted by applicable HKFRSs.

(iii) Separate financial statements

In the statement of financial position of the Company, interest in a subsidiary is carried at cost less impairment losses. The result of a subsidiary is accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the interest in a subsidiary is required upon receiving a dividend from this investment 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 interest 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 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) Goodwill

Goodwill arises on the acquisition of subsidiaries represents 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 identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGU's"), or groups of CGU's, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(f) Property, plant and equipment

Property, plant and equipment is 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 are expensed in the consolidated statement of comprehensive income during the financial period in which they are incurred.

2. Summary of significant accounting policies (continued)

(f) Property, plant and equipment (continued)

Construction in progress represents costs incurred on buildings where construction work has not been completed and which, upon completion, the Group intends to hold for use as property, plant and equipment. These properties are carried at cost which include development and construction expenditure incurred and other direct costs attributable to the development less any accumulated impairment losses. No depreciation is provided for construction in progress since it is not in use. Upon completion of the construction, the construction costs are transferred to the appropriate property, plant and equipment category and depreciated accordingly.

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	over the shorter of the term of the lease, or 20–30 years
Leasehold improvements	20.0% or over the term of the relevant lease, whichever is shorter
Plant and machinery	6.7% to 33.3%
Furniture and fixtures	20.0% to 33.3%
Motor vehicles	20.0% to 33.3%

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each reporting 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 statement of comprehensive income.

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

2. Summary of significant accounting policies (continued)

(g) Investment properties (continued)

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalized as part of its cost. Borrowing costs are capitalized while acquisition or construction is actively underway and will be ceased once the asset is substantially completed, or suspended if the development of the asset is suspended. After initial recognition, investment property is carried at fair value. Fair value is based on valuations carried out by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognized as liabilities, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognized in the consolidated financial statements. Subsequent expenditure is capitalized to the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of comprehensive income during the financial period in which they are incurred. Changes in fair values of investment properties are recognized in the consolidated statement of comprehensive income.

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. If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes. Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use. The investment properties are classified under non-current assets except for those properties which are expected to be disposed of within one year and are classified under current assets.

2. Summary of significant accounting policies (continued)

(h) Prepaid lease payments

Prepaid lease payments represent non-refundable rental payments for lease of land. The up-front prepayments made for prepaid lease payments 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 statement of comprehensive income.

(i) Cemetery assets

Cost of cemetery assets comprises the prepaid lease payments 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.

(j) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated on the weighted average 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.

(k) Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other debtors is expected in 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 receivables 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 bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is recognized in the consolidated statement of comprehensive income.

2. Summary of significant accounting policies (continued)

(l) Financial assets

The Group classifies its financial assets in the consolidated statement of financial position in the category of loans and receivables and at fair value through profit or loss. 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 reporting 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 statement of comprehensive income, and subsequently carried at fair value.

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 amount that are settled or expected to be settled more than twelve months after the reporting date. These are classified as non-current assets. Loans and receivables are carried at amortized cost using effective interest method.

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 statement of comprehensive income in the financial period in which they arise.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position 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)

(m) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization 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 of disposed 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 (CGU's). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(n) Accounts payable and accruals

Accounts payable and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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.

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

(o) 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.

2. Summary of significant accounting policies (continued)

(p) 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.

(q) 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 statement of comprehensive income 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 facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility 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 as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2. Summary of significant accounting policies (continued)

(r) Current and deferred taxation

The taxation charge/credit for the year comprises current and deferred tax. Tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates 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 taxation is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred taxation asset is realized or the deferred taxation 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.

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.

2. Summary of significant accounting policies (continued)

(s) Operating leases

Leases in which 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 statement of comprehensive income on a straight-line basis over the period of lease.

(t) Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amount 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 estimate of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

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

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and scraped materials;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods and scraped materials sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sale of cemetery assets, including grave plots, niches for cremation urns and tomb sets, is recognized when significant risks and rewards of the cemetery assets have been passed to the customer, which is when the construction of the relevant cemetery assets has been completed and the collectability of related receivables pursuant to the sales agreement is reasonably assured.

2. Summary of significant accounting policies (continued)

(t) Revenue and income recognition (continued)

Management fee income is recognized when services are rendered.

Rental income, net of incentives given to lessees, is recognized on a straight-line basis over the period of the respective leases.

Gain or loss from securities trading is recognized on the transaction date when the relevant sale and purchase contracts are entered into.

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.

(u) 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 statement of comprehensive income in the financial period in which they are incurred.

(v) 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") are charged to the consolidated statement of comprehensive income in the financial period to which the contributions relate. The Group has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employee entitlements to annual leaves are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting 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 reporting date.

2. Summary of significant accounting policies (continued)

(w) 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, bank overdrafts and advances from banks and financial institutions repayable within three months from the date of advance.

(x) 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 ("HK$"), 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 or valuation where items are remeasured. 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 reporting date are recognized in the consolidated statement of comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as financial assets at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss.

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 statement of financial position presented are translated at the rate of exchange ruling at the reporting date;

(ii) income and expenses for each statement of comprehensive income 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.

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 reporting date. Exchange differences arising are recognized in other comprehensive income.

2. Summary of significant accounting policies (continued)

(x) Translation of foreign currencies (continued)

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 profit or loss.

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 profit or loss.

(y) 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 who make strategic decisions.

(z) Dividend distribution

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

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.

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(i) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset (other than financial assets at fair value through profit or loss) after deducting any impairment provision in the consolidated statement of financial position. The Group's exposure to credit risk arising from accounts receivable is set out in note 21.

Credit risk of the Group is primarily attributable to deposits with banks, credit exposures to customers and other debtors and amount due from a fellow subsidiary. 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 by monitoring credit ratings and only places deposits with banks with no history of defaults. As at 31st March, 2017, the monies placed with Hong Kong and the PRC banks amounted to approximately HK$271.6 million (2016: HK$35.3 million) and HK$8.0 million (2016: HK$7.8 million) respectively.

In respect of credit exposures to customers, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, for the printing business, the Group has purchased credit insurance from Export Credit Insurance Corporation on certain overseas sales to compensate for losses from debts that are not collectible. 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. The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced and there is no significant concentration of risk on the accounts receivable which consist of a large number of customers, spread across diverse geographical areas.

In respect of the other receivables and amount due from a fellow subsidiary, the Group monitors the recovery of the balances closely and ensures that adequate impairment has been made for the estimated irrecoverable amounts.

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(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 and the PRC. 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, 2017, the Group had standby banking facilities to provide contingency liquidity support which amounted to approximately HK$107.2 million (2016: HK$110.2 million). Details of the bank borrowings are disclosed in note 26.

The table below analyzes the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting 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.

	Within the first year HK$'000	**Within the second year** HK$'000	**Within the third to fifth years** HK$'000	**Total** HK$'000
2017				
Accounts payable	**21,539**	**–**	**–**	**21,539**
Accrued charges and other payables	**33,802**	**–**	**–**	**33,802**
Bank borrowings	**36,845**	**2,043**	**23,297**	**62,185**
	92,186	**2,043**	**23,297**	**117,526**
2016				
Accounts payable	31,929	–	–	31,929
Accrued charges and other payables	31,278	–	–	31,278
Amount due to a non-controlling shareholder	1,366	–	–	1,366
Bank borrowings	10,616	–	–	10,616
	75,189	–	–	75,189

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(iii) Cash flow and fair value interest rate risk

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

The interest rate risk of the Group mainly arises from interest-bearing bank deposits, bank borrowings, amount due from a fellow subsidiary and the bond investments in 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. Amount due from a fellow subsidiary and the 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 risks. The Directors monitor the Group's exposure on an ongoing basis and will consider hedging interest rate risks should the need arise.

As at 31st March, 2017, if interest rates had been 1% (2016: 1%) higher/lower with all other variables held constant, the profit before taxation of the Group would have decreased/increased by approximately HK$423,000 (2016: profit before taxation of the Group would have increased/decreased by approximately HK$185,000).

(iv) Foreign exchange risk

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

The Group takes into consideration exchange rate fluctuations to determine the selling prices of the printing products based on Hong Kong dollar, the functional currency of the group entity making the sales. The sales of printing products are invoiced mainly in United States dollars ("USD"), Euro ("EUR"), Australian dollars ("AUD"), Pound sterling ("GBP"), New Zealand dollars ("NZD") and Renminbi ("RMB"). The Group has foreign currency sales, accounts receivables and bank balances, which expose the Group to foreign exchange risk. Exchange rate fluctuations have always been the concern of the Group. The Group currently does not enter into any derivative contracts to minimize the foreign currency risk exposure. However, the management will consider hedging significant currency risk should the need arise.

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(iv) Foreign exchange risk (continued)

The carrying amounts of the Group's monetary assets, including accounts receivable, other receivables, cash and bank balances and amount due from a fellow subsidiary denominated in currencies other than the functional currency of the relevant group entities at the end of the reporting period are as follows:

	2017	2016
	HK$'000	HK$'000
USD	**36,815**	39,115
EUR	**3,853**	940
RMB	**127,783**	5,780
GBP	**219**	807
NZD	**615**	676
AUD	**35**	159

The following table details the Group's sensitivity to a 10% increase and decrease in Hong Kong dollar against EUR, AUD and NZD, 5% increase and decrease in Hong Kong dollar against GBP and RMB and 1% increase and decrease in Hong Kong dollar against USD. 10%, 5% or 1% are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10%, 5% or 1% change in relevant foreign currency rates. A 10%, 5% or 1% strengthening or weakening of the Hong Kong dollar against the relevant foreign currencies will give rise to a decrease or increase in profit before taxation and the impact is shown in the following table.

	(Decrease)/increase in profit before taxation	
	2017	2016
	HK$'000	HK$'000
USD	**(128)**	(337)
EUR	**(259)**	(47)
RMB	**(2,845)**	1,066
GBP	**(11)**	(40)
NZD	**(61)**	(68)
AUD	**(3)**	(16)

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(v) Price risk

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

As at 31st March, 2017, if market price of the Group's publicly-traded investments increased/decreased by 5% with all other variables held constant, the profit before taxation of the Group would have increased/decreased by approximately HK$5,605,000 (2016: HK$5,473,000).

(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 debt to equity ratio. This ratio is calculated as a percentage of bank borrowings over net asset value attributable to equity holders of the Company. Bank borrowings are calculated as total bank borrowings (including short-term and long-term bank borrowings as shown in the consolidated statement of financial position). Net asset value attributable to equity holders of the Company represents shareholders' funds as shown in the consolidated statement of financial position. As at 31st March, 2017, the debt to equity ratio is 9.4% (2016: 1.7%).

(c) Fair value estimation

The disclosure of fair value measurements of financial instruments carried at fair value 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)

See note 16 for disclosure of the investment properties that are measured at fair value.

The Group had no level 2 and level 3 financial instruments as at 31st March, 2017 and 2016. The only level 1 financial instrument as at 31st March, 2017 and 2016 represented financial assets at fair value through profit or loss (note 22). There was no transfer of financial instruments between level 1 and level 2 for the years ended 31st March, 2017 and 2016.

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting 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 other financial assets and financial liabilities are determined in accordance with the generally accepted pricing models based on discounted cash flow analysis.

The fair values of long-term bank borrowings and amount due from a fellow subsidiary are estimated using the expected future payments discounted at market interest rates. The carrying amounts of the long-term borrowings approximate their fair values since they are floating interest rate borrowings.

The carrying amounts less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, including accounts receivable, deposits, prepayments and other receivables, cash and bank balances, accounts payable, accrued charges and other payables, amount due to a non-controlling shareholder and current bank borrowings approximate their fair values.

Except for financial assets at fair value through profit or loss, the other financial assets and liabilities of the Group are classified as loans and receivables and financial liabilities at amortized cost respectively as at 31st March, 2017 and 2016.

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 amounts of assets and liabilities are discussed below:

(a) Impairment of the Group's printing business

The management conducted an impairment review of the CGU of the Group's printing business and determined the recoverable amount of the printing business based on 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 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 17.1% and annual revenue growth rates ranging from 3.5% to 4% and by extrapolating the cash flow projection based on these financial budgets using a steady revenue growth rate of 3.5% for year 6 to year 11. Management estimates the cash flow projections based on certain assumptions, such as estimated revenue and estimated margin on earnings before interest, tax, depreciation and amortization. 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, 2017.

If the annual growth rates had been decreased by 1.5% with all other variables held constant, the Group would have recognized an impairment loss of approximately HK$6,195,000 and would need to reduce the carrying value of the respective property, plant and equipment by approximately HK$6,195,000 accordingly.

(b) Impairment of inventories of printing business

The Group assesses the carrying values of inventories of printing business by reviewing the inventory listing and aging analysis on a product-by-product basis at each reporting 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.

4. Critical accounting estimates and judgments (continued)

(c) Impairment of receivables

The Group assesses the carrying amounts 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 doubtful debts 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.

(d) Income taxes and deferred taxes

The Group is subject to income 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.

The Group has rebutted the presumption that the carrying amount of the investment properties measured at fair value will be recovered entirely through sale. The investment properties are held within a business model whose objective is to consume its economic benefit over time.

4. Critical accounting estimates and judgments (continued)

(e) Estimate of fair value of investment properties

The valuation of investment properties is performed in accordance with "The HKIS Valuation Standards 2012 Edition" published by the Hong Kong Institute of Surveyors. Details of the judgment and assumptions have been disclosed in note 16.

(f) Critical judgment for business combination

The Group completed a transaction during the year ended 31st March, 2017 (see note 31). The Group assessed the acquisition in accordance with HKFRS and concluded that the acquisition constitutes a business combination. To account for the assets acquired and liabilities assumed, significant judgment was required in determining the fair values of the identifiable assets and liabilities.

5. Revenues and net gain

Revenues and net gain recognized during the year are as follows:

	2017 HK$'000	2016 HK$'000 (Restated)
Continuing operations		
Revenues		
Sales of printed products	**186,034**	225,177
Rental income	**993**	35
Interest income from financial assets at fair value through profit or loss	**8,110**	5,461
	195,137	230,673
Net gain		
Net fair value gain of financial assets at fair value through profit or loss	**2,493**	2,392
Net realized gain of financial assets at fair value through profit or loss	**–**	616
	2,493	3,008
Revenues and net gain	**197,630**	233,681

6. Segment information

(a) Segment information by business lines

The CODM has been identified as the Executive Directors. 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 printing, property (property investment and cemetery), securities investment and trading and others (including information technology business). The CODM assesses the performance of the operating segments based on a measure of segment result. During the year, the Group disposed of the cemetery operation and the results of such operation together with the related net gain on disposal have been presented as discontinued operation in segment information. The comparative figures have been restated to conform presentation.

6. Segment information (continued)

(a) Segment information by business lines (continued)

The segment information by business lines is as follows:

	Continuing operations					Discontinued operation	
	Printing business HK$'000	Property business - property investment HK$'000 (note i)	Securities investment and trading business HK$'000	Others and corporate HK$'000 (note i)	Total HK$'000	Property business - cemetery HK$'000	Total HK$'000
For the year ended 31st March, 2017							
Revenues and net gain	186,034	993	10,603	–	197,630	17,574	215,204
Other income and net gain	8,232	–	–	25	8,257	564	8,821
Operating profit/(loss)	1,575	4,917	10,499	(7,348)	9,643	(1,083)	8,560
Finance (costs)/income	(1,098)	–	–	–	(1,098)	127	(971)
Profit/(loss) before taxation	477	4,917	10,499	(7,348)	8,545	(956)	7,589
Taxation (charge)/credit	–	(114)	–	–	(114)	749	635
Profit/(loss) after taxation	477	4,803	10,499	(7,348)	8,431	(207)	8,224
Net gain on transaction after taxation (note 31(e))	–	–	–	–	–	42,183	42,183
Profit/(loss) for the year	477	4,803	10,499	(7,348)	8,431	41,976	50,407
As at 31st March, 2017							
Total assets	118,592	309,238	112,095	279,754	819,679	–	819,679
Total liabilities	61,553	17,048	34	98,786	177,421	–	177,421
2017							
Other segment items are as follows:							
Capital expenditure (note ii)	11,292	–	–	–	11,292	13,418	24,710
Depreciation	13,682	–	–	–	13,682	714	14,396
Amortization of prepaid lease payments	118	–	–	–	118	59	177
Reversal of provision for impairment of inventories	1,420	–	–	–	1,420	–	1,420

6. Segment information (continued)

(a) Segment information by business lines (continued)

Notes:

(i) *Total assets of "property business - property investment" segment and total liabilities of "others and corporate" segment comprise of deferred consideration receivable (recorded as "Amount due from a fellow subsidiary") of HK$112,880,000 (note 18) and taxation payable of HK$37,836,000 in relation to the disposal of cemetery operation respectively (note 31(e)).*

(ii) *In regard to "property business - property investment" segment, the equity interests in Chuang's Development (Chengdu) Limited and Sino Success Limited and its subsidiary were acquired on 31st March, 2017 and accordingly, investment properties of the Group were increased by HK$154,081,000 (note 31(d)).*

	Continuing operations					Discontinued operation	
	Printing business HK$'000	Property business - property investment HK$'000	Securities investment and trading business HK$'000	Others and corporate HK$'000	Total HK$'000	Property business - cemetery HK$'000	Total HK$'000
For the year ended 31st March, 2016							
Revenues and net gain	225,177	35	8,469	–	233,681	22,300	255,981
Other income and net gain	120,689	–	–	406	121,095	40	121,135
Operating profit/(loss)	96,052	34	8,469	(6,477)	98,078	(4,344)	93,734
Finance (costs)/income	(2,824)	–	–	–	(2,824)	414	(2,410)
Profit/(loss) before taxation	93,228	34	8,469	(6,477)	95,254	(3,930)	91,324
Taxation credit	–	–	–	–	–	1,281	1,281
Profit/(loss) for the year	93,228	34	8,469	(6,477)	95,254	(2,649)	92,605
As at 31st March, 2016							
Total assets	128,742	38,014	109,460	43,078	319,294	600,791	920,085
Total liabilities	65,253	229	–	10,515	75,997	143,805	219,802

6. Segment information (continued)

(a) Segment information by business lines (continued)

	Continuing operations					Discontinued operation	
	Printing business HK$'000	Property business - property investment HK$'000	Securities investment and trading business HK$'000	Others and corporate HK$'000	Total HK$'000	Property business - cemetery HK$'000	Total HK$'000
2016							
Other segment items are as follows:							
Capital expenditure	6,958	38,000	–	–	44,958	3,881	48,839
Gain on disposal of a subsidiary	108,718	–	–	–	108,718	–	108,718
Depreciation	14,635	–	–	–	14,635	775	15,410
Amortization of prepaid lease payments	164	–	–	–	164	72	236
Provision for impairment of accounts receivable	–	–	–	–	–	209	209
Reversal of provision for impairment of accounts receivable	269	–	–	–	269	–	269
Reversal of provision for impairment of inventories	1,644	–	–	–	1,644	–	1,644

6. Segment information (continued)

(b) Geographical segment information

The business of the Group operates in different geographical areas. Revenues and net gain 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 and net gain		**Capital expenditure**	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
		(Restated)		(Restated)
Continuing operations				
Hong Kong	**22,430**	19,326	**1,877**	38,796
The PRC	**4,065**	359	**9,415**	6,162
United States of America	**76,894**	82,897	**–**	–
United Kingdom	**28,569**	48,689	**–**	–
Germany	**18,971**	33,354	**–**	–
France	**25,742**	30,782	**–**	–
Other countries	**20,959**	18,274	**–**	–
	197,630	233,681	**11,292**	44,958
Discontinued operation	**17,574**	22,300	**13,418**	3,881
	215,204	255,981	**24,710**	48,839

6. Segment information (continued)

(b) Geographical segment information (continued)

	Non-current assets		Total assets	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
		(Restated)		(Restated)
Continuing operations				
Hong Kong	**43,813**	39,520	**469,939**	228,022
The PRC (note i)	**307,051**	42,992	**349,740**	91,272
	350,864	82,512	**819,679**	319,294
Discontinued operation	**–**	511,604	**–**	600,791
	350,864	594,116	**819,679**	920,085

Note:

(i) Non-current assets and total assets of the continuing operations in the PRC comprise of deferred consideration receivable (recorded as "Amount due from a fellow subsidiary") of HK$112,880,000 (note 18).

7. Other income and net gain

	2017	2016
	HK$'000	HK$'000
		(Restated)
Continuing operations		
Interest income from bank deposits	**25**	400
Sales of scraped materials	**2,977**	4,171
Reversal of provision for impairment of accounts receivable	**–**	269
Gain on disposal of property, plant and equipment	**4,476**	4,229
Gain on disposal of subsidiaries (notes i and 32)	**–**	108,718
Net exchange gain	**314**	1,150
Sundries	**465**	2,158
	8,257	121,095

Note:

(i) On 21st April, 2015, the Company and its wholly-owned subsidiary entered into a sale and purchase agreement with Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of CCIL and a fellow subsidiary of the Group) and its wholly-owned subsidiary to dispose of its equity interest in Dongguan Midas Printing Company Limited, a wholly-owned subsidiary of the Group (the major assets are the land and 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 and the consideration was settled in full in cash at completion. A gain on disposal of the subsidiary was recorded in this note. The transaction was announced by the Company on 21st April, 2015 and 21st August, 2015, and published in the circular on 13th May, 2015 respectively.

8. Operating profit

	2017 HK$'000	2016 HK$'000 (Restated)
Continuing operations		
Operating profit is stated after charging/(crediting):`		
Staff costs, including Directors' emoluments		
Wages and salaries	**61,042**	79,088
Retirement benefit costs (note 35)	**768**	949
Total staff costs	**61,810**	80,037
Less: Amount capitalized and included in cost of sales for printing business	**(35,568)**	(48,009)
Staff costs included in selling and marketing expenses and administrative and other operating expenses	**26,242**	32,028
Auditors' remuneration		
Audit and audit related services	**1,650**	1,420
Non-audit services	**2,620**	950
Cost of inventories sold	**87,826**	112,151
Outgoings in respect of investment properties	**76**	–
Depreciation	**13,682**	14,635
Less: Amount capitalized and included in cost of sales for printing business	**(11,281)**	(11,873)
Depreciation included in selling and marketing expenses and administrative and other operating expenses	**2,401**	2,762
Reversal of provision for impairment of inventories (included in cost of sales)	**(1,420)**	(1,644)
Amortization of prepaid lease payments	**118**	164
Operating lease rental	**1,332**	2,093

9. Finance costs

	2017	2016
	HK$'000	HK$'000
		(Restated)
Continuing operations		
Interest expenses on bank borrowings	**1,098**	2,824

10. Taxation

	2017	2016
	HK$'000	HK$'000
		(Restated)
Continuing operations		
Deferred taxation (note 28)	**114**	–

No provision for Hong Kong profits tax has been provided as the Group had sufficient tax losses to offset the estimated assessable profit for the year ended 31st March, 2017 (2016: nil). No provision for PRC corporate income tax has been provided as the Group has sufficient tax losses to offset the estimated assessable profit for the year ended 31st March, 2017 (2016: nil).

10. Taxation (continued)

	2017 **HK$'000**	2016 HK$'000
Profit before taxation from continuing and discontinued operations	**7,589**	91,324
Net gain on transaction before taxation	**80,019**	–
	87,608	91,324
Taxation at the rate of 16.5% (2016: 16.5%)	**(14,455)**	(15,069)
Effect of different tax rates in other country	**(25,365)**	(826)
Expenses not deductible for taxation purpose	**(1,821)**	(2,262)
Income not subject to taxation	**4,389**	19,538
Tax losses and other temporary differences not recognized	**(1,869)**	(4,752)
Utilization of previously unrecognized tax losses	**1,920**	4,652
Taxation (charge)/credit for the year	**(37,201)**	1,281

Represented by:

	2017 **HK$'000**	2016 HK$'000 (Restated)
Taxation for continuing operations	**(114)**	–
Taxation for discontinued operation (note 31(a)(v))	**749**	1,281
PRC withholding corporate income tax (note 31(e))	**(37,836)**	–
	(37,201)	1,281

11. Benefits and interests of Directors and five highest paid individuals

Particulars of the emoluments of Directors and the five highest paid individuals are as follows:

(a) Directors' emoluments

The emoluments paid or payable to each of the 8 (2016: 8) Directors who were in office for the year ended 31st March, 2017 were as follows:

	(note i)	(note ii)				
Name of Director	Fees HK$'000	Salaries HK$'000	Discretionary bonuses HK$'000	Other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
For the year ended 31st March, 2017						
Mr. Richard Hung Ting Ho (note iii)	**30**	**1,800**	**150**	**–**	**24**	**2,004**
Mrs. Candy Kotewall Chuang Ka Wai	**20**	**–**	**–**	**–**	**–**	**20**
Mr. Geoffrey Chuang Ka Kam (note iii)	**20**	**1,200**	**–**	**400**	**24**	**1,644**
Mr. Wong Chi Sing	**20**	**840**	**65**	**–**	**24**	**949**
Mr. Dominic Lai	**80**	**–**	**–**	**–**	**–**	**80**
Mr. Abraham Shek Lai Him	**80**	**–**	**–**	**–**	**–**	**80**
Dr. Eddy Li Sau Hung	**80**	**–**	**–**	**–**	**–**	**80**
Mr. Yau Chi Ming	**80**	**–**	**–**	**–**	**–**	**80**
	410	**3,840**	**215**	**400**	**72**	**4,937**
For the year ended 31st March, 2016						
Mr. Richard Hung Ting Ho (note iii)	30	1,800	150	–	24	2,004
Mrs. Candy Kotewall Chuang Ka Wai	20	–	–	–	–	20
Mr. Geoffrey Chuang Ka Kam (note iii)	20	1,200	–	–	24	1,244
Mr. Wong Chi Sing	20	840	65	–	24	949
Mr. Dominic Lai	80	–	–	–	–	80
Mr. Abraham Shek Lai Him	80	–	–	–	–	80
Dr. Eddy Li Sau Hung	80	–	–	–	–	80
Mr. Yau Chi Ming	80	–	–	–	–	80
	410	3,840	215	–	72	4,537

11. Benefits and interests of Directors and five highest paid individuals (continued)

(a) Directors' emoluments (continued)

(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 undertaking. The discretionary bonus paid in 2017 were in relation to performance and services for 2016.

(iii) Mr. Richard Hung Ting Ho is the Chairman of the Company. He ceased to act as the Chief Executive Officer of the Company and Mr. Geoffrey Chuang Ka Kam was appointed as the Chief Executive Officer of the Company, both with effect from 15th December, 2015.

(iv) There was no arrangement under which a Director waived or agreed to waive any emoluments during the years ended 31st March, 2017 and 2016.

(v) 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 (2016: nil). No consideration was provided to or receivable by third parties for making available Directors' services (2016: nil).

(vi) There are no loans, quasi-loans or other dealings in favour of Directors, their controlled bodies corporate and connected entities (2016: none).

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

No significant transactions, arrangements and contracts in relation to the group business to which the Company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2016: none).

11. Benefits and interests of Directors and five highest paid individuals (continued)

(c) Five highest paid individuals

During the year ended 31st March, 2017, the five highest paid individuals included three (2016: three) Directors as at 31st March, 2017, details of whose emoluments are set out in note 11(a).

The emoluments of the remaining two (2016: two) individuals were as follows:

	2017 **HK$'000**	2016 HK$'000
Salaries	**1,637**	1,623
Discretionary bonuses	**–**	67
Retirement benefit scheme contributions	**38**	48
	1,675	1,738

Their emoluments were within the following band:

	Number of employee	
	2017	2016
HK$1,000,000 or below	**2**	2

12. Dividends

On 19th April, 2017, the Board declared a special dividend of 1.0 HK cent per share amounting to HK$33.1 million and was paid on 26th May, 2017. This special 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, 2018. No dividend was paid or declared for the year ended 31st March, 2016.

The Board does not recommend the payment of a final dividend for the year ended 31st March, 2017 (2016: nil). No interim dividend was paid during the year (2016: nil).

13. Earnings/(loss) per share

The calculation of the earnings/(loss) per share is based on the following profit/(loss) attributable to equity holders and the weighted average number of shares in issue during the year:

	2017			2016		
	Continuing operations HK$'000	**Discontinued operation HK$'000**	**Total HK$'000**	Continuing operations HK$'000 (Restated)	Discontinued operation HK$'000 (Restated)	Total HK$'000 (Restated)
Profit/(loss) attributable to equity holders	**8,431**	**42,006**	**50,437**	95,254	(2,108)	93,146

	Number of shares	
	2017	2016
Weighted average number of shares	**3,310,812,417**	3,310,812,417

The dilute earnings/(loss) per share is equal to the basic earnings/(loss) per share since there are no dilutive potential shares in issue during the years.

14. Prepaid lease payments

	2017	2016
	HK$'000	HK$'000
The Group's prepaid lease payments comprise:		
Land use rights in the PRC	**3,287**	5,339

Prepaid lease payments are amortized over the remaining lease term of the respective land use rights. They are stated at cost less accumulated amortization and impairment losses, if any.

Prepaid lease payments of HK$1,746,000 (2016: nil) were disposed of as at 31st March, 2017 (note 31(c)).

Prepaid lease payments of the Group with net book value HK$3,287,000 (2016: nil) have been pledged as securities for the bank borrowings of the Group (note 26).

15. Property, plant and equipment

	Buildings in the PRC HK$'000	Leasehold improve- ments HK$'000	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
COST							
At 1st April, 2015	64,403	3,228	289,286	38,328	5,121	279	400,645
Changes in exchange rates	(359)	(51)	–	(101)	(47)	(13)	(571)
Additions	702	1,148	4,817	938	616	539	8,760
Disposals	(28,984)	(1,459)	(33,569)	(9,780)	(968)	–	(74,760)
Transfers	–	326	–	–	–	(326)	–
At 31st March, 2016	35,762	3,192	260,534	29,385	4,722	479	334,074
Changes in exchange rates	(402)	(92)	–	(105)	(53)	–	(652)
Additions	1,745	–	7,917	480	1,120	1,109	12,371
Disposals	–	–	(33,114)	(976)	(549)	–	(34,639)
Disposal of subsidiaries (note 31(c))	(8,660)	(1,866)	–	(1,693)	(1,089)	–	(13,308)
Transfers	595	–	195	–	–	(790)	–
At 31st March, 2017	**29,040**	**1,234**	**235,532**	**27,091**	**4,151**	**798**	**297,846**
ACCUMULATED DEPRECIATION							
At 1st April, 2015	34,124	3,018	256,586	36,234	4,581	–	334,543
Changes in exchange rates	(86)	(29)	–	(68)	(38)	–	(221)
Charge for the year	2,017	329	11,873	805	386	–	15,410
Disposals	(19,793)	(1,459)	(33,169)	(9,771)	(963)	–	(65,155)
At 31st March, 2016	16,262	1,859	235,290	27,200	3,966	–	284,577
Changes in exchange rates	(157)	(51)	–	(109)	(62)	–	(379)
Charge for the year	1,668	185	11,254	764	525	–	14,396
Disposals	–	–	(33,013)	(150)	(549)	–	(33,712)
Disposal of subsidiaries (note 31(c))	(2,529)	(786)	–	(1,470)	(867)	–	(5,652)
At 31st March, 2017	**15,244**	**1,207**	**213,531**	**26,235**	**3,013**	**–**	**259,230**
NET BOOK VALUE							
At 31st March, 2017	**13,796**	**27**	**22,001**	**856**	**1,138**	**798**	**38,616**
At 31st March, 2016	19,500	1,333	25,244	2,185	756	479	49,497

Buildings of the Group with net book value of approximately HK$13,796,000 (2016: nil) have been pledged as securities for the bank borrowings of the Group (note 26).

16. Investment properties

	2017 HK$'000	2016 HK$'000
Completed commercial properties		
At the beginning of the year	**38,000**	–
Acquisition of subsidiaries (notes 31(d) and 33)	**154,081**	38,000
Change in fair value	**4,000**	–
At the end of the year	**196,081**	38,000

(a) Investment properties of the Group are located in Hong Kong and the PRC, and were revalued at 31st March, 2017 on an open market value basis by Colliers International (Hong Kong) Limited and Grant Sherman Appraisal Limited, independent professional valuers.

(b) Investment properties of HK$42,000,000 (2016: nil) have been pledged as securities for the bank borrowings of the Group (note 26).

(c) Valuation processes of the Group

The Group's investment properties were revalued at 31st March, 2017 by independent professional valuers who hold recognized relevant professional qualifications 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 reviews the valuations performed by the independent valuers for financial reporting purposes and report directly to the Directors of the Group. Discussions of the valuation processes and results are held between the Directors and valuers at least once every six months, in line with the Group's interim and annual reporting processes. The finance department:

– verifies all major inputs to the independent valuation reports;

– assesses property valuation movements when compared to the prior period valuation report; and

– holds discussions with the independent valuers.

16. Investment properties (continued)

(d) Valuation techniques

Fair value of completed commercial properties in Hong Kong 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 potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and valuer's 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 comparing the property to be valued directly with other comparable properties, which have recently been 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.

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.

(e) 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. At 31st March, 2017, capitalization rates of 2.5% (2016: 2.5%) and 3.3% to 5.3% (2016: N/A) are used in the income capitalization method for the completed commercial properties in Hong Kong and the PRC respectively.

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

17. Cemetery assets

	2017 **HK$'000**	2016 HK$'000
Total cemetery assets	–	579,832
Current portion included in current assets	–	(78,552)
	–	501,280

The cemetery assets were disposed of as at 31st March, 2017 (note 31).

As at 31st March, 2016, included in the cemetery assets which were classified as current assets were grave plots and niches for cremation urns of cemetery operation with the aggregate carrying amounts of HK$68,859,000 that were expected to be realized after more than twelve months from the reporting date.

18. Amount due from a fellow subsidiary

Amount due from a fellow subsidiary represents the deferred consideration receivable from Chuang's China for the disposal of the cemetery operation (note 31). It will be settled through acquisition of entire equity interests in subsidiaries which hold certain residential villas in the PRC with its valuation close to RMB100.0 million (equivalent to approximately HK$112.9 million) at the settlement date and any shortfall with the valuation will be topped up in cash by Chuang's China. The exact value of residential villas to be delivered and the cash top-up, if applicable, cannot be determined until the settlement date, but in any case it will not exceed RMB100.0 million.

The amount is unsecured, interest bearing at 2% per annum and receivable on or before 31st March, 2020. The amount approximates its fair value and is within level 2 of the fair value hierarchy. The amount is denominated in RMB.

19. Subsidiaries

Details of principal subsidiaries which, in the opinion of the Directors, materially affected the results or net assets of the Group are set out in note 39.

20. Inventories

	2017	2016
	HK$'000	HK$'000
Raw materials	**14,771**	14,339
Work in progress	**6,063**	9,881
Finished goods	**8,316**	7,782
	29,150	32,002

21. Accounts receivable

	2017	2016
	HK$'000	HK$'000
Accounts receivable	**43,778**	64,240
Less: provision for doubtful debts	**(8,776)**	(10,659)
	35,002	53,581

21. Accounts receivable (continued)

The Group allows a credit period ranging from 30 days to 180 days to its trade customers of the printing business. Rental income is received in advance while sales proceeds receivable from the cemetery operation in 2016 are settled in accordance with the terms of respective contracts.

As at 31st March, 2016, sales proceeds receivable from the cemetery operation with the aggregate carrying amount of HK$1,548,000 were expected to be recovered after more than twelve months from the reporting date.

The aging analysis of the accounts receivable based on the date of invoices and net of provision for doubtful debts is as follows:

	2017 **HK$'000**	2016 HK$'000
Below 30 days	**8,511**	15,324
31 to 60 days	**6,483**	7,500
61 to 90 days	**6,869**	8,770
Over 90 days	**13,139**	21,987
	35,002	53,581

As at 31st March, 2017, accounts receivable of HK$21,064,000 (2016: HK$35,720,000) of the Group were neither past due nor impaired. As at 31st March, 2017, accounts receivable of HK$13,938,000 (2016: HK$17,861,000) were past due but not impaired. Management has assessed the credit quality, such as receipt in advance (note 24) and respective credit insurance in receivables, and the repayment ability of the relevant customers. The average age of these receivables is 93 days (2016: 100 days).

The aging analysis of accounts receivable which were past due but not impaired based on the date of invoice is as follows:

	2017 **HK$'000**	2016 HK$'000
Below 60 days	**635**	5,252
61 to 90 days	**258**	1,618
Over 90 days	**13,045**	10,991
	13,938	17,861

21. Accounts receivable (continued)

As at 31st March, 2017, accounts receivable of HK$8,776,000 (2016: HK$10,659,000) were impaired. The amount of the provision was HK$8,776,000 (2016: HK$10,659,000). The aging analysis of these receivables is as follows:

	2017 **HK$'000**	2016 HK$'000
Over 90 days	**8,776**	10,659

The movement in provision for doubtful debts is as follows:

	2017 **HK$'000**	2016 HK$'000
At the beginning of the year	**10,659**	14,624
Provision for the year	**–**	209
Amounts written off as uncollectible	**–**	(3,848)
Reversal of provision	**–**	(269)
Changes in exchange rates	**–**	(57)
Disposal of subsidiaries	**(1,883)**	–
At the end of the year	**8,776**	10,659

The Group's accounts receivable (net of provision for doubtful debts) are denominated in the following currencies:

	2017 **HK$'000**	2016 HK$'000
Hong Kong dollar	**6,214**	8,074
RMB	**975**	11,276
USD	**23,198**	31,930
EUR	**3,799**	793
AUD	**35**	159
GBP	**219**	761
NZD	**562**	588
	35,002	53,581

The Group's receivables in the amount of HK$7,867,000 (2016: HK$6,284,000) are held as collateral for bank borrowings of the Group (note 26).

22. Financial assets at fair value through profit or loss

	2017	2016
	HK$'000	HK$'000
Listed bonds	**112,095**	109,460

The balances are denominated in USD.

23. Cash and bank balances

	2017	2016
	HK$'000	HK$'000
Cash at bank and in hand	**262,653**	14,030
Short-term deposits	**17,101**	29,048
Cash and bank balances	**279,754**	43,078

The effective interest rates on short-term deposits range from 0.01% to 0.8% (2016: 0.1%) per annum and these deposits have maturities ranged from 4 to 7 days (2016: 1 day).

Cash and bank balances are denominated in the following currencies:

	2017	2016
	HK$'000	HK$'000
Hong Kong dollar	**257,958**	27,836
RMB	**8,142**	7,776
USD	**13,548**	7,185
EUR	**53**	147
GBP	**–**	46
NZD	**53**	88
	279,754	43,078

Majority of cash and bank balances denominated in RMB are held in the PRC and subject to local exchange control regulations. These local exchange control regulations restrict capital remittance from the country, other than through normal dividend distribution.

24. Accounts payable/accrued charges and other payables

The following is an aging analysis of accounts payable presented based on the date of suppliers' invoices.

	2017	2016
	HK$'000	HK$'000
Below 30 days	**13,769**	19,223
31 to 60 days	**4,073**	2,804
61 to 90 days	**891**	3,738
Over 90 days	**2,806**	6,164
	21,539	31,929

The following is an analysis of the accrued charges and other payables:

	2017	2016
	HK$'000	HK$'000
Accrued staff costs and other accruals	**13,495**	17,830
Receipt in advance from customers	**11,493**	6,658
Tenant and other deposits	**2,115**	–
Others	**6,699**	6,790
	33,802	31,278

The balances are mainly denominated in Hong Kong dollar and RMB.

25. Amount due to a non-controlling shareholder

The amount as at 31st March, 2016 was denominated in Hong Kong dollar, unsecured, interest-free and repayable on demand. The amount was disposed of as at 31st March, 2017 (note 31(c)).

26. Bank borrowings

	2017	2016
	HK$'000	HK$'000
Secured bank borrowings		
Short-term bank borrowings	**21,476**	4,218
Long-term bank borrowings	**26,000**	–
	47,476	4,218
Unsecured bank borrowings		
Short-term bank borrowings	**13,004**	6,297
Total bank borrowings	**60,480**	10,515

The total bank borrowings are analyzed as follows:

	2017	2016
	HK$'000	HK$'000
Short-term bank borrowings	**34,480**	10,515
Long-term bank borrowings	**26,000**	–
	60,480	10,515

The long-term bank borrowings are analyzed as follows:

	2017	2016
	HK$'000	HK$'000
Long-term bank borrowings	**26,000**	–
Current portion included in current liabilities		
Portion due within one year	**(1,560)**	–
	24,440	–

26. Bank borrowings (continued)

The bank borrowings of the Group are secured by certain assets including prepaid lease payments, property, plant and equipment, investment properties and accounts receivable with an aggregate carrying value of HK$66,950,000 (2016: including accounts receivable with an aggregate carrying value of HK$6,284,000) and guaranteed by the Company. Bank borrowings of HK$26,000,000 (2016: nil) are also secured by the assignment of rental income.

The effective interest rates of the Group's bank borrowings range from 1.68% to 7.25% (2016: 2.51% to 7.25%) per annum. The fair values of bank borrowings, based on cash flows discounted at the borrowing rates of 1.68% to 7.25% (2016: 2.51% to 7.25%) per annum, approximate their carrying amounts and are within level 2 of the fair value hierarchy.

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

	2017 **HK$'000**	2016 HK$'000
Within the first year	**36,040**	10,515
Within the second year	**1,560**	–
Within the third to fifth years	**22,880**	–
Total	**60,480**	10,515

The bank borrowings are denominated in the following currencies:

	2017 **HK$'000**	2016 HK$'000
Hong Kong dollar	**52,926**	10,515
USD	**7,090**	–
EUR	**464**	–
	60,480	10,515

26. Bank borrowings (continued)

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

	2017 **HK$'000**	2016 HK$'000
6 months or less	**60,480**	10,515

27. Deferred income

Deferred income represents the portion of the management fee that has not been earned as revenue in accordance with the revenue recognition policy of management fee income.

	2017 **HK$'000**	2016 HK$'000
At the beginning of the year	**3,923**	2,391
Changes in exchange rates	**(223)**	(114)
Additions	**1,210**	1,751
Recognized in consolidated statement of comprehensive income during the year	**(151)**	(105)
Disposal of subsidiaries (note 31(c))	**(4,759)**	–
At the end of the year	**–**	3,923

28. Deferred taxation liabilities

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

	2017 **HK$'000**	2016 HK$'000
At the beginning of the year	**131,348**	138,388
Acquisition of subsidiaries (notes 31(d) and 33)	**11,328**	136
Credited to consolidated statement of comprehensive income	**(635)**	(1,281)
Changes in exchange rates	**(7,177)**	(5,895)
Disposal of subsidiaries (note 31(c))	**(123,286)**	–
At the end of the year	**11,578**	131,348

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset taxation assets against taxation liabilities and when the deferred tax relate to the same fiscal authority.

28. Deferred taxation liabilities (continued)

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

	Deferred taxation liabilities				Deferred taxation assets
	Fair value adjustments of assets on business combination	Accelerated tax depreciation	Fair value gains	Total	Tax losses
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1st April, 2015	138,388	–	–	138,388	–
Acquisition of a subsidiary (note 33)	–	152	–	152	(16)
Credited to consolidated statement of comprehensive income (note 10)	(1,281)	–	–	(1,281)	–
Changes in exchange rates	(5,895)	–	–	(5,895)	–
At 31st March, 2016	131,212	152	–	131,364	(16)
Acquisition of subsidiaries (note 31(d))	–	–	11,328	11,328	–
(Credited)/charged to consolidated statement of comprehensive income (notes 10 and 31(a)(v))	(749)	265	–	(484)	(151)
Changes in exchange rates	(7,177)	–	–	(7,177)	–
Disposal of subsidiaries (note 31(c))	(123,286)	–	–	(123,286)	–
At 31st March, 2017	**–**	**417**	**11,328**	**11,745**	**(167)**

Deferred taxation liabilities 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 and are expected to be settled after more than twelve months from the end of reporting periods.

Deferred taxation assets of HK$25.1 million (2016: HK$26.1 million) arising from unused tax losses and temporary differences in respect of accelerated tax depreciation in the aggregate amount of HK$147.5 million (2016: HK$147.3 million) have not been recognized in the consolidated financial statements. The tax losses of HK$9.5 million (2016: HK$21.5 million) will expire within five years from the end of reporting periods and the remaining balances have no expiry date.

Deferred taxation liabilities of HK$0.9 million (2016: nil) 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.

29. Share capital

	Number of shares '000	Amount HK$'000
Authorized:		
Ordinary shares of HK$0.10 each		
At 1st April, 2015, 31st March, 2016 and 31st March, 2017	**8,000,000**	**800,000**
Preference shares of HK$0.01 each (note i)		
Series A Preference Shares		
At 1st April, 2015, 31st March, 2016 and 31st March, 2017	**1,000,000**	**10,000**
Series B Preference Shares		
At 1st April, 2015, 31st March, 2016 and 31st March, 2017	**1,000,000**	**10,000**
	2,000,000	**20,000**
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
At 1st April, 2015, 31st March, 2016 and 31st March, 2017	**3,310,812**	**331,081**

Note:

(i) The preference shares rank in priority to the ordinary shares of the Company as to dividend and return of capital.

The Company adopted a share option scheme (the "Scheme") pursuant to the annual general meeting held on 29th 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 29th August, 2012. No option have been granted under the Scheme since its adoption.

30. Reserves

	Share premium HK$'000	Other reserve HK$'000	Merger reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1st April, 2015	290,782	4,000	24,000	63,594	(157,446)	224,930
Profit for the year	–	–	–	–	93,146	93,146
Other comprehensive loss:						
Net exchange differences	–	–	–	(14,586)	–	(14,586)
Realization of exchange reserve upon disposal of a subsidiary (note 32)	–	–	–	(113)	–	(113)
At 31st March, 2016	290,782	4,000	24,000	48,895	(64,300)	303,377
Profit for the year	–	–	–	–	50,437	50,437
Other comprehensive loss:						
Net exchange differences	–	–	–	(19,351)	–	(19,351)
Realization of exchange reserve upon disposal of subsidiaries (note 31(e))	–	–	–	(29,544)	–	(29,544)
Increase of interest in a subsidiary (note i)	–	–	–	–	6,258	6,258
At 31st March, 2017	**290,782**	**4,000**	**24,000**	**–**	**(7,605)**	**311,177**

Note:

(i) *In July 2016, the Group committed a capital injection amounted to HK$50,000,000 to Fortune Wealth Memorial Park (Si Hui) Limited ("FW Si Hui"), the PRC subsidiary of the Group's cemetery operation, while no injection was made by non-controlling interests of FW Si Hui on its respective portion. As a result, the Group's effective interest in FW Si Hui was increased from 83.4% to 85.5% prior to its disposal to Chuang's China as set out in note 31 to the consolidated financial statements and the respective effect was recognized within equity.*

31. Discontinued operation

On 21st January, 2017, the Company entered into a sale and purchase agreement with Chuang's China to dispose of its equity interests in Fortune Wealth Consortium Limited and its subsidiaries (the "FW Group") at a consideration of RMB398.0 million (equivalent to approximately HK$449.3 million). The FW Group was principally engaged in the development and operation of a cemetery located in Sihui, the PRC. The transaction was completed on 31st March, 2017, and the consideration was satisfied partially in cash of RMB174.0 million (equivalent to approximately HK$196.4 million), partially in exchange of investment properties of RMB124.0 million (equivalent to approximately HK$140.0 million) through the acquisition of 100% equity interests in Chuang's Development (Chengdu) Limited and Sino Success Limited and its subsidiary (together, the "Acquired Subsidiaries") and partially by a deferred consideration (with the exchange of certain properties through acquisition of relevant entities) of RMB100.0 million (equivalent to approximately HK$112.9 million) (recorded as "Amount due from a fellow subsidiary" in the consolidated statement of financial position, see note 18). The Acquired Subsidiaries were principally engaged in property investment in the PRC. The deferred consideration is receivable on or before 31st March, 2020 and bears an interest of 2% per annum. Accordingly, the consolidated results of FW Group have been presented as discontinued operation in the consolidated financial statements and the comparative figures of the consolidated statement of comprehensive income and corresponding notes have been restated.

31. Discontinued operation (continued)

(a) Results of discontinued operation

	Note	2017 HK$'000	2016 HK$'000
Revenues	i	**17,574**	22,300
Cost of sales		**(3,459)**	(8,631)
Gross profit		**14,115**	13,669
Other income and net gain	ii	**564**	40
Selling and marketing expenses		**(9,577)**	(13,153)
Administrative and other operating expenses		**(6,185)**	(4,900)
Operating loss	iii	**(1,083)**	(4,344)
Finance income	iv	**127**	414
Loss before taxation		**(956)**	(3,930)
Taxation credit	v	**749**	1,281
Loss after taxation		**(207)**	(2,649)
Net gain on transaction after taxation (note e)		**42,183**	–
Profit/(loss) for the year from discontinued operation		**41,976**	(2,649)
Profit/(loss) for the year from discontinued operation attributable to:			
Equity holders of the Company		**42,006**	(2,108)
Non-controlling interests		**(30)**	(541)
		41,976	(2,649)

31. Discontinued operation (continued)

(a) Results of discontinued operation (continued)

Notes:

(i) *Revenues recognized during the year are as follows:*

	2017 HK$'000	2016 HK$'000
Sales of cemetery assets	**17,574**	22,300

(ii) *Other income and net gain*

	2017 HK$'000	2016 HK$'000
Interest income from bank deposits	**8**	6
Net exchange gain	**536**	13
Sundries	**20**	21
	564	40

(iii) *Operating loss*

	2017 HK$'000	2016 HK$'000
Operating loss from discontinued operation is stated after charging/(crediting):		
Staff costs		
Wages and salaries	**8,233**	10,518
Retirement benefit costs	**22**	45
Total staff costs	**8,255**	10,563
Less: Amount included in cost of sales	**(656)**	(656)
Staff costs included in selling and marketing expenses and administrative and other operating expenses	**7,599**	9,907
Cost of inventories sold	**2,744**	7,903
Depreciation	**714**	775
Provision for impairment of accounts receivable	**–**	209
Amortization of prepaid lease payments	**59**	72
Operating lease rental	**516**	625

Auditors' remuneration for both years were absorbed by the immediate holding company.

31. Discontinued operation (continued)

(a) Results of discontinued operation (continued)

Notes: (continued)

(iv) Finance income

	2017 HK$'000	2016 HK$'000
Fair value adjustment of accounts receivable	**127**	414

(v) Taxation credit

	2017 HK$'000	2016 HK$'000
Deferred taxation	**749**	1,281

No provision for Hong Kong profits tax has been provided as the FW Group has no estimated assessable profit for the year ended 31st March, 2017 (2016: nil). No provision for PRC corporate income tax has been provided as the FW Group has sufficient tax losses to offset the estimated assessable profit for the year ended 31st March, 2017 (2016: nil).

(b) Cash flows used in discontinued operation

	2017 HK$'000	2016 HK$'000
Net cash used in operating activities	**(10,765)**	(4,236)
Net cash used in investing activities	**(242)**	(1,800)
Net cash generated from financing activities *(note i)*	**–**	–
Net cash flows used in discontinued operation for the year	**(11,007)**	(6,036)

Note:

(i) The discontinued operation was financed by an intergroup loan from the continuing operations, which has been eliminated in the consolidated financial statements of the Group.

31. Discontinued operation (continued)

(c) Net assets disposed of as at the disposal date

	2017 HK$'000
Net assets disposed of:	
Prepaid lease payments	1,746
Property, plant and equipment	7,656
Non-current portion of cemetery assets	393,279
Current portion of cemetery assets	170,178
Accounts receivable	8,223
Deposits, prepayments and other receivables	280
Cash and bank balances	7,672
Accounts payable	(1,066)
Accrued charges and other payables	(4,456)
Amount due to a non-controlling shareholder	(1,366)
Taxation payable	(482)
Deferred income	(4,759)
Deferred taxation liabilities	(123,286)
	453,619
Non-controlling interests	(56,648)
Net assets disposed of (note e)	396,971
Satisfied by:	
Cash consideration	196,411
Adjusted equity interests of Acquired Subsidiaries (note d)	141,493
– Equity interests	139,971
– Fair value adjustments	1,522
Deferred consideration recorded as "Amount due from a fellow subsidiary" (note 18)	112,880
	450,784

31. Discontinued operation (continued)

(d) Acquired Subsidiaries

	2017 HK$'000
Recognized amounts of identifiable assets acquired and liabilities assumed for the Acquired Subsidiaries at fair value:	
Investment properties	**154,081**
Deposits, prepayments and other receivables	**248**
Cash and bank balances	**3,859**
Accrued charges and other payables	**(2,143)**
Taxation payable	**(3,224)**
Deferred taxation liabilities	**(11,328)**
	141,493

No revenues and net profit had been contributed by the Acquired Subsidiaries to the Group for the year ended 31st March, 2017 since it was just acquired on 31st March, 2017. Had the acquisition of the Acquired Subsidiaries occurred on 1st April, 2016 and taken into account the change in fair value of the investment properties of the Acquired Subsidiaries for the year, the consolidated revenues and net gain and result attributable to the equity holders of the Company from continuing operations for the year ended 31st March, 2017 would have been approximately HK$203,150,000 and HK$31,615,000 respectively.

The Group measures its fair value of net assets acquired with reference to the valuation based on the income capitalization method and direct comparison method carried out by Grant Sherman Appraisal Limited, an independent valuer who holds a recognized relevant professional qualification and has recent experience in the locations and segments of assets valued, at the acquisition date and the current use equates to the highest and best use. Details of judgment and assumptions have been disclosed in note 16.

31. Discontinued operation (continued)

(e) Net gain on transaction after taxation

	2017 HK$'000
Fair value of net assets disposed of	**656,959**
Carrying value of net assets disposed of (note c)	**(396,971)**
	259,988
Transaction costs for disposal	**(3,338)**
Realization of exchange reserve upon disposal	**29,544**
Gain on disposal of the FW Group before taxation	**286,194**
PRC withholding corporate income tax	**(37,836)**
Gain on disposal of the FW Group after taxation	**248,358**
Fair value of assets acquired and liabilities assumed:	
Cash consideration	**196,411**
Adjusted equity interests of Acquired Subsidiaries (note d)	**141,493**
— Equity interests	**139,971**
— Fair value adjustments	**1,522**
Deferred consideration recorded as "Amount due from a fellow subsidiary" (note 18)	**112,880**
	450,784
Fair value of net assets disposed of	**(656,959)**
Provision for net assets acquired	**(206,175)**
Net gain on transaction after taxation	**42,183**

The fair value of the net assets disposed of is with reference to the valuation based on asset approach carried out by Grant Sherman Appraisal Limited, an independent valuer who holds a recognized relevant professional qualification and has recent experience in the locations and segments of assets valued, as at the date of disposal and the current use equates to the highest and best use, and adjusted with the related deferred taxation liabilities and non-controlling interests. Details of judgment and assumptions have been disclosed in note 4(f).

31. Discontinued operation (continued)

(f) Analysis of the net cash flow of the transaction

	2017 HK$'000
Analysis of the net cash flow of the transaction is as follows:	
Cash consideration received	**196,411**
Cash and bank balances disposed of	**(7,672)**
Cash and bank balances acquired	**3,859**
Transaction costs paid	**(3,338)**
	189,260

32. Disposal of subsidiaries

	2016 HK$'000
Consideration	123,406
Less: Transaction costs	(2,507)
Net proceeds	120,899
Net assets disposed of	
Prepaid lease payments	3,139
Property, plant and equipment	9,191
Accrued charges and other payables	(36)
Net assets disposed of	12,294
Realization of exchange reserve upon disposal of subsidiaries	(113)
	12,181
Gain on disposal of subsidiaries (note 7(i))	108,718

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

Net cash consideration received	120,899
Net cash flow from disposal of subsidiaries	120,899

33. Business combination

On 2nd February, 2016, a wholly-owned subsidiary of the Group entered into an agreement with an independent third party to acquire 100% equity interest in Perfect Outlook Limited ("Perfect Outlook") at a consideration of HK$37.9 million. The transaction was completed during the year ended 31st March, 2016 and no goodwill was recognized at acquisition.

The following table summarizes the consideration, the fair value of the assets acquired and liabilities assumed at the acquisition date, and the analysis of cash flows from business combination:

	2016 HK$'000
Consideration:	
Cash paid	37,900
Recognized amounts of identifiable assets acquired and liabilities assumed at fair value:	
Investment property	38,000
Deposits	129
Accrued charges and other payables	(93)
Deferred taxation liabilities	(136)
Total identifiable net assets	37,900
Net cash outflow from business combination	37,900

The Group measures its fair value of net assets acquired with reference to the valuation based on the income capitalization method and direct comparison method carried out by Colliers International (Hong Kong) Limited, an independent valuer who holds a recognized relevant professional qualification and has recent experience in the locations and segments of assets valued, at the acquisition date and the current use equates to the highest and best use. Details of judgment and assumptions have been disclosed in note 16. Acquisition-related costs of HK$30,000 had been charged to administrative and other operating expenses in the consolidated statement of comprehensive income for the year ended 31st March, 2016.

No contingent consideration arrangements or contingent liabilities were identified at acquisition.

Perfect Outlook contributed revenues of HK$35,000 and profit after tax of HK$34,000 to the Group for the period from the acquisition date to 31st March, 2016. Had the acquisition occurred on 1st April, 2015, the restated consolidated revenues and net gain and result attributable to the equity holders of the Company from continuing operations for the year ended 31st March, 2016 would have been approximately HK$234,639,000 and HK$96,013,000, respectively.

34. Commitments

(a) Capital commitments

	2017 HK$'000	2016 HK$'000
Contracted but not provided for in respect of property, plant and equipment	**1,814**	1,023

(b) Operating leases 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:

	2017 HK$'000	2016 HK$'000
Within the first year	**436**	1,992
Within the second to fifth years	**38**	375
	474	2,367

(c) Operating leases rental receivable

The future minimum lease rental income receivable under non-cancellable operating leases is as follows:

	2017 HK$'000	2016 HK$'000
Within the first year	**7,030**	993
Within the second to fifth years	**6,430**	1,407
	13,460	2,400

The Group leases properties under various agreements which will be terminated between 2018 to 2019 (2016: 2018).

35. Employee retirement benefits

The Group participates in 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 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 PRC. The government is 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.

36. Event after the reporting period

On 13th April, 2017, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with an independent third party to acquire a property (for commercial use) in Hong Kong at a consideration of HK$40 million. The transaction was completed on 17th May, 2017 and the property was recorded as investment property.

37. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board on 23rd June, 2017.

38. Statement of Financial Position and Reserves Movement of the Company

Statement of Financial Position of the Company

As at 31st March, 2017

	Note	2017 HK$'000	2016 HK$'000
Non-current asset			
Interests in subsidiaries		**389,939**	569,978
Current assets			
Other receivables		**348**	333
Cash and bank balances		**213,528**	29,155
		213,876	29,488
Current liabilities			
Other payables		**3,011**	806
Amounts due to subsidiaries		**4,226**	–
		7,237	806
Net current assets		**206,639**	28,682
Net assets		**596,578**	598,660
Equity			
Share capital	29	**331,081**	331,081
Reserves	a	**265,497**	267,579
		596,578	598,660

The statement of financial position of the Company was approved by the Board on 23rd June, 2017 and was signed on its behalf by:

Geoffrey Chuang Ka Kam	**Richard Hung Ting Ho**
Director	*Director*

38. Statement of Financial Position and Reserves Movement of the Company (continued)

(a) Reserves movement of the Company

	Share premium	Other reserve	Contributed surplus	Accumulated losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1st April, 2015	290,782	4,000	77,963	(102,612)	270,133
Loss for the year	–	–	–	(2,554)	(2,554)
At 31st March, 2016	290,782	4,000	77,963	(105,166)	267,579
Loss for the year	–	–	–	(2,082)	(2,082)
At 31st March, 2017	**290,782**	**4,000**	**77,963**	**(107,248)**	**265,497**

The other reserve of the Company relates to contribution by the substantial shareholders of the Company who were also the holders of the preference shares. It represents the excess of the face value of redeemable preference shares over the consideration paid upon redemption in 2004.

The contributed surplus of the Company represents the difference between the underlying net assets of the subsidiaries which were acquired by the Company at the date of a group reorganization in 1996 (the "Group Reorganization") and the nominal amount of the shares issued by the Company for the Group Reorganization.

39. Principal subsidiaries

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2017	2016	Principal activities
廣東省博羅縣圓洲勤達印務有限公司 Guangdong Boluo Yuanzhou Midas Printing Limited	The PRC (note i)	US$12,500,000	**100%**	100%	Book printing and binding
Midas Printing International Limited	Hong Kong	HK$7,000	**100%**	100%	Trading of printed products
廣州莊士投資咨詢服務有限公司 Guangzhou Chuang's Investment Services Limited (note 31(d))	The PRC	RMB39,000,000	**100%**	–	Property investment
Chuang's Development (Chengdu) Limited (note 31(d))	Hong Kong	HK$60,000,000	**100%**	–	Property investment
Midas Solution and Consulting Limited	Hong Kong	HK$2	**100%**	100%	Provision of information technology service
Lever Printing Factory Limited	Hong Kong	HK$500,000	**100%**	100%	Securities investment and trading
Perfect Outlook Limited (note 33)	British Virgin Islands/ Hong Kong	US$1	**100%**	100%	Property investment
Fortune Wealth Memorial Park Limited (note 31)	Hong Kong	HK$10,000	**–**	87.5%	Investment holding
四會聚福寶華僑陵園有限公司 Fortune Wealth Memorial Park (Si Hui) Limited (note 31)	The PRC	HK$95,700,000 (2016: HK$45,700,000)	**–**	83.4%	Development and construction of cemetery and provision of related management services in the PRC

Note:

i. *The company is registered in the form of a wholly-owned foreign investment enterprise.*

The following list contains investment properties held by the Group as at 31st March, 2017.

Location	Term	Usage	Group's interest
Shop D, Ground Floor, Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon, Hong Kong	Medium lease	Commercial	100.0%
6th Floor, Chengdu Digital Plaza, No. 1 Renmin South Road Fourth Portion, Wuhou District, Chengdu, Sichuan Province, the People's Republic of China (the "PRC")	Medium lease	Commercial	100.0%
Units 01, 02, 03, 06 and 07, 38th Floor, R&F Yingkai Square, No. 16 Huaxia Road, Tianhe District, Guangzhou, Guangdong Province, the PRC	Medium lease	Offices	100.0%

Results

	For the year ended 31st March,				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)			
REVENUES AND NET GAIN	**197,630**	233,681	274,582	309,846	277,668
PROFIT/(LOSS) FOR THE YEAR	**50,407**	92,605	(17,205)	(43,134)	(47,696)
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY	**50,437**	93,146	(16,649)	(42,521)	(46,848)
NON-CONTROLLING INTERESTS	**(30)**	(541)	(556)	(613)	(848)
PROFIT/(LOSS) FOR THE YEAR	**50,407**	92,605	(17,205)	(43,134)	(47,696)

Assets and liabilities

	At 31st March,				
	2017	2016	2015	2014	2013
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS	**819,679**	920,085	914,870	951,035	996,407
TOTAL LIABILITIES	**(177,421)**	(219,802)	(290,012)	(416,606)	(418,474)
NET ASSETS	**642,258**	700,283	624,858	534,429	577,933
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY	**642,258**	634,458	556,011	465,083	507,918
NON-CONTROLLING INTERESTS	**–**	65,825	68,847	69,346	70,015
TOTAL EQUITY	**642,258**	700,283	624,858	534,429	577,933

Note: The disposal of cemetery operation was completed on 31st March, 2017, and the figures prior to 2016 had not been restated to conform presentation.

Notice is hereby given that the Annual General Meeting of the Company will be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Thursday, 31st August, 2017 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the Directors' report and the auditor's report for the year ended 31st March, 2017.

2. (a) To re-elect Mrs. Candy Kotewall Chuang Ka Wai as an Executive Director.

   (b) To re-elect Mr. Neville Charles Kotewall as an Executive Director.

   (c) To re-elect Mr. Dominic Lai as a Non-Executive Director.

   (d) To authorize the Board to fix the remuneration of the Directors.

3. To re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorize the Board to fix its remuneration.

4. To consider and, if thought fit, pass with or without amendments the following resolutions to be proposed as ordinary resolutions, with or without amendments:

   A. "**THAT**:

      (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own ordinary shares ("Shares") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to purchase such securities, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate number of securities of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the number of issued Shares of the Company at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution,

"Relevant Period" means the period from 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 expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; or

(iii) the revocation or variation of authority given under this Resolution by an ordinary resolution of the shareholders in general meeting."

B. "**THAT**:

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares in the capital of the Company and to make or grant offers, agreements and options 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 and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of Shares in the share capital allotted or agreed conditionally or unconditionally to be allotted (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 (1) a Rights Issue (as hereinafter defined); or (2) an issue of Shares as scrip dividends pursuant to the Articles of Association of the Company; or (3) an issue of Shares by the exercise of options granted under any share option scheme of the Company, shall not exceed 20 per cent of the number of issued Shares of the Company at the date of 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 passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; or

(iii) the revocation or variation of authority given under this Resolution by an ordinary resolution of the shareholders in general meeting; and

"Rights Issue" means an offer of Shares open for a period fixed by the Directors of the Company to the holders of Shares of the Company on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion 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 any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

C. “**THAT**:

conditional upon the resolution set out in paragraph A of item 4 in the notice convening this meeting being passed, the aggregate number of Shares of the Company which are purchased by the Company under the authority granted to the Directors of the Company by such resolution (up to a maximum of 10 per cent of the number of issued Shares of the Company at the date of passing of this Resolution) shall be added to the aggregate number of Shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to the resolution set out in paragraph B of item 4 in the notice convening this meeting.”

By order of the Board of
Midas International Holdings Limited
Lee Wai Ching
Company Secretary

Hong Kong, 24th July, 2017

notes:

(1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead. A proxy need not be a member of the Company.

(2) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting.

(3) An explanatory statement containing further details regarding the resolutions set out in items 2 and 4 will be sent to shareholders together with the annual report for the year ended 31st March, 2017.

This Annual Report is printed by Midas International Holdings Limited

MIDAS INTERNATIONAL
HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1172

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