CHUANG'S CONSORTIUM INTERNATIONAL LIMITED

ANNUAL REPORT 2017

Contents

Chairman's

Statement

Highlights of the Year

Business

This financial year is an important and fruitful year for the Group as we achieved not only a net profit attributable to equity holders of the Company of HK$1,264.3 million, representing an increase of about 112% over that of the last year, but we also implemented a number of strategic moves as follows:

- ### *Disposal of the investment project at No. 15 Gough Hill Road, The Peak, Hong Kong*

  The Group has successfully captured the rising trend of the prestigious residential property market in Hong Kong by entering into an agreement to dispose of the property holding company that holds the property investment project located at No. 15 Gough Hill Road, The Peak for HK$2.1 billion. The transaction represented a record high in Hong Kong in terms of the monetary amount per square foot. The disposal is expected to be completed in the third quarter of 2018 and will generate an aggregate net gain of over HK$1 billion to the Group.

- ### *Disposal of the development project in Dongguan, the People's Republic of China (the "PRC")*

  At the same time, the Group also grasped the opportunity in the PRC rising property market and completed the disposal of the property holding companies that hold the property development project at Dongguan, the PRC for RMB1.3 billion (equivalent to approximately HK$1.5 billion), generating a net gain after taxation of about HK$1.2 billion (before deducting non-controlling interests of HK$0.5 billion) to the Group.

Expansion to property investment in London, United Kingdom

The Group diversified geographically into the United Kingdom market by acquiring a prime office building at 10 Fenchurch Street, located at the prime location of City of London for GBP79 million (equivalent to approximately HK$764 million), which represented about GBP1,017 (equivalent to approximately HK$9,845) per *sq. ft.*. London, being one of the world's leading financial marketplaces, is well sought-after by global investors for its market liquidity and transparency. The acquisition of this prime office property provides the Group with steady rental income stream and potential increase in capital value over time.

Replenishing land bank by acquiring Posco Building

In April 2017, the Group entered into an agreement to acquire Posco Building at Sham Shui Po, Kowloon for HK$301.2 million. The acquisition is expected to be completed on or before 31st July, 2017 and will increase the recurrent rental income and enhance the land bank of the Group.

Completion of a group rationalization exercise regarding burial business

The Group completed a group rationalization exercise whereby the burial business was transferred from Midas International Holdings Limited to Chuang's China Investments Limited so that resources within our Group can be better deployed.

Repurchase of shares

With a view to increase value for our shareholders, during the past two financial years, the Company had repurchased a total of about 61 million shares on The Stock Exchange of Hong Kong Limited at an aggregate cash consideration of approximately HK$68 million, equivalent to about HK$1.11 per share.

Financial and Shareholders' Value

We delivered solid financial results for the year ended 31st March, 2017 and key financial indicators of the Group are set out as follows:

- Profit attributable to equity holders of the Company escalated by about 112% to HK$1,264.3 million
- Earnings per share enhanced by 118% to 75.19 HK cents
- Total assets of the Group increased by 24% to HK$19.2 billion
- Net assets attributable to equity holders of the Company increased by 14% to HK$9.8 billion
- Net asset value per share enhanced by 15% to HK$5.84
- Total cash resources of the Group (including investments held for trading) increased by 121% to HK$4.8 billion
- Net debt to equity ratio improved to 14.2%
- Total dividend per share for the year (including special dividend) increased by 60% to 8.0 HK cents per share

Going Forward

Going forward, we will actively improve rental yield of our investment properties and speed up the development of our projects located at Po Shan Road and Tuen Mun in Hong Kong, Chuang's Mid-town in Anshan, the PRC, and International Finance Centre and sáv Residence in Mongolia. We are confident that, with the completion of the above development projects, further value can be created for our shareholders. At the same time, the Group is keen to pursue the state policy of "One belt, One road" initiatives as it will bring about vast opportunities from the creation of economic belt involving many countries from Asia to Europe.

Financial Review

Profit attributable to equity holders of the Company for the year ended 31st March, 2017 amounted to HK$1,264.3 million (2016: HK$597.8 million), representing an increase of 1.1 times when compared to that of the last year. Earnings per share was 75.19 HK cents (2016: 34.51 HK cents).

For the year ended 31st March, 2017, revenues and net gain of the Group amounted to HK$1,137.9 million (2016: HK$1,869.2 million), representing a decrease of 39.1% compared to that of the last year. This was mainly due to the decrease in property sales in Hong Kong recognized by the Group as a result of the completion of Parkes Residence last year. Revenues and net gain of the Group comprised revenues from sales of properties of HK$453.3 million (2016: HK$1,251.8 million), revenues from rental and other income of investment properties of HK$194.9 million (2016: HK$175.9 million), revenues from hotel operation of HK$90.1 million (2016: HK$98.8 million), revenues from cemetery business of HK$17.6 million (2016: HK$22.3 million), revenues from sales of goods and merchandises of HK$251.2 million (2016: HK$303.0 million), revenues from money lending business of HK$7.8 million (2016: Nil) and revenues and net gain from securities investment and trading business of HK$123.0 million (2016: HK$17.4 million).

As a result of decrease in revenues generated from sales of properties, gross profit during the year decreased to HK$552.9 million (2016: HK$873.6 million), representing a decrease of 36.7% compared to that of the last year. Gross profit margin slightly increased to 48.6% (2016: 46.7%). Other income and net gain decreased to HK$53.2 million (2016: HK$126.9 million) mainly due to the absence of a gain arising from the write-back of provision for the tax indemnity on disposal of a subsidiary recorded last year. A breakdown of other income and net gain is shown in note 7 to the consolidated financial statements of this report. A gain on disposal of subsidiaries of HK$1,340.7 million (2016: Nil) was recorded during the year, which was related to the disposal of the subsidiaries that held a property development project at Dongguan, the PRC, details of which were set out in the announcement of the Company dated 28th August, 2016 and the circular of the Company dated 26th September, 2016 respectively. Furthermore, the Group also recorded an upward revaluation surplus of HK$751.3 million (2016: HK$446.1 million) for its investment properties, mainly reflecting the continued improvement in property prices of our investment properties in Hong Kong and the PRC during the year, of which HK$331.5 million was related to No. 15 Gough Hill Road, The Peak.

On the costs side, selling and marketing expenses decreased to HK$73.8 million (2016: HK$141.6 million) due to the decrease in property sales. Administrative and other operating expenses increased to HK$557.7 million (2016: HK$496.4 million) mainly due to a general increase in overheads and business activities of the Group, and the provision for diminution in value of a property project in Vietnam. Finance costs slightly increased to HK$90.3 million (2016: HK$87.0 million) mainly due to the increase of bank borrowings of the Group. Share of results of associated companies and joint ventures amounted to HK$25.7 million (2016: HK$64.3 million) mainly due to the share of revaluation gain arising on investment properties owned by a joint venture. Taxation amounted to HK$226.8 million (2016: HK$158.8 million) mainly relating to net tax paid or payable on sales of properties and subsidiaries.

Dividends

As regards payment of dividend, it is the policy of the Group to pay a recurrent and stable dividend to its shareholders. In view of the healthy financial position of the Group and the progress that the Group has made during the year, the Board has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting of the Company the payment of a final dividend of 3.0 HK cents (2016: 3.0 HK cents) per share and a special dividend of 2.0 HK cents (2016: Nil) per share for the year ended 31st March, 2017. The final dividend and the special dividend, if approved, will be paid on or before 20th October, 2017 to the shareholders whose names appear on the Company's register of members on 20th September, 2017.

An interim dividend of 3.0 HK cents (2016: 2.0 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 8.0 HK cents (2016: 5.0 HK cents) per share, representing an increase of 60% over that of the last year. Total dividends paid and to be paid in respect of the current financial year will amount to HK$134.2 million (2016: HK$85.4 million).

Business Review

(A) Investment Properties

(1) Hong Kong

The Group owns a high-quality portfolio of investment properties in Hong Kong, comprising retail, office, high-class residential, industrial and carparking spaces, which generates strong recurrent income stream to the Group. Rental and other income from investment properties in Hong Kong during the year amounted to HK$141.2 million, representing an increase of about 4.3% over that of the last year. The Group's major investment properties in Hong Kong are as follows:

(i) Chuang's Tower, Nos. 30–32 Connaught Road Central, Hong Kong (100% owned)

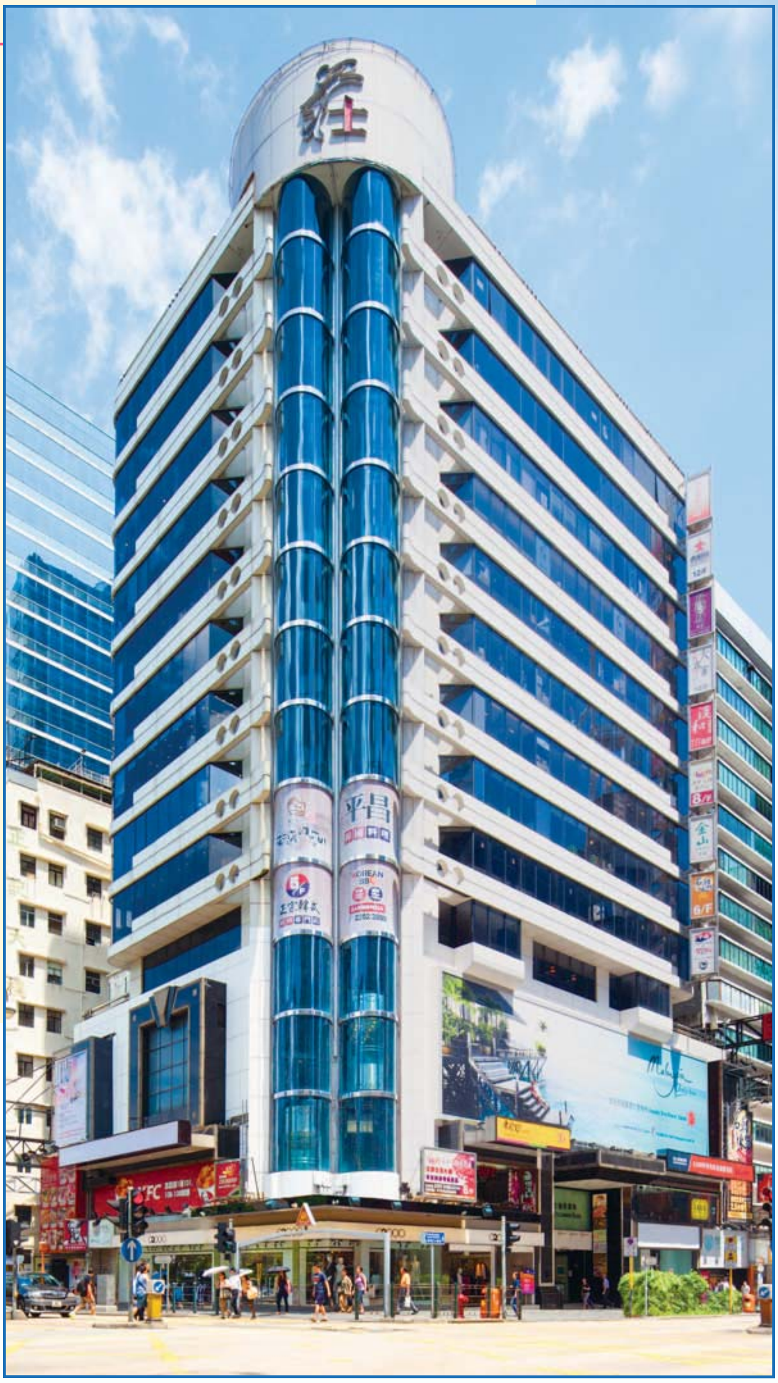
The property is a commercial/office building and is strategically located at the heart of Central District and close to the exits of both the Central Station of the Mass Transit Railway and the Hong Kong Station of the Airport Express Line. The property has a site area of about 3,692 *sq. ft.* and total gross floor area ("GFA") of about 55,367 *sq. ft.*. With the limited supply of quality office spaces in Central and the recent record successful tender price of the government tender at Murray Road, the Group believes that the market value and rental of commercial and office buildings in Central would continue to be strong. The Group will closely monitor the market and will take appropriate steps to further improve the rental yield and capital value of the property.

CHUANG'S
TOWER

CHUANG'S LONDON PLAZA

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

Strategically located at the heart of shopping centres in Tsim Sha Tsui, Kowloon, and near the exit of the Mass Transit Railway, the property is a shopping and entertainment complex. The property has a site area of about 9,145 *sq. ft.* and total GFA of about 103,070 *sq. ft.*. With the expected completion of the Guangzhou-Shenzhen-Hong Kong Express Rail Link Hong Kong Section (located within walking distance from the property) in the third quarter of 2018 which will generate lucrative amount of economic benefit, the Group is exploring plans and strategies to renovate and upgrade the property to grasp the opportunity to further enhance the rental yield and thus the capital value of the property.



NO.15
GOUGH HILL ROAD
THE PEAK

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

The redevelopment of the property into a single house with unique architectural design has been progressing satisfactorily. Superstructure works have recently been topped off and external stone cladding works will commence soon. Occupation permit is expected to be issued by the end of 2017 which will be followed by internal decoration works.

On 9th June, 2016, the Group entered into a sale and purchase agreement with an independent third party for the disposal of the property holding subsidiary that holds this property for a consideration of HK$2.1 billion (subject to adjustment). The consideration will be satisfied as to approximately 80% by cash and as to approximately 20% by the transfer of a commercial property located in Luohu District, Shenzhen, the PRC to the Group. A cash deposit and part payment of HK$315 million had been received by the Group as of to-date. According to the current construction progress, further part payments of HK$735 million in cash together with the transfer of the Shenzhen property to the Group are expected to take place in the remaining financial year ending 2018, and the disposal is expected to be completed in the third quarter of 2018 whereby the Group will receive a final cash payment of HK$630 million. The disposal, upon completion, is expected to generate a further net gain of about HK$700 million to the Group. Details of the disposal are set out in the circular of the Company dated 20th July, 2016.

HOUSE A

NO.37 ISLAND ROAD

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

Located at Deep Water Bay, a prestigious residential area, the property enjoys a glamourous sea-view. The property had been leased out during the year. To capitalize the opportunity on the rising trend of the prestigious residential market, the Group will explore other options (including disposal) to accelerate capital return on investment in this property.

POSCO BUILDING

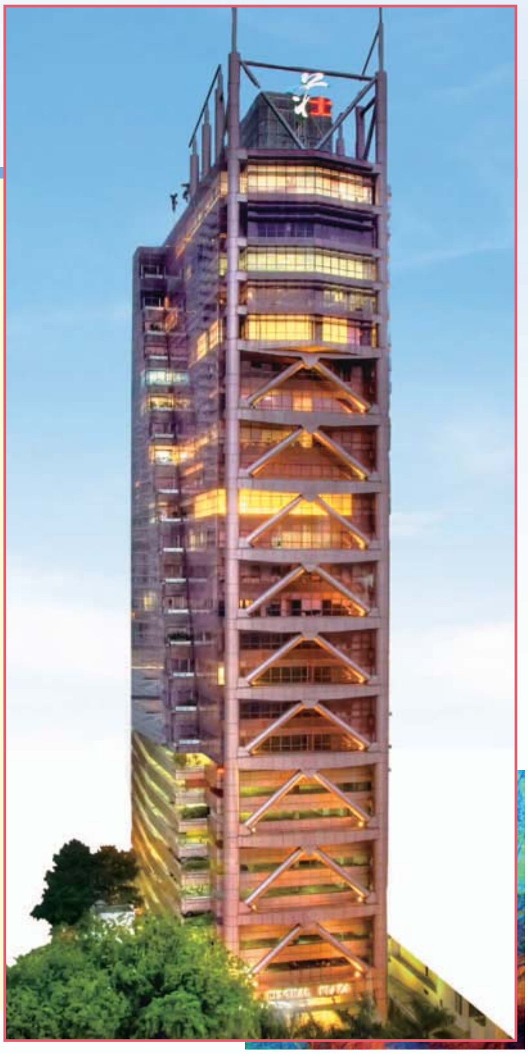
(v) Posco Building, No. 165 Un Chau Street, Sham Shui Po, Kowloon (100% owned)

In April 2017, the Group entered into a sale and purchase agreement with an independent third party for the acquisition of the property at a cash consideration of HK$301.2 million. Deposits of HK$30.12 million have been paid as of todate. The property is located in between Cheung Sha Wan and Sham Shui Po Mass Transit Railway Stations, enjoying the convenience of good transportation network. The property is for commercial and industrial use and has a site area of about 3,920 *sq. ft.* and total GFA of about 47,258 *sq. ft.*. It is currently expected that the completion of acquisition will take place on or before 31st July, 2017. The total monthly rental of the property, upon completion, will be about HK$470,000. After completion of the acquisition, the Group will take steps to enhance the rental income and capital value of the property by refurbishing and upgrading the quality of the property.

(2) *Malaysia*

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

Central Plaza, located at the heart of central business district and prestigious shopping area of Kuala Lumpur, has a total GFA of 380,000 *sq. ft.* of retail, office and carparking spaces. During the year, rental and other income from this property amounted to about HK$20.0 million.



(3) *Taiwan*

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

The property is a residential complex developed by the Group and is located nearby the city centre of Taipei City. It comprises of a villa and 6 apartment units (of which 2 are duplex) with a total GFA of about 20,600 *sq. ft.*. During the year, the apartment units have been leased out. The internal decoration works of the villa have just been finished and marketing work for leasing has commenced. Rental income from this property during the year amounted to about HK$1.9 million.

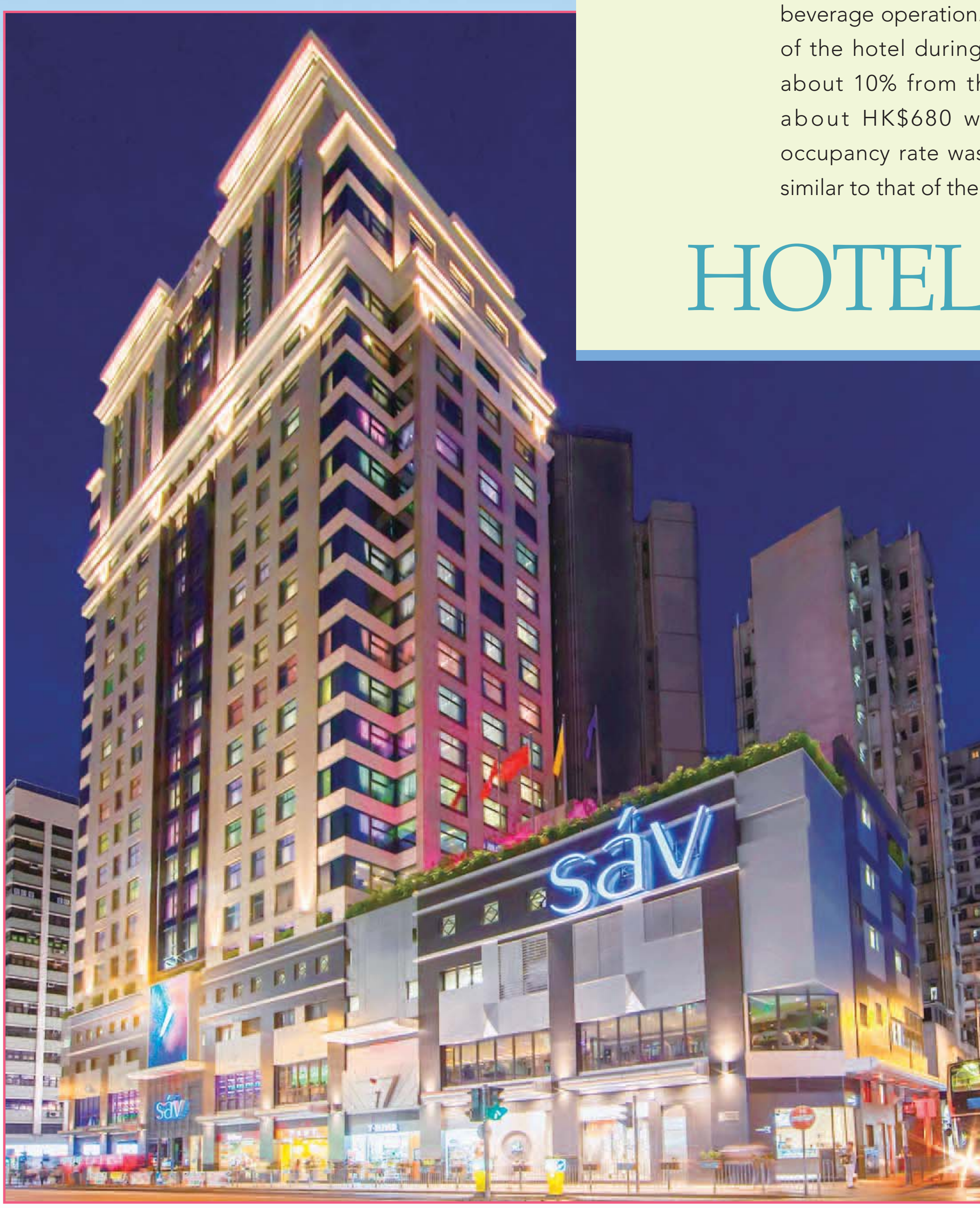
(B) Investment in Hotels

(1) Hong Kong

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

Hotel sáv, which commenced operation in mid-February 2015, is located at the heart of Hunghom, Kowloon and comprises 388 rooms together with shopping units at the ground floor level. Total revenues from the hotel operation during the year amounted to HK$90.1 million, representing a decrease of 8.8% compared to that of the last year. This was mainly attributable to the decrease in revenues generated from the food and beverage operation. The average room rate of the hotel during the year improved by about 10% from that of the last year to about HK$680 whereas the average occupancy rate was about 86% which was similar to that of the last year.

HOTEL sáv



As the food and beverage operation of the hotel had not been profitable, the Group had in October 2016 ceased the operation of one of the two restaurants located on the first floor and leased out the premises to a third party in order to generate additional income. Furthermore, as the hotel had been in operation for more than one year and has gained recognition in the industry by winning a number of awards, the Group has since October 2016 gradually increased the room rates of the hotel. With all these measures, together with the recent opening of the Ho Man Tin Station and the Whampoa Station of the Kwun Tong Line Extension of the Mass Transit Railway, the Group achieved a better result for its hotel operation with EBITDA amounted to about HK$11.4 million for this financial year compared to EBITDA of about HK$2.2 million in the last corresponding year. Currently, the Group also plans to cease the operation of the second restaurant located on the first floor and lease the premises to a third party to generate additional income. With the recovery of the tourism industry, the Group believes that the operating results of the hotel will be further improved in the medium to long term.

(2) *Philippines*

Pacific Cebu Resort, Cebu (40% owned)

Pacific Cebu Resort is a resort established in 1992 with 136 rooms and abundant diving facilities. It is located at Lapu-Lapu City, Mactan Island in Cebu of Philippines occupying a site area of about 64,987 *sq. m.*. The average room rate and the average occupancy rate of the hotel during the year were about US$60 and 73%, respectively. Currently, the Group is conducting feasibility studies to expand the scale of the resort by about 80 rooms to 216 rooms and to develop a vacant land within the resort (about 20,000 *sq. m.*) into hotels/condominiums/villas/shops in order to create more value for this investment.

(C) Properties Under Development/For Sale

(1) Hong Kong

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

The property is close to the Jordan Station of the Mass Transit Railway and had been developed into a 25-storey commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). The occupation permit was issued in December 2015 and 88 residential units and certain shops were handed over to end-purchasers in the last financial year. During the current financial year, sales of 5 residential units with net sales value of HK$29.0 million were completed while sales of another 3 residential units with sales value of HK$19.6 million have been completed subsequent to the year ended 31st March, 2017. As to the remaining 18 residential units and 3 units of the ground floor shops, the Group has leased out most of them in order to generate additional income.

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

The Group owns a 50% interest in the project and is the project manager of the development. The property, with a site area of about 10,000 *sq. ft.*, is located in a prestigious mid-level area that enjoys a glamorous sea-view. Building plans have been approved to develop the property into two semi-detached residences with GFA of about 40,662 *sq. ft.*. Meanwhile, the Group is evaluating the benefits and the possibility of developing the property into a single residence. Demolition works of the project have been completed. Plans for site formation and foundation works have been approved and the Group is in the process of evaluating tenders for such works with the view of awarding such contract soon.

(2) Mongolia

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

The project has a site area of about 3,272 *sq. m.* and is located within the central business district. It is planned that a retail/office building with GFA of about 40,000 *sq. m.* will be developed. Detailed building plans have been approved. Basement works have been completed up to the ground floor level while the superstructure works have just commenced.

(ii) sáv Residence, Sukhbaatar District, Ulaanbaatar (53% owned)

The project is located in the city centre within the embassy district and has a site area of about 3,600 *sq. m.*. It is planned that a serviced apartment of about 142 units with clubhouse facilities and a ground floor shop with total GFA of about 19,000 *sq. m.* and 48 carparking spaces will be developed. Total development cost of this project (including land cost) is expected to be about US$22 million. Superstructure works have been topped off and internal and external finishing works are in progress. The project is expected to be completed in the second half of 2017. Marketing work will commence soon. Currently, the Group is holding discussion with the joint venture partner of this project with a view to acquire its 47% interest in this project to make the project wholly-owned by the Group.

GREENVIEW GARDEN

(3) Vietnam

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

The project covers a site area of 20,300 *sq. m.* and it is planned that a commercial/residential complex with GFA of 94,000 *sq. m.* will be developed on the site. The site is currently vacant and construction permit has been obtained. The Group is currently considering the disposal of this project and, in this respect, an international real estate agency has been appointed as the sales agent.

(ii) Duc Hoa District, Long An Province

The Group had participated in a 70% interest in the project pursuant to an agreement entered into between the Group and the joint venture partner. As disclosed in various announcements and previous years' annual reports of the Company, the Group is still in the process of enforcing the arbitral award in accordance with its terms. As the enforcement action takes longer time than expected, for prudence purpose, the Group made full provision for this project and accordingly the remaining investment value in this project amounting to about HK$55 million had been written off in the current financial year. Despite the above provision being made, the Group will continue to actively seek further legal advice as to any alternative courses of action in order to recoup the investment made in this project.

(D) Chuang's China Investments Limited ("Chuang's China", stock code: 298) (57.5% owned as at 31st March, 2017)

Chuang's China and its subsidiaries (the "Chuang's China Group") are principally engaged in, inter alia, property development and investment. For the year ended 31st March, 2017, the Chuang's China Group recorded profit attributable to equity holders of HK$1,452.0 million (2016: HK$85.0 million) and revenues and net gain of HK$491.3 million (2016: HK$470.0 million) (which comprised revenues from sales of properties in the PRC of HK$408.3 million (2016: HK$440.5 million), revenues from rental and other income of investment properties of HK$30.8 million (2016: HK$19.1 million), revenues from sales and trading business of HK$0.9 million (2016: HK$1.0 million) and revenues and net gain from securities investment and trading business of HK$51.3 million (2016: HK$9.4 million)).

(1) Investment Properties

The Chuang's China Group holds a portfolio of investment properties in the PRC and the United Kingdom for steady recurring rental income. A summary is as follows:

Xiamen Mingjia

(廈門佲家)

Xiamen, Fujian

(59.5% owned by Chuang's China)

The Xiamen Mingjia (廈門佲家) comprises a 6-storey hotel building with 100 guest-rooms (gross area of 9,780 *sq. m.*) and 30 villas (aggregate GFA of about 9,376 *sq. m.*). As at 31st March, 2017, the properties were recorded in the financial statements at valuation of RMB414 million (comprising RMB169 million for the hotel and RMB245 million for the 30 villas). The valuation attributable to the Chuang's China Group was about RMB246 million (equivalent to approximately HK$278 million), whereas the total estimated investment costs of the Chuang's China Group are about HK$185 million in this project.

In January 2017, Xiamen Mingjia entered into a 10-year lease with 廈門鷺江賓館 (Xiamen Lujiang Harbourview Hotel*), for the lease of the hotel building at an initial rental of RMB9 million per annum, representing rental yield of about 5.3% based on the valuation. As the tenant is a subsidiary of the Chuang's China Group's joint venture partner, the tenancy arrangement constituted a continuing connected transaction, details of which was contained in the announcement of Chuang's China dated 19th January, 2017.

Marketing on leasing of the 30 villas is in satisfactory progress. Up to date, 4 villas have been leased to independent third parties, each for a term of 10 years, at aggregate rental of RMB3 million per annum. On the basis that the 30 villas are fully leased out, gross annual rental income will amount to about RMB18 million, representing a rental yield of over 7.3% based on the valuation.

Chuang's Mid-town

Anshan, Liaoning

(100% owned by Chuang's China)

Chuang's Mid-town at Tie Dong Qu (鐵東區) is a modern, well-designed architectural project situated at the core city centre of Anshan, consists of a 6-level commercial podium providing an aggregate GFA of about 29,600 *sq. m.*. Above the podium stands a twin tower (Block AB and C) with 27 and 33-storey respectively, offering total GFA of about 62,700 *sq. m.*.

Superstructure works of the commercial podium and the twin tower have been completed. Internal and external finishing works are in satisfactory progress. It is expected that occupancy permit will be obtained in the second half of 2017.

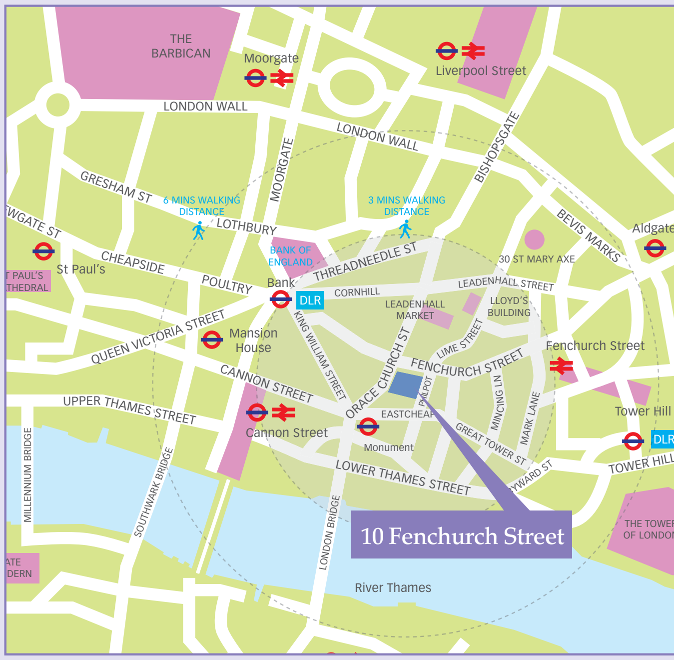
Chuang's Mid-town combines retail, residential, service apartments, entertainment and business with great accessibility. The Chuang's China Group will appoint an international real estate agency as leasing agent to carry out marketing campaign on this project.

The Chuang's China Group's total investments in this project upon completion will be approximately HK$433 million. The estimated market value of Chuang's Mid-town is approximately RMB639 million (equivalent to approximately HK$721 million) on completed basis, comprising RMB235 million for the commercial podium and RMB404 million for Block AB and C. On an estimated rental income of about RMB25 million per annum, Chuang's Mid-town will generate a rental yield of 4%. As at 31st March, 2017, the commercial podium was stated as "investment properties" in the Group's financial statements whereas Block AB and C were stated as "properties for sale".


Chuang's
Mid-town
莊士・中心城
人民路
青年街
新華街
千山中路
景子街
虹橋
寰球大酒店
鐵東二道街（步行街）
鞍山
火車站
金融大廈
鞍鋼會展
中心
鞍山市政協
鐵西五道街
鞍山市
民生小學
建國南路
鞍山客運站
（長途車站）
勝利廣場
英國TESCO項目
二一九路
Chuang's Plaza
莊士廣場
勝利南路
鞍山市
第一中學
鞍山市
中心醫院
中華南路
園林路
紫荊花酒店
新華銀河
電影城
新興市場
（新址）
鞍山田園酒店

Office Property
in Fenchurch Street
London, United Kingdom

(100% owned by Chuang's China)



10 Fenchurch Street is a freehold property in the City of London, the United Kingdom. It is an 11-storey commercial building providing 77,652 *sq. ft.* of office and retail usage. As at 31st March, 2017, the Chuang's China Group's total investments cost of this property is stated at the property valuation of approximately GBP83 million (equivalent to approximately HK$805 million).

The property is fully leased out to multi tenants and is earning annual rental income of approximately GBP3.9 million (equivalent to approximately HK$37.8 million), representing a rental yield of approximately 4.7% based on valuation. The rental income will be further enhanced after the rent review on existing tenancies in the next few months.

(2) *Property Development*

Following the disposal of the development project in Dongguan, the Chuang's China Group retains the following property development in the PRC and in Hong Kong:

Chuang's Le Papillon

Guangzhou, Guangdong

(100% owned by Chuang's China)

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

Phase III

Currently, there are 14 units of unsold properties of about RMB60.6 million (equivalent to approximately HK$68.9 million) and unsold carparks of about RMB129.9 million (equivalent to approximately HK$147.7 million). The Chuang's China Group intends to lease the 22 villas (Block P) with GFA of approximately 6,987 *sq. m.* to benefit from asset appreciation in future.

For the remaining development (Phase III), the Chuang's China Group owns a land of over 92,000 *sq. m.* and its GFA was about 166,000 *sq. m.*. Land quota for development of about 54,300 *sq. m.* has been obtained, and that for another 60,000 *sq. m.* will be approved by the PRC authorities in a few months. The Chuang's China Group will closely follow-up with the relevant PRC authorities for the land quota of the remaining 51,700 *sq. m.* and will also explore means to raise the plot ratio of the site. To capitalize on market opportunities on the rising land costs in Guangzhou, the Chuang's China Group will also explore other options (including disposal) to accelerate capital return on investment in this project.

Changan

Dongguan, Guangdong

(100% owned by Chuang's China)

The Chuang's China Group owns a site area of about 20,000 *sq. m.* in city centre of Changan (長安), Dongguan, on which an industrial building with GFA of about 39,081 *sq. m.* was erected. Driven by the urbanization in Changan and its proximity to Shenzhen, Changan is well located to attract property buyers from Shenzhen. Recently, the town planning of the site has been rezoned to "residential usage" by the local PRC authorities. With the rezoning, the site in Changan will be a prime land bank for future development. The Chuang's China Group will liaise with the local authorities regarding the requisite procedures and strategize on the optimal timing for the usage conversion application.

The industrial property on the site is currently leased to an independent third party until 2023. As at 31st March, 2017, the industrial property was recorded in the financial statements at valuation of RMB104 million. The gross rental income amounted to about RMB6.4 million per annum, representing a rental yield of about 6%.

Chuang's Plaza

Anshan, Liaoning

(100% owned by Chuang's China)

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

Yip Wong Road,

Tuen Mun, New Territories, Hong Kong

(100% owned by Chuang's China)

The site has an area of about 26,135 *sq. ft.* and has developable GFA of 116,897 *sq. ft.* for residential purpose and 25,102 *sq. ft.* for commercial purpose with 47 carparking spaces. The site is located along the riverside recreation park, overlooking Tuen Mun River. Along the promenade right in front of the site, it is within leisure walking distance to the nearby landmark commercial mall.

Building plans of the development project have been approved. Excavation and lateral support works have commenced. It is expected that foundation works will be completed in the third quarter of 2017. Soft marketing will be launched in coming months and pre-sales are planned to commence in the first quarter of 2018.

Other property projects in the PRC

(a) During the year under review, the non-wholly-owned subsidiaries of the Chuang's China Group that hold the property project in Changsha completed a rights issue to raise working capital. The Chuang's China Group supported the rights issue and as a result, the Chuang's China Group's effective interests increased from 54% to 69%. As at 31st March, 2017, the Chuang's China Group's total investment costs amounted to about HK$82.5 million, including shareholder's loan of about HK$55 million.

As the business license of the PRC project subsidiary has expired since 2012, the normal operation of sale of properties was halted. The Chuang's China Group has made keen efforts to reactivate the business license but the minority shareholders of this project do not agree to renew the business license. The Chuang's China Group will consider all rightful actions (including lawsuit against the minority shareholders) in order to resolve the matter. Meanwhile, with the grant of court orders, public auctions were conducted during the year under review to orderly dispose of the unsold properties so as to repay the shareholder's loan owed to the Chuang's China Group. After the public auctions, as at 31st March, 2017, the unsold total GFA of this project was about 22,700 *sq. m.* (residential GFA of 11,100 *sq. m.* and commercial GFA of 11,600 *sq. m.*). It is expected that further public auctions will be held in 2017 to facilitate the repayment of shareholder's loan.

(b) The Chuang's China Group holds a 51% development interest in a project in Wuhou District, Chengdu. As at 31st March, 2017, the Chuang's China Group's total investment costs in this project was about RMB146.8 million (equivalent to approximately HK$165.9 million). The Chuang's China Group has launched legal proceedings in May 2016 in order to recoup the investment in this project. The aggregate amounts demanded by the Chuang's China Group is approximately RMB435 million (equivalent to approximately HK$491.6 million). Further announcement(s) about the legal proceeding will be made by the Company as and when appropriate.

Fortune Wealth

Sihui, Guangdong

(85.5% owned by Chuang's China)

The Fortune Wealth Memorial Park operates a cemetery in Sihui with a site area of approximately 518 mu agreed by the local government authorities. At present, land use rights certificates of approximately 146.8 mu of land have been obtained. The local government has recently confirmed that land quota for about 23.4 mu is allocated to Fortune Wealth and the relevant procedures for the grant of land will be carried out in the coming few months. In addition, Fortune Wealth will liaise with the local authorities for land resumption in respect of the remaining 347.8 mu. For the area encompassing the land resumption, about 150 mu will be designated for road access and greenbelts. As for the balance of 197.8 mu, Fortune Wealth shall intensively follow-up with the local authorities to allocate land quota for the grant of land use rights.

During the initial phase, Fortune Wealth has completed the development of 100 mu with an administrative building, 12 graveyards with 5,485 grave plots and a mausoleum with 550 niches. For the next phase of development, the Chuang's China Group will plan to construct the road access to the new site, and at the same time review the master layout plan for the 46.8 mu together with the forthcoming 23.4 mu.

On the sale aspects, Fortune Wealth has full license for sale not only in the PRC, but also includes overseas Chinese as well as residents of Hong Kong, Macau and Taiwan. As at 31st March, 2017, about 3,911 grave plots and 539 niches were available for sale. Fortune Wealth will review its sales and marketing strategy and will take more proactive steps in its brand building and customer services.

(3) Investment

During the year under review, the Chuang's China Group increased its shareholding interests in CNT Group Limited ("CNT"), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), through on-market purchases. As at the date hereof, the Chuang's China Group owns about 19.2% shareholding interests in CNT. CNT and its subsidiaries are principally engaged, inter alia, in the manufacture and sale of paint products under its own brand names with focus on the PRC market and the property business.

With reference to the closing share price of CNT as at 31st March, 2017 of HK$0.6 (2016: HK$0.295), the book value of the Chuang's China Group in this investment increased to over HK$215 million (2016: HK$96.0 million). The gain in book value is accounted for as "Reserve" in the financial statements. During the year under review, dividend income from CNT was about HK$3.2 million.

On 22nd June, 2017, the Company announced that a wholly-owned subsidiary of the Chuang's China Group has filed a petition against CNT and Prime Surplus Limited. Further announcement(s) about the petition will be made by the Company as and when appropriate.

(E) Midas International Holdings Limited ("Midas", stock code: 1172) (60.8% owned as at 31st March, 2017)

Midas and its subsidiaries (the "Midas Group") are principally engaged in, inter alia, the printing business and property business. For the year ended 31st March, 2017, the Midas Group recorded profit attributable to equity holders of HK$50.4 million (2016: HK$93.1 million) and revenues and net gain of HK$197.6 million (2016: HK$233.7 million) (which comprised revenues from the printing business of HK$186.0 million (2016: HK$225.2 million), revenues from rental of investment property business of HK$1.0 million (2016: HK$35,000), and revenues and net gain from securities investment and trading business of HK$10.6 million (2016: HK$8.5 million)).

(1) Printing Business

The Midas 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 Midas Group's business growth.

In order to cope with this adverse market condition, the Midas Group is focusing its efforts not only on improving relationships with its core customers but is reaching out to a broader range of customers across the paper product spectrum. The Midas Group has gained substantial interest from new customer base especially with the establishment of its newly created design group which is capable of graphic, product and paper structure design. In terms of cooperation, the Midas 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 Midas 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 the Midas Group expects the resulting system will facilitate managers at all levels to make faster and better decisions so at to achieve further cost reduction.

(2) Property Business

The Midas 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 Midas 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 Midas 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 Midas Group to deploy more resources towards its printing business and properties that generate stable and recurrent income, the Midas Group has, in March 2017, completed the disposal of the cemetery operation to its fellow subsidiary, Chuang's China, for a consideration of RMB398 million (equivalent to approximately HK$449 million). Upon completion, the Midas Group received cash consideration of RMB174 million (equivalent to approximately HK$196 million) and the investment properties located in Chengdu and Guangzhou, the PRC with total valuation of RMB124 million (equivalent to approximately HK$140 million). As to the remaining RMB100 million (equivalent to approximately HK$113 million), Chuang's China will pay to the Midas Group a combination of cash and/or a maximum of 40 villas in Changsha, the PRC within 3 years.

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 Midas 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 Midas Group for the financial year 2017/18. Along with the existing strategy of the Midas Group, the Midas 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.

(3) Information Technology Business

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

(4) Prospects of the Midas Group

This fiscal year has been a purposeful year for the Midas Group's printing business. This marks the first profit making year for an extended period of losses. Going into 2017, the Midas 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 Midas Group continues to create value added services to differentiate it from pure manufacturing. This year serves as a foundation of future progress and the Midas 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 Midas Group will continue to expand its investment properties portfolio. The Midas 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 Midas Group in the medium to long term.

(F) Other Businesses

(1) Sintex Nylon and Cotton Products (Pte) Limited ("Sintex")

Sintex is engaged in the sales of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the year, Sintex recorded revenues of HK$64.4 million (2016: HK$76.9 million), and incurred a loss of about HK$2.4 million (2016: HK$0.5 million). In order to restore the business to profitability, Sintex has taken steps to broaden its customer bases through internet sale and implement effective cost control.

(2) Securities Investment and Trading Business

During the year, securities investment and trading business of the Group recorded revenues and net gain of HK$123.0 million, comprising realized net gain on disposal of investments of HK$9.1 million, dividend and interest income from investments of HK$51.3 million, and fair value gain on investments of HK$62.6 million as a result of mark to market valuations as at the balance sheet date. As at 31st March, 2017, investments of the Group amounted to HK$1,657.4 million, of which HK$940.4 million were held by the wholly-owned subsidiaries of the Group, HK$604.9 million were held by the Chuang's China Group and HK$112.1 million were held by the Midas Group, and comprised as to HK$1,543.9 million for investments in high yield bonds and as to HK$113.5 million for investments in securities listed on the Stock Exchange.

Set out below is further information of the investments of the Group as at 31st March, 2017:

(i) Bonds investments

Stock code	Bond issuer	Face value of bonds held as at 31st March, 2017 US$'000	Market value as at 31st March, 2017 HK$'000	Percentage of market value to the Group's net assets as at 31st March, 2017	Fair value gain for the year ended 31st March, 2017 HK$'000	Interest income for the year ended 31st March, 2017 HK$'000
813	Shimao Property Holdings Limited (8.375%)	34,000	298,530	3.05%	3,725	20,262
3333	China Evergrande Group			2.61%	13,529	14,692
	(a) 8.75%	3,200	26,799			
	(b) 12%	25,950	228,708			
2007	Country Garden Holdings Company Limited			5.17%	18,459	11,934
	(a) 4.75%	10,000	76,447			
	(b) 5.625%	34,000	278,428			
	(c) 7.5%	18,000	151,068			
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Company Limited (5.75%)	50,000	402,800	4.12%	17,581	–
1813	KWG Property Holding Limited (6%)	10,000	81,142	0.83%	3,435	–
	Bonds disposed of during the year	–	–	–	–	3,228
		185,150	1,543,922	15.78%	56,729	50,116

(ii) Securities investments

Stock code	Investee company	Number of shares held as at 31st March, 2017	Market value as at 31st March, 2017 HK$'000	Percentage of market value to the Group's net assets as at 31st March, 2017	Fair value gain/ (loss) for the year ended 31st March, 2017 HK$'000	Dividend income for the year ended 31st March, 2017 HK$'000
1113	Cheung Kong Property Holdings Limited	2,000,000	104,700	1.07%	3,385	1,210
1638	Kaisa Group Holdings Limited	2,000,000	5,500	0.06%	2,380	–
276	Mongolia Energy Corporation Limited	4,349,500	1,131	0.01%	322	–
8439	Somerley Capital Holdings Limited	1,142,000	2,136	0.02%	(229)	–
			113,467	1.16%	5,858	1,210

(iii) Brief description of principal business of the respective bond issuers and investee companies held as at 31st March, 2017

Name of company	Principal business
Shimao Property Holdings Limited	Property development, property investment and hotel operation
China Evergrande Group	Property development, property investment, property management, property construction, hotel operations, finance business, internet business, health industry business and fast consuming product business
Country Garden Holdings Company Limited	Property development, construction, fitting and decoration, property investment, property management and hotel operation
Guangzhou R&F Properties Company Limited	Development and sale of properties, property investment, hotel operations and other property development related services
KWG Property Holding Limited	Property development, property investment, hotel operation and property management
Cheung Kong Property Holdings Limited	Property development and investment, hotel and serviced suite operation and property and project management
Kaisa Group Holdings Limited	Property development, property investment, property management and hotel and catering operations
Mongolia Energy Corporation Limited	Energy and related resources business
Somerley Capital Holdings Limited	Provision of corporate finance advisory services

Fair value gain was recorded by the Group principally as a result of the higher market value of the bonds as at 31st March, 2017, as well as accrued interests up to that date. In general, bond prices and interest rates will carry an inverse relationship, i.e. if interest rates rise, the price of bonds tends to fall. Also, for the financial year ending 31st March, 2018, one of the bonds held by the Group will be callable by bond issuer at a price below the market value as at 31st March, 2017. If all the above happen, the high interest income will be offset by the effects of increase in interest rates and early redemption. The Group intends to continue investing in high yield bonds, which is a great tool to generate steady income stream, and will monitor the performance of the portfolio from time to time.

(3) Money Lending Business

During the year, Chuang's Credit Limited, a wholly-owned subsidiary of the Group holding a money lender's licence, had advanced loans to customers. Revenues generated from this business during the year amounted to HK$7.8 million. As at 31st March, 2017, outstanding amount of loans due from customers amounted to HK$157.9 million, which were mainly relating to mortgage loans.

Financial Position

Net asset value

As at 31st March, 2017, net assets attributable to equity holders of the Company was HK$9,788.4 million (2016: HK$8,614.7 million). Net asset value per share was HK$5.84 (2016: HK$5.09), which is calculated based on the book costs of the Group's properties for sale before taking into account their appreciated values.

Financial resources

As at 31st March, 2017, the Group's cash, bank balances and investments held for trading amounted to HK$4,798.1 million (2016: HK$2,175.0 million). Bank borrowings as at the same date amounted to HK$6,184.6 million (2016: HK$3,971.1 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and investments held for trading over net assets attributable to equity holders of the Company, was 14.2% (2016: 20.8%).

Approximately 95.9% of the Group's cash, bank balances and investments held for trading were denominated in Hong Kong dollar and United States dollar, 3.8% were in Renminbi and the balance of 0.3% were in other currencies. Approximately 88.5% of the Group's bank borrowings were denominated in Hong Kong dollar and United States dollar, 1.0% were in Renminbi, 8.2% were in British Pound Sterling and the balance of 2.3% were in Malaysian Ringgit and other currencies. Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 9.1% of the Group's bank borrowings were repayable within the first year, 9.8% were repayable within the second year, 77.3% were repayable within the third to fifth years and the balance of 3.8% were repayable after the fifth year.

Foreign exchange risk

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

Prospects

Looking ahead, the Group will continue our mission (i) to take steps to further enhance rental yield and return of our investment/hotel properties and thus their capital values by constantly reviewing the portfolio mix and yield with reference to their market prices; (ii) to unlock the store value of our development projects by speeding up their development and sales in accordance with local market conditions; (iii) to identify new business opportunities including land acquisitions and property investments; and (iv) to actively further review our group structure so that resources can be deployed in a more effective and efficient manner, all with a view to continue to create value for our shareholders.

Staff

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 31st March, 2017, the Group (excluding the Chuang's China Group and the Midas Group) employed 346 staff, the Chuang's China Group employed 214 staff and the Midas Group employed 743 staff. The Group provides its staff with other benefits including discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

Appreciation

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

Alan Chuang Shaw Swee
Chairman

Hong Kong, 29th June, 2017

* *English translation only*

Corporate

Information

Directors	Alan Chuang Shaw Swee *(Chairman)* Albert Chuang Ka Pun *(Joint Managing Director)* Chong Ka Fung *(Joint Managing Director)* Candy Kotewall Chuang Ka Wai Richard Hung Ting Ho Wong Chung Wai Chan Chun Man Abraham Shek Lai Him, G.B.S., J.P.* Fong Shing Kwong* Yau Chi Ming* David Chu Yu Lin, S.B.S., J.P.* Tony Tse Wai Chuen B.B.S.* * *Independent Non-Executive Directors*
Audit Committee	Abraham Shek Lai Him, G.B.S., J.P.# Fong Shing Kwong Yau Chi Ming
Nomination Committee/ Remuneration Committee	Abraham Shek Lai Him, G.B.S., J.P.# Fong Shing Kwong David Chu Yu Lin, S.B.S., J.P.
Corporate Governance Committee	Albert Chuang Ka Pun# Chong Ka Fung Candy Kotewall Chuang Ka Wai Chan Chun Man
Company Secretary	Lee Wai Ching
Auditor	PricewaterhouseCoopers 22nd Floor, Prince's Building, 10 Chater Road, Central, Hong Kong

Chairman of the relevant committee

Registrars

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

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

Principal Bankers

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

Registered Office

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

Principal Office in Hong Kong

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

Singapore Office	245 Jalan Ahmad Ibrahim, Jurong Town, Singapore 629144, Republic of Singapore
Malaysia Office	16th Floor, Central Plaza, 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Vietnam Office	Room 704, 7th Floor, Capital Place Building, 6 Thai Van Lung Street, District 1, Ho Chi Minh City, Vietnam
Mongolia Office	Room 702, 7th Floor, Blue Sky Hotel and Tower, Peace Avenue–17, Sukhbaatar District–1, 14240 Ulaanbaatar, Mongolia
Stock Code	367

Biographical Details of Directors and Senior Management

Executive Directors

Mr. Alan Chuang Shaw Swee (aged 65), the chairman, has extensive experience in business development and investment in Hong Kong, the People's Republic of China (the "PRC") and Southeast Asia. With his substantial connections, he has actively involved in the development and management of investments in Hong Kong, the PRC and Southeast Asia. He is also the honorary chairman of Chuang's China Investments Limited ("Chuang's China") and Midas International Holdings Limited ("Midas"), both are subsidiaries of the Company and listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was an Adviser of Hong Kong Affairs and a member of the Selection Committee for the Government of the Hong Kong Special Administrative Region. He is a member of the National Committee of The Chinese People's Political Consultative Conference, a standing committee member of All-China Federation of Returned Overseas Chinese, the President of the Association for the Promotion of Global Chinese Traders Fraternity Ltd., the Honorary member of Guangzhou Panyu Overseas Exchanges Association, the Vice President of China Federation of Overseas Chinese Entrepreneurs and the Committee for the Promotion of Fujian-Taiwan Economic Cooperation, the Honorary President of Hunan Overseas Friendship Association and Fujian International Culture & Economy Exchange Foundation, an economic adviser to Chengdu, Sichuan, an overseas consultant to Sichuan Provincial Overseas Exchanges Association, an Honorary Citizen of Xiamen City, Guangzhou City and Chia-Yi, Taiwan and an executive director of the Board of Trustees of Jimei University, Xiamen City. He is also the Vice President of the Hong Kong Factory Owners Association, the Honorary President of the Hong Kong Federation of Overseas Chinese Association, the Honorary President of the Chinese General Chamber of Commerce, a director of The Real Estate Developers Association of Hong Kong, the Senate of the Democratic Alliance for the Betterment and Progress of Hong Kong, the Life Honorary President of the General Association of Xiamen (H.K.) Ltd., the Permanent President of Hong Kong Huian Natives Association, the Life Honorary President of Chuang & Yen Clansmen's General Association and a director of the Friends of Hong Kong Association Ltd.. He is the father of Mr. Albert Chuang Ka Pun, Mr. Chong Ka Fung and Mrs. Candy Kotewall Chuang Ka Wai. He joined the Group in 1970.

Mr. Albert Chuang Ka Pun (aged 37), the joint managing director, has over 13 years of experience in property business and general management. He is the managing director of Chuang's China. He holds a bachelor degree of arts with major in economics. He is a committee member (the Hong Kong Special Administrative Region) of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and the Twelfth All-China Youth Federation. He is the son of Mr. Alan Chuang Shaw Swee and the brother of Mr. Chong Ka Fung and Mrs. Candy Kotewall Chuang Ka Wai. He joined the Group in 2005.

Executive Directors (continued)

Mr. Chong Ka Fung (aged 32), the joint managing director, has 7 years of experience in architecture, interior design and general management. He is also the deputy managing director of Chuang's China. He holds a bachelor degree of fine arts in architecture design covering architecture; interior; and urban planning. He is a director of The Chinese General Chamber of Commerce and the Hong Kong Chang Sha Chamber of Commerce, the vice chairman of Youth Committee of the Hong Kong Huian Natives Association, a committee member of the Hunan Youth Federation, and a member of The Y. Elites Association Limited, the China Green Building (Hong Kong) Council and the Hong Kong-Shanghai Youth Exchange Promotion Association. He is the son of Mr. Alan Chuang Shaw Swee, the brother of Mr. Albert Chuang Ka Pun and Mrs. Candy Kotewall Chuang Ka Wai. He joined the Group in 2012.

Mrs. Candy Kotewall Chuang Ka Wai (aged 35), an executive director, has 13 years of experience in general management, marketing and property business. She is the vice chairman of Midas and the chairman of Treasure Auctioneer International Limited. She is a member of The Chinese People's Political Consultative Conference, Xiamen Committee, Beijing Youth Federation, Fujian Youth Federation, Xiamen Overseas Friendship Association, The Y. Elites Association Limited and Hong Kong United Youth Association, the honorary president of the Hong Kong CPPCC of Fukien Province Members Association, the vice chairman of the General Association of Xiamen (H.K.) Ltd. and a member of the board of councillors of Public Art Hong Kong. Ms. Chuang is the daughter of Mr. Alan Chuang Shaw Swee, the sister of Mr. Albert Chuang Ka Pun and Mr. Chong Ka Fung. She joined the Group in 2005.

Mr. Richard Hung Ting Ho (aged 63), an executive director, has over 38 years of experience in corporate development and general management. Since 2007, he has been the chairman and an executive director of Midas. He is also a non-executive director of CNT Group Limited, the shares of which are listed on the Stock Exchange. 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.

Mr. Wong Chung Wai (aged 48), an executive director, has over 25 years of experience in architecture, project management and contract administration. He holds a bachelor degree of science in building technology and management and is an associate member of both the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors. He joined the Group in 2001.

Mr. Chan Chun Man (aged 41), an executive director, has over 18 years of experience in finance, accounting and auditing. He holds a bachelor degree in accountancy and a master degree in business administration. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of each of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. He is also a Chartered Financial Analyst of CFA Institute. He joined the Group in 2003.

Independent Non-Executive Directors

Mr. Abraham Shek Lai Him G.B.S., J.P. (aged 72), was appointed as an independent non-executive director in 2004. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region, the Court of The Hong Kong University of Science & Technology, the Court and the Council of The University of Hong Kong, a non-executive director of the Mandatory Provident Fund Schemes 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 Midas, 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.

Mr. Fong Shing Kwong (aged 69), was appointed as an independent non-executive director in 2008. Mr. Fong has over 39 years of experience in the hospitality industry and has extensive experience in property development, asset and facility management and investment business in the PRC.

Mr. Yau Chi Ming (aged 63), was appointed as an independent non-executive director in 2012. 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. He is an independent non-executive director of Midas.

Mr. David Chu Yu Lin S.B.S., J.P. (aged 73), was appointed as an independent non-executive director in 2013. Mr. Chu has extensive experience in finance, banking and property investment. He holds a bachelor of science degree and a master of science degree, both from Northeastern University, and a master of business administration degree from Harvard University. Mr. Chu was conferred with an honorary doctorate degree in public service by Northeastern University. He is an independent non-executive director of Chuang's China, AVIC International Holding (HK) Limited and Zhuhai Holdings Investment Group Limited, all are listed on the Stock Exchange. Mr. Chu was elected as a deputy of the Hong Kong Special Administrative Region to the 10th National Congress of the PRC.

Mr. Tony Tse Wai Chuen B.B.S. (aged 62), was appointed as an independent non-executive director in 2016. Mr. Tse has over 41 years of experience in property investment and development in both public and private sectors. He is a fellow member of the Hong Kong Institute of Surveyors. He is a member of the Standing Commission on Civil Service Salaries and Conditions of Service, the chairman of the Property Management Services Authority, the vice-chairman of Independent Police Complaints Council, a non-official member of the Harbourfront Commission and a member of the Court of Lingnan University. He is also a member of Shanghai Xuhui District, National Committee of Chinese People's Political Consultative Conference and a member of the 9th committee of China Association for Science and Technology.

Senior Management

Mr. Chan Ka On (aged 49), the senior project manager, has 24 years of experience in construction and property development. He holds a bachelor of science degree in building surveying. He joined the Group in 2001.

Mr. Chan Hing Kwong (aged 41), the senior sales and marketing manager, has over 18 years of experience in property sales, leasing, marketing and management. He holds a bachelor degree in science and a master degree in housing management. He joined the Group in 2008.

Mr. Simon Ho Chung Man (aged 32), the senior business development manager, is responsible for the property business development of the Group. He has over 11 years of experience in property industry. He holds a bachelor degree of business administration, a postgraduate diploma in professional accounting and a master degree in facilities management. He is a member of the Royal Institution of Chartered Surveyors. He joined the Group in 2015.

Mr. Andrew Ho Kar Kin (aged 34), the financial controller, has over 12 years of experience in finance, accounting and auditing. He holds a bachelor degree in accountancy. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Institute of Chartered Accountants in England & Wales. He joined the Group in 2009.

Ms. Cici Wong Shi Wai (aged 42), the group legal counsel, has over 18 years of experience in legal field. She holds a bachelor degree in laws, a postgraduate certificate in laws and a master of laws degree in corporate and financial law. She is a solicitor of the High Court of Hong Kong. She joined the Group in 2006.

Ms. Lee Wai Ching (aged 56), the company secretary, is responsible for the Group's company secretarial matters. She has over 33 years of experience in corporate services and office administration. She holds a master degree in business administration and a master degree in laws. She is a fellow of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries. She joined the Group in 1998.

Senior Management (continued)

Ms. Lim Bee Geok (aged 51), a director and the general manager of the Singapore Division, is responsible for the Group's operation in Singapore. She has over 20 years of experience in marketing and general management. She joined the Group in 1990.

Mr. Ng Kek Chong (aged 59), the chief executive officer of the Malaysia division, is responsible for the Group's operation in Malaysia. He has over 35 years of experience in project management and property development. He holds a bachelor degree in architecture and is a member of the Malaysian Institute of Architects. He joined the Group in 1994.

Mr. Tong Kwok Lun (aged 38), the chief representative of the Vietnam Division, is responsible for the Group's development projects in Vietnam. He has over 13 years of experience in property investment and development. He holds a bachelor degree in real estate. He joined the Group in 2007.

Corporate Governance Report

Introduction

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

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

Report on corporate governance practices

(A) The Board

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

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

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

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

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

Report on corporate governance practices (continued)

(A) The Board (continued)

(i) Board composition

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

Name	Position
Mr. Alan Chuang Shaw Swee* ("Mr. Alan Chuang")	Chairman
Mr. Albert Chuang Ka Pun* ("Mr. Albert Chuang")	Joint Managing Director
Mr. Chong Ka Fung* ("Mr. Edwin Chong")	Joint Managing Director
Mrs. Candy Kotewall Chuang Ka Wai* ("Ms. Candy Chuang")	Executive Director
Mr. Richard Hung Ting Ho ("Mr. Richard Hung") (appointed on 9th September, 2016)	Executive Director
Mr. Wong Chung Wai	Executive Director
Mr. Chan Chun Man	Executive Director
Mr. Abraham Shek Lai Him ("Mr. Abraham Shek")	Independent Non-Executive Director
Mr. Fong Shing Kwong ("Mr. Fong")	Independent Non-Executive Director
Mr. Yau Chi Ming ("Mr. Yau")	Independent Non-Executive Director
Mr. David Chu Yu Lin ("Mr. David Chu")	Independent Non-Executive Director
Mr. Tony Tse Wai Chuen ("Mr. Tony Tse") (appointed on 9th September, 2016)	Independent Non-Executive Director

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

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

Report on corporate governance practices (continued)

(A) The Board (continued)

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

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

(iii) Nomination Committee

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

The attendance record of each committee member is as follows:

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

* *Chairman of the Nomination Committee*

Report on corporate governance practices (continued)

(A) The Board (continued)

(iv) Board meeting

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

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

Name	Position	No. of meetings attended/held
Mr. Alan Chuang	Chairman	4/4
Mr. Albert Chuang	Joint Managing Director	4/4
Mr. Edwin Chong	Joint Managing Director	4/4
Ms. Candy Chuang	Executive Director	4/4
Mr. Richard Hung (appointed on 9th September, 2016)	Executive Director	2/4
Mr. Wong Chung Wai	Executive Director	4/4
Mr. Chan Chun Man	Executive Director	4/4
Mr. Abraham Shek	Independent Non-Executive Director	4/4
Mr. Fong	Independent Non-Executive Director	4/4
Mr. Yau	Independent Non-Executive Director	4/4
Mr. David Chu	Independent Non-Executive Director	4/4
Mr. Tony Tse (appointed on 9th September, 2016)	Independent Non-Executive Director	1/4

Report on corporate governance practices (continued)

(A) The Board (continued)

(v) Chairman and Chief Executive Officer

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

(vi) Responsibilities of Directors

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

(vii) Directors' dealings in securities

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

(viii) Independence of Independent Non-Executive Directors

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

(ix) Directors' training

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

Report on corporate governance practices (continued)

(A) The Board (continued)

(ix) Directors' training (continued)

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

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

Report on corporate governance practices (continued)

(B) Remuneration of Directors and senior management

(i) Remuneration policy of Executive Directors and senior management

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

(ii) Fees paid to Independent Non-Executive Directors

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

(iii) Remuneration Committee

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

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

The attendance record of each committee member is as follows:

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

* *Chairman of the Remuneration Committee*

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 101 to 109 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.

Report on corporate governance practices (continued)

(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.

Report on corporate governance practices (continued)

(C) Accountability and audit (continued)

(ii) Risk management and internal control (continued)

(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.

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.

Report on corporate governance practices (continued)

(C) Accountability and audit (continued)

(ii) Risk management and internal control (continued)

(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.

(iii) Audit Committee

An Audit Committee was established by the Company with clear terms of reference to review and supervise the financial reporting process, and the risk management and internal control of the Group. The Audit Committee comprises three Independent Non-Executive Directors, Mr. Abraham Shek, Mr. Fong and Mr. Yau. The committee held four meetings during the year to discuss the relationship with the external auditor, to review the consolidated interim financial information for the six months ended 30th September, 2016 and the consolidated annual financial statements for the year ended 31st March, 2017 of the Group, and to evaluate the risk management and internal control systems of the Group.

The attendance record of each committee member is as follows:

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

* *Chairman of the Audit Committee*

(C) Accountability and audit (continued)

(iv) Auditor's remuneration

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

Services rendered	HK$'000
Audit and audit related services	4,760
Non-audit services	10,940
	15,700

(D) Delegation by the Board

(i) Board Committees

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

(ii) Management function

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

Report on corporate governance practices (continued)

(E) Corporate Governance

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

The CG Committee comprised four Executive Directors, Mr. Albert Chuang, Mr. Edwin Chong, Ms. Candy Chuang and Mr. Chan Chun Man. The committee met twice during the year to review the corporate governance matters of the Company to ensure that the Company has complied with the principles and applicable code provisions of the CG Code.

The attendance record of each committee member is as follows:

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

* *Chairman of the CG Committee*

Report on corporate governance practices (continued)

(F) Communication with shareholders

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

(i) General meeting

The Board regards general meeting as the principal opportunity to meet the shareholders of the Company. With the exception of one or more Directors who had not attended the 2016 annual general meeting of the Company (the "2016 AGM") and the special general meeting of the Company (the "16/17 SGM") due to other commitments, all other Directors attended the 2016 AGM and the 16/17 SGM to answer questions raised by the shareholders.

The attendance records of each of the current Directors in the 2016 AGM and the 16/17 SGM are as follows:

		Attendance	
Name	**Position**	**2016 AGM 31st August, 2016**	**16/17 SGM 8th August, 2016**
Mr. Alan Chuang	Chairman	Yes	Yes
Mr. Albert Chuang	Joint Managing Director	Yes	Yes
Mr. Edwin Chong	Joint Managing Director	Yes	Yes
Ms. Candy Chuang	Executive Director	Yes	Yes
Mr. Richard Hung (appointed on 9th September, 2016)	Executive Director	N/A	N/A
Mr. Wong Chung Wai	Executive Director	Yes	Yes
Mr. Chan Chun Man	Executive Director	Yes	No
Mr. Abraham Shek	Independent Non-Executive Director	Yes	Yes
Mr. Fong	Independent Non-Executive Director	No	Yes
Mr. Yau	Independent Non-Executive Director	Yes	Yes
Mr. David Chu	Independent Non-Executive Director	No	No
Mr. Tony Tse (appointed on 9th September, 2016)	Independent Non-Executive Director	N/A	N/A

Report on corporate governance practices (continued)

(F) Communication with shareholders (continued)

(ii) Significant issues

The Company has ensured that any significant issue to be dealt with in general meetings had been 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.

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

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

(v) Shareholders' enquiries

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

(G) Shareholders' rights

(i) Convening a special general meeting

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

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

(ii) Enquiries to the Board

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

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

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

Report on corporate governance practices (continued)

(G) Shareholders' rights (continued)

(iii) Putting forward proposals at shareholders' meetings

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

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

    - of his/their intention to propose such person for election; and

    - signed by the person to be proposed of his willingness to be elected.

- Any notice given for such proposal must include such person's information as may from time to time be required to be disclosed under Rule 13.51(2) of the Listing Rules in the event that such person is elected as a Director or any other applicable laws, rules and regulations which the Company may be subject to. Currently, the following information are required:

    - Full name and age;

    - Positions held with the Company and other members of the Group (if any);

    - Experience including (i) other directorships held in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;

Report on corporate governance practices (continued)

(G) Shareholders' rights (continued)

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

(a) (continued)

- (continued)
  - 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.
- Any notice given for this purpose shall be directed to "The secretary, Chuang's Consortium International Limited" by one of the following means:
  - By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
  - By email to : chuangs@chuangs.com.hk
  - By facsimile to : (852) 2810 6213
- Any such shareholder(s) shall be one(s) that is/are entitled to attend and vote at the meeting for which such notice is given.

Report on corporate governance practices (continued)

(G) Shareholders' rights (continued)

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

(a) (continued)

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

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

- Collectively hold not less than one-twentieth of the total voting rights of all shareholders of the Company having at the date of the requisition the right to vote at the meeting to which the requisition relates, or constitute not less than 100 shareholders.

- Submit a written request stating the resolution intended to be moved at the annual general meeting ("AGM"), or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or business to be dealt with at that general meeting.

- The written request/statement must be signed by such shareholders, or two more copies which between them contain the signatures of all such shareholders, and deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, for the attention of the secretary of the Company:

  - In the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and

(G) Shareholders' rights (continued)

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

(b) (continued)

- (continued)
  - In the case of any other requisition, not less than one week before the meeting, provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the time required by section 80 of the Act shall be deemed to have been properly deposited for the purposes thereof.

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

- Any questions relating to putting forward proposals at shareholders' meetings should be directed in writing to "The Board of Directors, Chuang's Consortium International Limited" by one of the following means:

  - By mail to : 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong

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

  - By facsimile to : (852) 2810 6213

(H) Amendments to constitutional documents of the Company

No amendments had been made to the constitutional documents of the Company during the year ended 31st March, 2017.

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
Chuang's Consortium International Limited

Albert Chuang Ka Pun
Joint Managing Director

Hong Kong, 29th 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 property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of printed products, home finishing products, watch components and merchandises, securities investment and trading, money lending business and information technology business. This report mainly covers the property development and investment sector 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 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 develops and manages a substantial portfolio of properties throughout Hong Kong, the People's Republic of China and other countries where it strives to create awareness of the potential environmental impacts of its operations. The Group aims to integrate this policy across its management structures, organizational culture, and business operations.

The Group has established environmental protection policies that include both emission reduction and energy saving policies in order to minimize the impacts on the environment. The Group's environmental protection commitment is demonstrated through the compliance with the environmental protection regulations set out by the respective environmental protection bureaus of different countries. To ensure the Group adheres to all relevant regulations, it has a procedure in place so that any update in 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.

For its property development projects, during every stage of the project planning, design and construction, the Group strives to observe the industry best practice in the construction of the green buildings. The Group applies different sustainability considerations to different projects according to their locations, cost consideration and customers' requirements. Moreover, during the planning and design stage, the Group would take into account the site surroundings and integrate its buildings seamlessly into the neighborhood and environment.

(A) Environmental Protection (continued)

(ii) Resources Management

To assist in the creation of a green living environment, energy efficient and eco-friendly measures are being introduced to the properties of the Group. Such measures include the using of energy-saving lightings and minimizing use of paper.

In its commercial properties, the Group took part in "One Earth Mission" organized by World Wildlife Fund Hong Kong and signed the "Energy Conservation Charter – Suitable Room Temperature" organized by the Hong Kong Electrical and Mechanical Services Department to promote energy saving and setting air-conditioning temperature at 25.5 degree Celsius.

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.

Annually, during Chinese New Year, used red packets are collected and delivered to the "Greeners Action" organization for recycling purposes. To motivate employees, rewards and incentives were awarded to the most outstanding contributors.

(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.

(B) Workplace Practices (continued)

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.

(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, birthday leave.

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.

(B) Workplace Practices (continued)

(i) Human Resources Policies (continued)

- 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 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.

(ii) Employee Health and Safety Standards

The Group is committed to provide a safe and secure workplace for employees, contractors and site staff across its entire operations. With its core business in property development, safety at construction sites 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 contractors;

(B) Workplace Practices (continued)

(ii) Employee Health and Safety Standards (continued)

- Complementary fruits to all employees in the summer season and other months to show care to its employees;
- Health related books as gifts to employees to encourage office exercise; and
- Continuous improvement of corporate policies, procedures, programs and work performance.

(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.

(B) Workplace Practices (continued)

(iii) Employee Training and Development Program (continued)

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.

(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, we employ 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 had contributed charitable donations and sponsorships amounting to approximately HK$13,925,000. This amount was 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 during and subsequent to 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 43 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, net debt to equity ratio and segment information. Details of these indicators are provided in the Chairman's Statement and Summary of Financial Information as set out on pages 2 to 43 and page 211 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 76 to 85 of this report.

Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out in note 44 to the consolidated financial statements.

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

Results and appropriations

The consolidated results of the Group for the year are set out in the consolidated income statement on page 110.

As regards payment of dividend, it is the policy of the Group to pay a recurrent and stable dividend to its shareholders. In view of the healthy financial position of the Group and the progress that the Group has made during the year, the Board has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting of the Company (the "AGM") the payment of a final dividend of 3.0 HK cents (2016: 3.0 HK cents) per share and a special dividend of 2.0 HK cents (2016: Nil) per share for the year ended 31st March, 2017. The final dividend and the special dividend, if approved, will be paid on or before 20th October, 2017 to the shareholders whose names appear on the Company's register of members on 20th September, 2017.

An interim dividend of 3.0 HK cents (2016: 2.0 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 8.0 HK cents (2016: 5.0 HK cents) per share, representing an increase of 60% over that of the last year. Total dividends paid and to be paid in respect of the current financial year will amount to HK$134.2 million (2016: HK$85.4 million).

Donations

During the year, the Group made charitable donations and sponsorships amounting to approximately HK$13,925,000.

Pre-emptive rights

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

Reserves

Movements in reserves of the Group and the Company during the year are set out in note 34 and note 43(a) to the consolidated financial statements respectively. Total distributable reserves of the Company amounted to approximately HK$1,625,100,000 as at 31st March, 2017.

Particulars of principal properties

Particulars of principal properties held by the Group as at 31st March, 2017 are set out on pages 206 to 210.

Summary of financial information

A summary of financial information of the Group for the last five financial years is set out on page 211.

Directors

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

Mr. Alan Chuang Shaw Swee
Mr. Albert Chuang Ka Pun
Mr. Chong Ka Fung
Mrs. Candy Kotewall Chuang Ka Wai
Mr. Richard Hung Ting Ho (appointed on 9th September, 2016)
Mr. Wong Chung Wai
Mr. Chan Chun Man
Mr. Abraham Shek Lai Him
Mr. Fong Shing Kwong
Mr. Yau Chi Ming
Mr. David Chu Yu Lin
Mr. Tony Tse Wai Chuen (appointed on 9th September, 2016)
Mr. Ko Sheung Chi (ceased to act as managing director on 12th April, 2016)

At the AGM, Mr. Richard Hung Ting Ho, Mr. Wong Chung Wai, Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong and Mr. Tony Tse Wai Chuen will retire from office in accordance with the Company's Bye-laws nos. 87(2) and 87(3) and Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and, being eligible, will offer themselves for re-election.

Biographical details of directors and senior management

Biographical details of the Directors and senior management as at the date of this report are set out on pages 48 to 53 of this report.

Directors' rights to acquire shares or debentures

Other than the share option schemes adopted by the Company and its subsidiaries as detailed in the section headed "Share option schemes" below, and the rights issue of Chuang's China Investments Limited ("Chuang's China") as announced on 17th March, 2016 and stated in note 21 to the consolidated financial statements, at no time during the year was the Company, any of its subsidiaries or its other associated corporations a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company, its specified undertaking or any of its associated corporations.

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

As at 31st March, 2017, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Company

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	940,237,404	*Note 1*	56.06
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	1,299,678	Beneficial owner	0.08

(b) Interests in Chuang's China

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	1,361,804,923	*Notes 2 & 5*	57.53
Mrs. Candy Kotewall Chuang Ka Wai ("Ms. Candy Chuang")	1,255,004	Beneficial owner	0.05

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

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

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

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

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

Note 1: Such interests comprised 732,629,332 shares in the Company owned by Evergain Holdings Limited ("Evergain"), a company beneficially owned by Mr. Alan Chuang, and the remaining interests arose as a result of Mr. Alan Chuang being a discretionary object of a discretionary trust, the trustee of which held 207,608,072 shares in the Company. Mr. Alan Chuang, Mr. Albert Chuang, Mr. Chong Ka Fung and Ms. Candy Chuang are directors of Evergain.

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

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

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

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

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

Other than as disclosed herein, as at 31st March, 2017, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Directors' service contracts

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

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

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

Directors' interests in competing business

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that Mr. Alan Chuang, Mr. Albert Chuang, Mr. Chong Ka Fung and Ms. Candy Chuang hold equity interests and directorships in certain private companies which are engaged in the businesses of luxurious residential property investment in Hong Kong and securities investment and trading. Mr. Richard Hung Ting Ho is a non-executive director of CNT Group Limited ("CNT"), a company whose issued shares are listed on the Stock Exchange, the principal activities of which include property investment in Hong Kong and the People's Republic of China. As the properties owned by the private companies and CNT are of different types and/or in different locations from those of the Group, and the compositions of the respective boards of directors of the private companies and CNT are different from that of the Group, the Group operates its businesses independently of, and at arm's length from, the businesses of the private companies 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 any Directors or chief executive of the Company and save as disclosed in the section headed "Directors' interests and short positions in shares, underlying shares and debentures" above, as at 31st March, 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 shares of the Company	Capacity	Percentage of shareholding
Evergain	732,629,332	Beneficial owner, *Note 1*	43.68
Mrs. Chong Ho Pik Yu	732,629,332	*Note 2*	43.68
Madam Chuang Shau Har ("Madam Chuang")	208,353,709	*Note 3*	12.42
Mr. Lee Sai Wai ("Mr. Lee")	208,353,709	*Note 4*	12.42

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

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

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

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

Save as disclosed above, as at 31st March, 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 pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

Controlling shareholders' interests in contracts

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

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

During the year ended 31st March, 2017 and up to the date of this report, the Company repurchased a total of 16,724,000 shares on the Stock Exchange at an aggregate cash consideration of approximately HK$23,540,520 (excluding expenses). All the repurchased shares were then cancelled and the number of issued shares of the Company was reduced accordingly. Particulars of the repurchases are as follows:

Period of repurchase	Total number of shares repurchased	Price per share paid Highest	Lowest	Aggregate consideration
		HK$	HK$	HK$
April 2016	5,140,000	1.05	1.03	5,319,200
June 2016	4,812,000	1.45	1.38	6,829,680
July 2016	1,084,000	1.50	1.49	1,625,920
September 2016	5,688,000	1.80	1.65	9,765,720
Total	16,724,000			23,540,520

Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31st March, 2017 and up to the date of this report.

Major suppliers and customers

The aggregate purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for approximately 14% and 45% of the total purchases of the Group for the year respectively.

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

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

Relationships with suppliers and customers

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

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

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.

Retirement schemes

Details of retirement schemes of the Group are set out in note 10 to the consolidated financial statements.

Permitted indemnity provision

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

Share option schemes

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

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

1. Purpose:	To give incentive to Directors, employees or business consultants of the Group and any other party as approved under the Scheme
2. Participants:	Including, inter alia, Directors, employees or business consultants of the Group
3. Total number of shares available for issue under the Scheme and percentage of the issued share capital that it represents as at the date of this report:	159,284,491 shares are available for issue under the Scheme, representing approximately 9.50% of the issued share capital as at the date of this report
4. Maximum entitlement of each participant:	1% of the maximum aggregate number of shares that may be issued within 12 months pursuant to the Scheme
5. Period within which the shares must be taken up under an option:	Not applicable. No share option has been granted since the date of adoption of the Scheme on 31st August, 2012
6. Amount payable on acceptance of an option and the period within which payments shall be made:	HK$1.00 payable to the Company upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7. The basis of determining the exercise price:	No less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of the Company
8. The remaining life of the Scheme:	Valid until 30th August, 2022 unless otherwise terminated under the terms of the Scheme

Share option schemes (continued)

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

1.	Purpose:	To give incentive to directors, employees or business consultants of Chuang's China and its subsidiaries (collectively as the "Chuang's China Group") and any other party as approved under the Chuang's China Scheme
2.	Participants:	Including, inter alia, directors, employees or business consultants of the Chuang's China Group
3.	Total number of shares of Chuang's China available for issue under the Chuang's China Scheme and percentage of the issued share capital of Chuang's China that it represents as at the date of this report:	152,332,870 shares of Chuang's China are available for issue under the Chuang's China Scheme, representing approximately 6.46% of the issued share capital of Chuang's China as at the date of this report
4.	Maximum entitlement of each participant:	1% of the maximum aggregate number of shares of Chuang's China that may be issued within 12 months pursuant to the Chuang's China Scheme
5.	Period within which the shares of Chuang's China must be taken up under an option:	Not applicable. No share option has been granted by Chuang's China since the date of adoption of the Chuang's China Scheme on 31st August, 2012
6.	Amount payable on acceptance of an option and the period within which payments shall be made:	HK$1.00 payable to Chuang's China upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7.	The basis of determining the exercise price:	No less than the highest of (i) the closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of Chuang's China
8.	The remaining life of the Chuang's China Scheme:	Valid until 30th August, 2022 unless otherwise terminated under the terms of the Chuang's China Scheme

Share option schemes (continued)

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

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

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

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

The annual remuneration of the following Directors has been revised since 1st April, 2017:

Name of Director	**Revised annual remuneration**# HK$'000
Mr. Wong Chung Wai	2,520
Mr. Chan Chun Man	2,027

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

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of the Company's securities as required under the Listing Rules throughout the year ended 31st March, 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
Chuang's Consortium International Limited

Albert Chuang Ka Pun
Joint Managing Director

Hong Kong, 29th June, 2017

Financial

Information

羅兵咸永道

To the Shareholders of
Chuang's Consortium International Limited
(Incorporated in Bermuda with limited liability)

Opinion

What we have audited
The consolidated financial statements of Chuang's Consortium International Limited (the "Company") and its subsidiaries (the "Group") set out on pages 110 to 205, which comprise:

- the consolidated balance sheet as at 31st March, 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated cash flow statement 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.

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

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 year. 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 summarized as follows:

- Valuation of investment properties;
- Recoverability of properties for/under development and properties for sale; and
- Recoverability of cemetery assets.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties *Refer to Notes 4(a), 17 and 23 to the consolidated financial statements* The Group had investment properties held by subsidiaries and a joint venture as at 31st March, 2017 of which a revaluation gain/loss was recognized and presented as "change in fair value of investment properties" and part of "share of results of joint ventures" respectively in the consolidated income statement. The Group's investment property portfolio comprises of commercial and residential properties in Hong Kong, Malaysia, Taiwan, the People's Republic of China and the United Kingdom. Management had engaged independent valuers to determine the valuation of the Group's investment properties held by the Group's subsidiaries and a joint venture as at 31st March, 2017. There were significant judgments and estimates involved in the valuation which mainly included: • Completed investment properties: 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. • Investment properties under development: The valuation was arrived at using the residual method by making reference to estimated selling prices as available in the relevant market. The estimated costs to complete the development and estimated developer's profit as at the date of valuation were also taken into account. 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 and a joint venture, 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 and a joint venture 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. For completed investment properties, • 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. For investment properties under development, • Assessing the reasonableness of key assumptions used in the valuation of properties by comparing: – estimated selling prices to recent market transaction prices of properties with comparable nature and locations; – estimated developer's profit to published market data of properties with comparable conditions and locations; and – estimated costs to complete to the latest approved budgets for total construction costs, and testing, on a sample basis, the construction costs to supporting documentation such as quantity surveyor reports and signed contracts. 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 properties for/under development and properties for sale *Refer to Notes 4(f), 19 and 26 to the consolidated financial statements* The Group had HK$593 million and HK$1,883 million of properties for/under development and properties for sale respectively as at 31st March, 2017. Management assessed the recoverability of properties for/under development and properties for sale based on an estimation of the net realizable value of the underlying properties. This involved estimation of anticipated costs to completion based on existing plans (for properties for/under development) and expected future sales prices based on prevailing market conditions such as current market prices of properties with comparable conditions and locations. If the actual net realizable values of the underlying stock of properties are significantly different from those values estimated as a result of changes in market condition and/or significant variation in the budgeted development costs, material reversal of or provision for impairment losses may result. Due to the existence of significant estimation uncertainty and management judgment involved in the assessment of the recoverability of properties for/under development and properties for sale, we considered this a key audit matter.	Our procedures in relation to management's assessment of recoverability of properties for/under development and properties for sale included: • Testing the key controls around the property construction cycle with a particular focus on, but not limited to, controls over cost budgeting and periodic review, sources of impairment assessment data and calculation of provision for impairment loss. • Assessing the reasonableness of key assumptions and estimates in management's assessment, on a sample of properties selected, including: – expected future sales prices which we compared to contracted sales prices of the underlying properties or current market prices of properties with comparable conditions and locations, where applicable; – anticipated costs to completion which we compared to latest approved budgets for total construction costs and checked to supporting documentation such as quantity surveyor reports and signed contracts. We found that management's assessment of recoverability of properties for/under development and properties for sale is supported by the available evidence.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
Recoverability of cemetery assets *Refer to Notes 4(f) and 20 to the consolidated financial statements* The Group had HK$496 million and HK$201 million of cemetery assets classified as non-current assets and current assets respectively as at 31st March, 2017. Management assessed the recoverability of cemetery assets based on an estimation of the net realizable value by engaging an independent valuer to determine the valuation of the cemetery assets as at 31st March, 2017. This involved estimation of expected future sales prices based on prevailing market conditions such as current market prices of cemetery assets with comparable conditions and locations and estimation of anticipated costs to completion. If the actual net realizable values of the underlying stock of cemetery assets are significantly different from those values estimated as a result of changes in market condition and/or significant variation in the budgeted development costs, material reversal of or provision for impairment losses may result. Due to the existence of significant estimation uncertainty and management judgment involved in the assessment of the recoverability of the cemetery assets, we considered this a key audit matter.	Our procedures in relation to management's assessment of the recoverability of the cemetery assets included: • Testing the key controls around the construction cycle of cemetery assets with a particular focus on, but not limited to, controls over sources of impairment assessment data and calculation of provision for impairment loss. • Evaluating the independent valuer's competence, capabilities and objectivity. • Obtaining the valuation report and meeting with the independent valuer to discuss the valuation methodologies applied. • Assessing the reasonableness of key assumptions used in the valuation including: – expected future sales prices which we compared to contracted sales prices/latest valuation of the underlying assets or current market prices of assets with comparable conditions and locations, where applicable; – anticipated costs to completion which we compared to latest approved budgets for total construction costs and checked to supporting documentation such as quantity surveyor reports and signed contracts. We found that management's assessment of recoverability of cemetery assets 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, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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.

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

- 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.

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

- 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.

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

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.

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, 29th 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 Income Statement

For the year ended 31st March, 2017

	Note	**2017** **HK$'000**	2016 HK$'000
Revenues and net gain	5	**1,137,910**	1,869,172
Revenues		**1,066,225**	1,864,037
Net gain of financial assets at fair value through profit or loss		**71,685**	5,135
Cost of sales		**(585,055)**	(995,589)
Gross profit		**552,855**	873,583
Other income and net gain	7	**53,155**	126,876
Gain on disposal of subsidiaries	8	**1,340,681**	–
Selling and marketing expenses		**(73,765)**	(141,558)
Administrative and other operating expenses		**(557,730)**	(496,402)
Change in fair value of investment properties	17	**751,336**	446,143
Operating profit	9	**2,066,532**	808,642
Finance costs	11	**(90,308)**	(86,999)
Share of results of associated companies	22	**(210)**	42
Share of results of joint ventures	23	**25,905**	64,265
Profit before taxation		**2,001,919**	785,950
Taxation	13	**(226,754)**	(158,836)
Profit for the year		**1,775,165**	627,114
Attributable to:			
Equity holders		**1,264,279**	597,759
Non-controlling interests		**510,886**	29,355
		1,775,165	627,114
		HK cents	HK cents
Earnings per share (basic and diluted)	15	**75.19**	34.51

The notes on pages 117 to 205 are an integral part of the consolidated financial statements.

	2017 HK$'000	2016 HK$'000
Profit for the year	**1,775,165**	627,114
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss:		
Net exchange differences	**(111,992)**	(96,333)
Share of exchange reserve of a joint venture	**(6,562)**	–
Realization of exchange reserves upon disposal/liquidation of subsidiaries	**616**	–
Change in fair value of available-for-sale financial assets	**95,895**	(58,840)
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	**(549)**	(199)
Total other comprehensive loss that may be reclassified subsequently to profit and loss	**(22,592)**	(155,372)
Item that may not be reclassified subsequently to profit and loss:		
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties, net of deferred tax	**34,710**	54,188
Total other comprehensive income/(loss) for the year	**12,118**	(101,184)
Total comprehensive income for the year	**1,787,283**	525,930
Total comprehensive income attributable to:		
Equity holders	**1,283,792**	539,939
Non-controlling interests	**503,491**	(14,009)
	1,787,283	525,930

The notes on pages 117 to 205 are an integral part of the consolidated financial statements.

Consolidated Balance Sheet

As at 31st March, 2017

	Note	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment	16	**617,968**	676,503
Investment properties	17	**8,333,540**	6,777,007
Leasehold lands and land use rights	18	**813,487**	883,580
Properties for/under development	19	**593,071**	588,828
Cemetery assets	20	**495,550**	545,870
Associated companies	22	**67,610**	64,738
Joint ventures	23	**401,475**	351,465
Available-for-sale financial assets	24	**235,907**	179,736
Loans and receivables	25	**156,290**	159,007
		11,714,898	10,226,734
Current assets			
Properties for sale	26	**1,882,939**	2,321,074
Cemetery assets	20	**201,463**	103,265
Inventories	27	**172,029**	176,827
Debtors and prepayments	28	**459,237**	461,068
Financial assets at fair value through profit or loss	29	**1,657,389**	506,943
Pledged bank balances	30	**–**	40,173
Cash and bank balances	30	**3,140,744**	1,627,886
		7,513,801	5,237,236
Current liabilities			
Creditors and accruals	31	**628,766**	360,095
Sales deposits received	32	**3,703**	364,830
Short-term bank borrowings	35	**158,377**	15,098
Current portion of long-term bank borrowings	35	**803,324**	842,847
Taxation payable		**277,543**	313,232
		1,871,713	1,896,102
Net current assets		**5,642,088**	3,341,134
Total assets less current liabilities		**17,356,986**	13,567,868

	Note	2017 HK$'000	2016 HK$'000
Equity			
Share capital	33	**419,298**	423,479
Reserves	34	**9,369,133**	8,191,233
Shareholders' funds		**9,788,431**	8,614,712
Non-controlling interests		**1,955,529**	1,437,706
Total equity		**11,743,960**	10,052,418
Non-current liabilities			
Long-term bank borrowings	35	**5,222,864**	3,113,127
Deferred taxation liabilities	36	**284,136**	367,977
Loans and payables with non-controlling interests	37	**47,484**	34,346
Other non-current liabilities		**58,542**	–
		5,613,026	3,515,450
		17,356,986	13,567,868

Albert Chuang Ka Pun
Director

Chan Chun Man
Director

The notes on pages 117 to 205 are an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31st March, 2017

	Note	2017 HK$'000	2016 HK$'000
Cash flows from operating activities			
Cash used in operations	40(a)	**(1,228,131)**	(72,077)
Interest paid		**(107,145)**	(102,948)
Tax paid		**(149,277)**	(172,940)
Net cash used in operating activities		**(1,484,553)**	(347,965)
Cash flows from investing activities			
Interest income received		**13,881**	16,436
Dividend income received from available-for-sale financial assets and an associated company		**3,293**	8,690
Purchase of property, plant and equipment		**(22,678)**	(14,926)
Additions to investment properties		**(40,606)**	(143,501)
Acquisition of a property business	40(c)(ii)	**(763,347)**	–
Proceeds from disposal of property, plant and equipment		**6,133**	6,642
Purchase of available-for-sale financial assets		**(23,348)**	(560)
Net proceeds from disposal of available-for-sale financial assets		**78,725**	2,778
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	40(c)(i)	**1,603,176**	–
Acquisition of an associated company		**–**	(1)
Increase in loans receivable and amount due from associated companies		**(2,684)**	(15,326)
Increase in investments in joint ventures		**(30,667)**	(2,750)
Decrease in pledged bank balances		**40,173**	15,096
Decrease/(increase) in bank deposits maturing more than three months from date of placement		**126,357**	(130,108)
Net cash from/(used in) investing activities		**988,408**	(257,530)
Cash flows from financing activities			
New bank borrowings		**2,643,631**	798,148
Repayment of bank borrowings		**(406,289)**	(506,963)
Dividends paid to shareholders		**(100,802)**	(83,114)
Dividends paid to non-controlling interests		**(36,452)**	(22,008)
Repurchase of shares		**(23,627)**	(44,300)
Capital injection by non-controlling interests through a rights issue exercise of a subsidiary	21	**99,858**	–
Loans from non-controlling interests		**13,162**	2,266
Increase of interest in a subsidiary	33(b)(ii)	**(34,718)**	(271)
Net cash from financing activities		**2,154,763**	143,758
Net increase/(decrease) in cash and cash equivalents		**1,658,618**	(461,737)
Cash and cash equivalents at the beginning of the year		**1,497,009**	1,971,404
Exchange difference on cash and cash equivalents		**(19,403)**	(12,658)
Cash and cash equivalents at the end of the year	40(b)	**3,136,224**	1,497,009

The notes on pages 117 to 205 are an integral part of the consolidated financial statements.

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

For the year ended 31st March, 2017

	Attributable to equity holders of the Company					
	Share capital HK$'000	Other reserves HK$'000	Retained profits HK$'000	Shareholders' funds HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1st April, 2016	423,479	1,194,120	6,997,113	8,614,712	1,437,706	10,052,418
Profit for the year	–	–	1,264,279	1,264,279	510,886	1,775,165
Other comprehensive income:						
Net exchange differences	–	(70,830)	–	(70,830)	(41,162)	(111,992)
Share of exchange reserve of a joint venture	–	(3,209)	–	(3,209)	(3,353)	(6,562)
Realization of exchange reserves upon disposal/liquidation of subsidiaries	–	4,316	–	4,316	(3,700)	616
Change in fair value of available-for-sale financial assets	–	54,897	–	54,897	40,998	95,895
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	–	(371)	–	(371)	(178)	(549)
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties	–	34,710	–	34,710	–	34,710
Total comprehensive income for the year	–	19,513	1,264,279	1,283,792	503,491	1,787,283
Transactions with owners:						
2016 final dividend paid	–	–	(50,486)	(50,486)	–	(50,486)
2017 interim dividend paid	–	–	(50,316)	(50,316)	–	(50,316)
Dividends paid to non-controlling interests	–	–	–	–	(36,452)	(36,452)
Repurchase of shares	(4,181)	(19,446)	–	(23,627)	–	(23,627)
Capital injection by non-controlling interests through a rights issue exercise of a subsidiary *(note 21)*	–	–	–	–	99,858	99,858
Net decrease of interests in subsidiaries from restructuring *(note 20)*	–	610	(9,898)	(9,288)	9,288	–
Increase of interests in subsidiaries	–	–	23,644	23,644	(58,362)	(34,718)
At 31st March, 2017	**419,298**	**1,194,797**	**8,174,336**	**9,788,431**	**1,955,529**	**11,743,960**

The notes on pages 117 to 205 are an integral part of the consolidated financial statements.

1. General information

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

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

2. Summary of significant accounting policies

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

(a) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss at fair 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 11 (Amendment)	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
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.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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)

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 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 anticipated that the timing of the recognition of revenue on certain property sales may be affected. 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.

2. Summary of significant accounting policies (continued)

(b) Consolidation

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

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

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

(c) Subsidiaries

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

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

(i) Business combinations

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

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

2. Summary of significant accounting policies (continued)

(c) Subsidiaries (continued)

(i) Business combinations (continued)

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

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

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

(ii) Disposal of subsidiaries

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

(iii) Separate financial statements

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

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

2. Summary of significant accounting policies (continued)

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

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

(e) Associated companies

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

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

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

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

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

2. Summary of significant accounting policies (continued)

(e) Associated companies (continued)

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

(f) Joint arrangements

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

Joint operation

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

Joint venture

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

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

2. Summary of significant accounting policies (continued)

(g) Goodwill

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

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

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

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

(h) Property, plant and equipment

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

2. Summary of significant accounting policies (continued)

(h) Property, plant and equipment (continued)

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

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

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

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

(i) Investment properties

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

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

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

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

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

2. Summary of significant accounting policies (continued)

(i) Investment properties (continued)

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

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

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in 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 lands classified as investment property; others, including contingent rent payments, are not recognized in the consolidated financial statements.

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

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

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

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

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

2. Summary of significant accounting policies (continued)

(i) Investment properties (continued)

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

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

The investment properties are classified under non-current assets except for those properties which are expected to be disposed of within one year and are classified under current assets. Investment properties under development are reclassified as assets of disposal group held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable.

(j) Leasehold lands and land use rights

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

(k) Cemetery assets

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

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

2. Summary of significant accounting policies (continued)

(l) Properties for/under development

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

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

(m) Properties for sale

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

(n) Financial assets

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

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

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

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

2. Summary of significant accounting policies (continued)

(n) Financial assets (continued)

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

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

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

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

(o) Inventories

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

2. Summary of significant accounting policies (continued)

(p) Trade and other debtors

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

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

(q) Impairment of non-financial assets

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

(r) Creditors and accruals

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

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

2. Summary of significant accounting policies (continued)

(s) Provisions

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

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

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

(t) Share capital

Ordinary shares are classified as equity.

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

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

2. Summary of significant accounting policies (continued)

(u) Borrowings

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

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

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

(v) Current and deferred taxation

The tax expenses for the year comprise current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized 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 income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group, its associated companies and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be payable to the tax authorities.

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

2. Summary of significant accounting policies (continued)

(v) Current and deferred taxation (continued)

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

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

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

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

(w) Operating leases

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

(x) Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of sales taxes, 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 when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

2. Summary of significant accounting policies (continued)

(x) Revenue and income recognition (continued)

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

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

(iii) Income from hotel operation and management is recognized when the services are rendered.

(iv) Sales of cemetery assets are recognized when significant risks and rewards of the cemetery assets have been passed to the customers, which are when the construction of the relevant cemetery assets has been completed and the collectability of related receivables pursuant to the sales agreements is reasonably assured.

(v) Sales of goods and merchandises and scraped materials are recognized on the transfer of risks and rewards of ownership, which generally coincide with the time when goods and merchandises and scraped materials are delivered to the customers and legal title has been passed.

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

(vii) Service and management fees are recognized when the services are rendered.

(viii) Interest income is recognized on a time proportion basis, using the effective interest method, taking into account the principal amounts outstanding and the interest rates applicable.

(ix) Dividend income is recognized when the right to receive payment is established.

2. Summary of significant accounting policies (continued)

(y) Borrowing costs

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

(z) Employee benefits

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

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

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

(aa) Cash and cash equivalents

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

2. Summary of significant accounting policies (continued)

(ab) Translation of foreign currencies

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

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

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

(i) assets and liabilities for each balance sheet presented are translated at the rate of exchange ruling at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and

(iii) all resulting exchange differences are recognized in other comprehensive income.

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

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

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

2. Summary of significant accounting policies (continued)

(ac) Segment reporting

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

(ad) Dividend distribution

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

(ae) Financial guarantee liabilities

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

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

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

3. Financial risk management

(a) Financial risk factors

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

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

(i) Credit risk

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

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

The Group manages its deposits with banks and financial institutions by monitoring credit ratings and only places deposits with banks and financial institutions with no history of defaults. As at 31st March, 2017, the monies placed with Hong Kong and the PRC banks and financial institutions amounted to approximately HK$2,947 million (2016: HK$1,312 million, including pledged bank balances) and HK$180 million (2016: HK$342 million) respectively.

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(i) Credit risk (continued)

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

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

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

The Group has provided guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Since the Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Group to the banks, the management considers that the Group's credit risk is minimal (see also note 39).

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, the PRC, the United Kingdom and other countries. The Group also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the ordinary course of business. In addition, as at 31st March, 2017, the Group has standby banking facilities to provide contingent liquidity support which amounted to approximately HK$763 million (2016: HK$814 million). Details of the bank borrowings are disclosed in note 35.

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

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(ii) Liquidity risk (continued)

	Within the first year HK$'000	Within the second year HK$'000	Within the third to fifth years HK$'000	After the fifth year HK$'000	Total HK$'000
2017					
Creditors and accruals	**628,766**	**–**	**–**	**–**	**628,766**
Bank borrowings	**1,004,769**	**661,480**	**4,757,705**	**175,386**	**6,599,340**
Loans and payables with non-controlling interests	**–**	**–**	**–**	**47,484**	**47,484**
Other non-current liabilities	**–**	**–**	**–**	**58,542**	**58,542**
	1,633,535	**661,480**	**4,757,705**	**281,412**	**7,334,132**
Financial guarantees *(note 39)*	**–**	**–**	**–**	**421,079**	**421,079**
2016					
Creditors and accruals	360,095	–	–	–	360,095
Bank borrowings	938,928	280,121	2,309,410	711,116	4,239,575
Loans and payables with non-controlling interests	–	–	–	34,346	34,346
	1,299,023	280,121	2,309,410	745,462	4,634,016
Financial guarantees *(note 39)*	–	–	–	1,079,858	1,079,858

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

As at 31st March, 2017, if interest rates had been 0.5% (2016: 0.5%) higher/lower with all other variables held constant, the pre-tax result of the Group would have decreased/increased by approximately HK$11,112,000 (2016: HK$6,739,000).

3. Financial risk management (continued)

(a) Financial risk factors (continued)

(iv) Foreign exchange risk

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

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

(v) Price risk

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

The table below summarizes the impact of increase/decrease of the market price of the Group's publicly-traded investments by 5% (2016: 5%) with all other variables held constant:

	Impact on pre-tax result		Impact on investment revaluation reserve	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
5% change in market price	**82,869**	25,347	**6,663**	3,278

3. Financial risk management (continued)

(b) Capital risk management

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

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

The Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total bank borrowings (including short-term and long-term bank borrowings as shown in the consolidated balance sheet) less cash and bank balances (including pledged bank balances) and financial assets at fair value through profit or loss. Total capital represents shareholders' funds as shown in the consolidated balance sheet. The net debt to equity ratio at 31st March, 2017 is 14.2% (2016: 20.8%).

(c) Fair value estimation

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

3. Financial risk management (continued)

(c) Fair value estimation (continued)

The following table presents the Group's financial assets that are measured at fair value at 31st March, 2017 and 2016. The investment properties are measured at fair value and disclosed in note 17.

	Level 1 HK$'000	**Level 3** HK$'000	**Total** HK$'000
2017			
Assets			
Available-for-sale financial assets			
– Listed securities	**215,114**	**–**	**215,114**
– Unlisted investments	**–**	**20,793**	**20,793**
	215,114	**20,793**	**235,907**
Financial assets at fair value through profit or loss			
– Listed securities and bonds	**1,657,389**	**–**	**1,657,389**
Total assets	**1,872,503**	**20,793**	**1,893,296**
2016			
Assets			
Available-for-sale financial assets			
– Listed securities	95,978	–	95,978
– Unlisted investments	–	83,758	83,758
	95,978	83,758	179,736
Financial assets at fair value through profit or loss			
– Listed securities and bonds	506,943	–	506,943
Total assets	602,921	83,758	686,679

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

3. Financial risk management (continued)

(c) Fair value estimation (continued)

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

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

Specific valuation techniques used to value financial instruments include:

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

There was no transfer of financial assets among fair value hierarchy classifications for the years ended 31st March, 2017 and 2016.

The following table presents the changes in level 3 instruments of the Group for the years ended 31st March, 2017 and 2016.

	Assets
	Available-for-sale financial assets HK$'000
At 1st April, 2015	87,540
Additions	560
Disposals	(2,692)
Change in fair value recognized in other comprehensive income	1,350
Changes in exchange rates	(3,000)
At 31st March, 2016	83,758
Additions	117
Disposals	(59,331)
Change in fair value recognized in other comprehensive income	(640)
Changes in exchange rates	(3,111)
At 31st March, 2017	**20,793**

3. Financial risk management (continued)

(d) Financial instruments by category

2017

	Loans and receivables HK$'000	Financial assets at fair value through profit or loss HK$'000	Available-for-sale financial assets HK$'000	Total HK$'000
Assets as per the consolidated balance sheet				
Loans receivable from associated companies	20,488	–	–	20,488
Amounts due from joint ventures	122,617	–	–	122,617
Available-for-sale financial assets	–	–	235,907	235,907
Loans and receivables	156,290	–	–	156,290
Debtors and prepayments excluding prepayments	433,562	–	–	433,562
Financial assets at fair value through profit or loss	–	1,657,389	–	1,657,389
Cash and bank balances	3,140,744	–	–	3,140,744
Total	3,873,701	1,657,389	235,907	5,766,997

	Financial liabilities at amortized cost HK$'000
Liabilities as per the consolidated balance sheet	
Creditors and accruals excluding accrued expenses and deposits received for the disposal of a subsidiary	276,221
Bank borrowings	6,184,565
Loans and payables with non-controlling interests	47,484
Other non-current liabilities	58,542
Total	6,566,812

3. Financial risk management (continued)

(d) Financial instruments by category (continued)

2016

	Loans and receivables HK$'000	Financial assets at fair value through profit or loss HK$'000	Available-for-sale financial assets HK$'000	Total HK$'000
Assets as per the consolidated balance sheet				
Loans receivable from associated companies	17,356	–	–	17,356
Amounts due from joint ventures	115,814	–	–	115,814
Available-for-sale financial assets	–	–	179,736	179,736
Loans and receivables	159,007	–	–	159,007
Debtors and prepayments excluding prepayments	449,188	–	–	449,188
Financial assets at fair value through profit or loss	–	506,943	–	506,943
Pledged bank balances	40,173	–	–	40,173
Cash and bank balances	1,627,886	–	–	1,627,886
Total	2,409,424	506,943	179,736	3,096,103

	Financial liabilities at amortized cost HK$'000
Liabilities as per the consolidated balance sheet	
Creditors and accruals excluding accrued expenses	312,337
Bank borrowings	3,971,072
Loans and payables with non-controlling interests	34,346
Total	4,317,755

4. Critical accounting estimates and judgments

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

(a) Estimate of fair value of investment properties

The valuation of investment properties is mainly performed in accordance with "The HKIS Valuation Standards 2012 Edition" published by the Hong Kong Institute of Surveyors and other international valuation standards. Details of the judgment and assumptions have been disclosed in note 17.

(b) Classification of investment properties

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

In addition, in making the judgment to determine whether an investment property under development is qualified as asset of disposal group held for sale, the Group considers whether the sale transaction is highly probable (i.e. the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification).

The Group considers each property separately in making its judgment.

(c) Classification of investment in associated company

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

(d) Classification of investment in joint venture

Joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Management judgment is required in determining whether joint control exists. Management considers all facts and circumstances before arriving at the appropriate conclusion. Changing the classification selected by management could significantly affect the accounting treatment and measurement of the investee and as a result affect the Group's results of operations and financial position.

4. Critical accounting estimates and judgments (continued)

(e) Impairment of property, plant and equipment

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

(f) Impairment of properties for/under development, properties for sale and cemetery assets

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

(g) Impairment of the Group's printing business

The management conducted an impairment review of the cash generating unit 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 rate had been decreased by 1.5% with all other variables held constant, the Group would have recognized an impairment loss of approximately HK$17,552,000 and would need to reduce the carrying value of the respective property, plant and equipment by approximately HK$17,552,000 accordingly.

4. Critical accounting estimates and judgments (continued)

(h) Impairment of inventories

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

(i) Impairment of receivables

The Group assesses the carrying values of receivables based on the evaluation of collectabilities and aging analysis of receivables, and management's judgment regarding the creditworthiness and the past collection history of each customer. Provision for 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.

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

The Group is subject to income taxes, land use taxes, land appreciation taxes and deferred taxes mainly in Hong Kong, the PRC, the United Kingdom and other countries. 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 located in the PRC 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)

(k) Capitalization of borrowing costs

Borrowing costs directly attributable to the construction of investment properties under development and properties under development are capitalized from the date that expenditure is incurred and development activities on the qualifying assets commence. As part of this assessment, judgment is required in determining the unit of account in circumstances where development will be performed in phases. Management assesses the date from which capitalization of borrowing costs should commence on a project-by-project basis. Key indicators used by the management to identify a standalone development include that all assets in the development are:

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

(l) Critical judgment in revenue recognition for sales of properties

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

(m) Critical judgment for business combination

The Group completed a transaction during the year ended 31st March, 2017 (note 40(c)(ii)). 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
Revenues		
Sales of properties	**453,306**	1,251,755
Rental income and management fees	**194,882**	175,893
Income from hotel operation and management	**90,052**	98,779
Sales of cemetery assets	**17,574**	22,300
Sales of goods and merchandises	**251,248**	303,048
Interest income from money lending business	**7,837**	–
Interest income from financial assets at fair value through profit or loss	**50,116**	11,970
Dividend income from listed investments	**1,210**	292
	1,066,225	1,864,037
Net gain		
Net realized gain of financial assets at fair value through profit or loss	**9,098**	3,653
Net fair value gain of financial assets at fair value through profit or loss	**62,587**	1,482
	71,685	5,135
Revenues and net gain	**1,137,910**	1,869,172

6. Segment information

(a) Segment information by business lines

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

The CODM considers the business from a business perspective. For the year ended 31st March, 2017, the CODM considers the money lending business as a new business segment. Accordingly, business segments include property development, investment and trading, hotel operation and management, cemetery, sales of goods and merchandises, securities investment and trading, money lending business and others (including information technology business). The CODM assesses the performance of the operating segments based on the measure of segment result.

6. Segment information (continued)

(a) Segment information by business lines (continued)

The segment information by business lines is as follows:

	Property development, investment and trading HK$'000	Hotel operation and management HK$'000	Cemetery HK$'000 (Note)	Sales of goods and merchandises HK$'000	Securities investment and trading HK$'000	Money lending business HK$'000	Others and corporate HK$'000	2017 Total HK$'000
Revenues and net gain	648,188	90,052	17,574	251,248	123,011	7,837	–	1,137,910
Other income and net gain	15,997	74	564	7,364	3,343	–	25,813	53,155
Operating profit/(loss)	2,234,895	(58,646)	(2,297)	(13,759)	125,048	5,408	(224,117)	2,066,532
Finance (costs)/income	(73,858)	(14,661)	127	(1,672)	(244)	–	–	(90,308)
Share of results of associated companies	68	2,625	–	–	–	–	(2,903)	(210)
Share of results of joint ventures	25,905	–	–	–	–	–	–	25,905
Profit/(loss) before taxation	2,187,010	(70,682)	(2,170)	(15,431)	124,804	5,408	(227,020)	2,001,919
Taxation (charge)/credit	(189,963)	–	(36,954)	163	–	–	–	(226,754)
Profit/(loss) for the year	1,997,047	(70,682)	(39,124)	(15,268)	124,804	5,408	(227,020)	1,775,165
Segment assets	11,291,402	1,293,231	722,590	311,499	1,659,319	158,143	3,323,430	18,759,614
Associated companies	199	45,461	–	–	–	–	21,950	67,610
Joint ventures	401,475	–	–	–	–	–	–	401,475
Total assets	11,693,076	1,338,692	722,590	311,499	1,659,319	158,143	3,345,380	19,228,699
Total liabilities	6,356,723	701,399	256,756	84,013	136	–	85,712	7,484,739
Other segment items are as follows:								
Capital expenditure	1,179,497	5,933	13,418	12,449	–	–	2,679	1,213,976
Depreciation	1,553	29,756	714	16,242	–	–	11,879	60,144
Amortization of leasehold lands and land use rights	32	40,316	59	520	–	–	–	40,927
Provision for impairment of properties for sale	3,054	–	–	–	–	–	–	3,054
Provision for impairment of trade debtors	2,693	–	–	–	–	–	–	2,693
Provision for impairment of other deposits	54,707	–	–	–	–	–	–	54,707
Reversal of provision for impairment of inventories	–	–	–	(1,420)	–	–	–	(1,420)
Gain on disposal of subsidiaries	(1,340,681)	–	–	–	–	–	–	(1,340,681)

Note: *Taxation in relation to the restructuring of the cemetery business as mentioned in note 20 is included in the "Cemetery" segment.*

6. Segment information (continued)

(a) Segment information by business lines (continued)

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

6. Segment information (continued)

(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
Hong Kong	**418,080**	1,069,553	**98,808**	377,978
The PRC	**447,632**	485,607	**265,851**	354,908
United Kingdom	**41,493**	48,689	**802,278**	–
Other countries	**230,705**	265,323	**47,039**	43,827
	1,137,910	1,869,172	**1,213,976**	776,713

	Non-current assets *(note)*		Total assets	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**8,433,868**	7,700,657	**14,513,635**	10,763,925
The PRC	**1,518,262**	1,598,538	**3,013,761**	3,754,742
United Kingdom	**804,685**	–	**812,321**	–
Other countries	**565,886**	588,796	**888,982**	945,303
	11,322,701	9,887,991	**19,228,699**	15,463,970

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

7. Other income and net gain

	2017 HK$'000	2016 HK$'000
Interest income from bank deposits	**14,674**	15,641
Dividend income from available-for-sale financial assets	**3,243**	8,640
Sales of scraped materials	**2,977**	4,171
Write-back of provision for indemnity *(note a)*	**–**	58,546
Fair value gain on transfer of properties from properties for sale to investment properties	**18,829**	21,187
Negative goodwill on acquisition of a property business, net of transaction costs *(note b)*	**(4,640)**	–
Reversal of provision for impairment of properties for sale	**–**	2,392
Reversal of provision for impairment of trade debtors	**–**	269
Net gain on disposal of property, plant and equipment	**3,867**	4,718
Gain on disposals of available-for-sale financial assets	**19,313**	285
Realization of exchange reserves upon disposal/liquidation of subsidiaries	**(16,904)**	–
Net exchange gain/(loss)	**3,129**	(1,539)
Sundries	**8,667**	12,566
	53,155	126,876

Notes:

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

(b) On 4th November, 2016, a wholly-owned subsidiary of Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of the Group) entered into a sale and purchase agreement with an independent third party to acquire an office property in London, United Kingdom, at a net consideration of approximately GBP79 million (equivalent to approximately HK$764 million) (the "UK Acquisition"). The UK Acquisition was announced by the Company on 6th November, 2016 and published in the circular on 9th December, 2016 respectively. The transaction was completed on 24th November, 2016. The property was recorded as an investment property (note 17) and a negative goodwill on acquisition of the property business amounting to HK$38.9 million (before netting of transaction costs) was recorded upon completion. Details of the UK Acquisition are shown in note 40(c)(ii).

8. Gain on disposal of subsidiaries

On 25th August, 2016, Chuang's China and its wholly-owned subsidiary entered into a sale and purchase agreement with independent third parties to dispose of its wholly-owned subsidiaries which held a property development project at Dongguan, the PRC, for a net consideration of approximately RMB1.3 billion (equivalent to approximately HK$1.5 billion) (the "Dongguan Disposal"). The Chuang's China group retains the administration building and certain completed properties upon completion. The Dongguan Disposal was announced by the Company on 28th August, 2016 and published in the circular on 26th September, 2016 respectively. The transaction was completed on 27th October, 2016. A gain on disposal of subsidiaries of the Dongguan Disposal and the related PRC withholding corporate income tax were shown in this note and "Taxation" (note 13) respectively. Details of the Dongguan Disposal are shown in note 40(c)(i).

9. Operating profit

	2017 **HK$'000**	2016 HK$'000
Operating profit is stated after crediting:		
Gross rental income from investment properties	**164,868**	143,460
Reversal of provision for impairment of inventories	**1,420**	1,644
and after charging:		
Cost of properties sold	**295,120**	632,466
Cost of inventories sold	**131,955**	177,139
Depreciation	**60,144**	63,192
Amortization of leasehold lands and land use rights	**40,927**	41,606
Provision for impairment of properties for sale	**3,054**	2,263
Provision for impairment of inventories	**–**	5,521
Provision for impairment of trade debtors	**2,693**	925
Provision for impairment of other deposits	**54,707**	6,500
Staff costs, including Directors' emoluments		
Wages and salaries	**224,363**	256,429
Retirement benefit costs *(note 10)*	**8,515**	9,490
Operating lease rental on land and buildings	**16,859**	18,548
Outgoings in respect of investment properties	**45,798**	44,831
Auditors' remuneration		
Audit and audit related services	**5,530**	5,116
Non-audit services	**10,940**	1,850

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

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

11. Finance costs

	2017 **HK$'000**	2016 HK$'000
Interest expenses		
Bank borrowings	**106,234**	103,678
Bank overdraft	**575**	689
	106,809	104,367
Fair value adjustment of trade debtors	**(127)**	(414)
Amounts capitalized into		
Investment properties	**(6,685)**	(4,183)
Properties under development	**(9,689)**	(12,771)
	(16,374)	(16,954)
	90,308	86,999

The capitalization rates applied to funds borrowed for the development of properties range from 1.57% to 8.08% (2016: 1.58% to 8.08%) per annum.

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

(a) Directors' emoluments

Name of Director	Fees (note i)	Salaries (note ii)	Other benefits (note ii)	Retirement scheme contributions (note ii)	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2017					
Mr. Alan Chuang Shaw Swee	**40**	**2,440**	**2,400**	**288**	**5,168**
Mr. Albert Chuang Ka Pun[1]	**50**	**1,980**	**400**	**18**	**2,448**
Mr. Chong Ka Fung[1]	**50**	**1,440**	**400**	**18**	**1,908**
Mrs. Candy Kotewall Chuang Ka Wai	**50**	**1,200**	**–**	**18**	**1,268**
Mr. Richard Hung Ting Ho[6]	**36**	**1,138**	**–**	**14**	**1,188**
Mr. Wong Chung Wai	**30**	**2,526**	**–**	**18**	**2,574**
Mr. Chan Chun Man	**30**	**2,078**	**–**	**18**	**2,126**
Mr. Abraham Shek Lai Him[3]	**530**	**–**	**–**	**–**	**530**
Mr. Fong Shing Kwong[3]	**150**	**–**	**–**	**–**	**150**
Mr. Yau Chi Ming[3]	**230**	**–**	**–**	**–**	**230**
Mr. David Chu Yu Lin[3]	**270**	**–**	**–**	**–**	**270**
Mr. Tony Tse Wai Chuen[3,6]	**88**	**–**	**–**	**–**	**88**
	1,554	**12,802**	**3,200**	**392**	**17,948**
2016					
Mr. Alan Chuang Shaw Swee	40	2,440	2,400	288	5,168
Mr. Albert Chuang Ka Pun[1]	50	1,680	–	18	1,748
Mr. Chong Ka Fung[1]	50	1,440	–	18	1,508
Mr. Ko Sheung Chi[2]	30	3,000	–	18	3,048
Mrs. Candy Kotewall Chuang Ka Wai	50	1,200	–	18	1,268
Mr. Lui Lop Kay[5]	20	1,620	852	122	2,614
Mr. Wong Chung Wai	30	2,256	–	18	2,304
Mr. Chan Chun Man[4]	25	1,250	–	15	1,290
Mr. Abraham Shek Lai Him[3]	530	–	–	–	530
Mr. Fong Shing Kwong[3]	150	–	–	–	150
Mr. Yau Chi Ming[3]	230	–	–	–	230
Mr. David Chu Yu Lin[3]	270	–	–	–	270
	1,475	14,886	3,252	515	20,128

12. Directors', five highest paid individuals' and senior management's emoluments (continued)

(a) Directors' emoluments (continued)

[1] *Appointed as the Joint Chief Executive Officers/Joint Managing Directors on 12th April, 2016*
[2] *Ceased to act as the Chief Executive Officer/Managing Director on 12th April, 2016*
[3] *The Independent Non-Executive Directors*
[4] *Appointed on 8th June, 2015*
[5] *Retired on 31st March, 2016*
[6] *Appointed on 9th September, 2016*

(i) The amounts represented emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings.

(ii) The amounts represented emoluments paid or receivable in respect of Director's other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

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

(iv) During the year, no emoluments, retirement benefits, payments or benefits in respect of termination of Directors' services were paid or made, directly or indirectly, to the Directors, nor are any payable (2016: Nil). No consideration was provided to or receivable by third parties for making available Directors' services (2016: Nil).

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

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

(vii) The emoluments paid by the Company to the Independent Non-Executive Directors of the Company amounted to HK$688,000 (2016: HK$600,000).

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

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

12. Directors', five highest paid individuals' and senior management's emoluments (continued)

(c) Five highest paid individuals' emoluments

The five highest paid individuals in the Group include three (2016: four) Directors as at 31st March, 2017. Details of the emoluments paid to the two (2016: one) individuals, whose emoluments were the five highest in the Group and who are not Directors as at 31st March, 2017, are set out below:

	2017 **HK$'000**	2016 HK$'000
Salaries and other benefits	**5,950**	2,300
Retirement scheme contributions	**189**	171
	6,139	2,471

The emoluments of the individuals fall within the following bands:

	Number of individuals	
Emolument bands	**2017**	2016
HK$2,000,001 to HK$2,500,000	**–**	1
HK$2,500,001 to HK$3,000,000	**1**	–
HK$3,000,001 to HK$3,500,000	**1**	–
	2	1

(d) Senior management's emoluments

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

	Number of individuals	
Emoluments bands	**2017**	2016
HK$1,000,000 or below	**5**	6
HK$1,000,001 to HK$1,500,000	**2**	4
HK$1,500,001 to HK$2,000,000	**2**	–
	9	10

13. Taxation

	2017 HK$'000	2016 HK$'000
Current taxation		
Hong Kong profits tax	–	24,500
Overseas profits tax	–	158
PRC corporate income tax	46,257	44,781
PRC withholding corporate income tax *(notes 8 and 20)*	151,176	–
PRC land appreciation tax	32,703	80,437
Over-provision in previous years	(272)	–
Deferred taxation *(note 36)*	(3,110)	8,960
	226,754	158,836

No provision for Hong Kong profits tax has been made as the Group has sufficient tax losses brought forward to set off against the estimated assessable profits for the year (2016: Hong Kong profits tax had been provided at the rate of 16.5% on the estimated assessable profits for the year). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC withholding corporate income tax includes the relevant tax on the disposal of subsidiaries from the Dongguan Disposal and the restructuring as mentioned in notes 8 and 20 respectively. PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

Share of taxation charge of associated companies for the year ended 31st March, 2017 of HK$2,000 (2016: HK$4,000) is included in the consolidated income statement as share of results of associated companies. Share of deferred taxation charge of joint ventures for the year ended 31st March, 2017 of HK$9,994,000 (2016: HK$21,440,000) is included in the consolidated income statement as share of results of joint ventures.

13. Taxation (continued)

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

	2017 **HK$'000**	2016 HK$'000
Profit before taxation	**2,001,919**	785,950
Share of results of associated companies	**210**	(42)
Share of results of joint ventures	**(25,905)**	(64,265)
	1,976,224	721,643
Tax charge at the rate of 16.5% (2016: 16.5%)	**326,077**	119,071
Effect of different taxation rates in other countries *(note)*	**(84,292)**	14,852
Income not subject to taxation	**(145,265)**	(88,311)
Expenses not deductible for taxation purposes	**29,582**	11,955
PRC land appreciation tax deductible for taxation purposes	**(5,396)**	(13,272)
Utilization of previously unrecognized tax losses	**(7,255)**	(29,785)
Over-provision in previous years	**(272)**	–
Other temporary differences and tax losses not recognized and others	**39,148**	50,930
	152,327	65,440
Dividend income withholding tax	**–**	12,959
PRC land appreciation tax	**32,703**	80,437
PRC withholding corporate income tax on restructuring *(note 20)*	**41,724**	–
Taxation	**226,754**	158,836

Note: The amount in 2017 mainly represents the effect of different taxation rates of the PRC withholding corporate income tax in relation to the Donggun Disposal (note 8).

14. Dividends

	2017 HK$'000	2016 HK$'000
Interim dividend of 3.0 HK cents (2016: 2.0 HK cents) per share	**50,316**	34,766
Proposed final dividend of 3.0 HK cents (2016: 3.0 HK cents) per share	**50,316**	50,663
Proposed special dividend of 2.0 HK cents (2016: Nil) per share	**33,544**	–
	134,176	85,429

On 29th June, 2017, the Board proposed a final dividend of 3.0 HK cents (2016: 3.0 HK cents) per share amounting to HK$50,316,000 (2016: HK$50,663,000) and a special dividend of 2.0 HK cents (2016: Nil) per share amounting to HK$33,544,000 (2016: Nil). The amounts are calculated based on 1,677,193,104 issued shares as at 29th June, 2017. The proposed dividends are not reflected as 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 upon the approval by the shareholders.

15. Earnings per share

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$1,264,279,000 (2016: HK$597,759,000) and the weighted average number of 1,681,341,323 (2016: 1,732,275,529) shares in issue during the year.

The diluted earnings per share is equal to the basic earnings per share since there are no dilutive potential shares in issue during the years.

16. Property, plant and equipment

	Buildings HK$'000	Plant and machinery HK$'000	Furniture and fixtures HK$'000	Other assets HK$'000	Total HK$'000
Cost					
At 1st April, 2015	723,044	291,026	88,125	152,520	1,254,715
Changes in exchange rates	(541)	18	(490)	(428)	(1,441)
Additions	915	5,436	6,641	1,933	14,925
Transfer to investment properties *(notes e and 17)*	(78,366)	–	–	–	(78,366)
Disposals	(2,144)	(33,569)	(11,358)	(1,911)	(48,982)
Reclassification *(note 23)*	–	–	(345)	(475)	(820)
At 31st March, 2016	642,908	262,911	82,573	151,639	1,140,031
Changes in exchange rates	(2,956)	(61)	(1,422)	(734)	(5,173)
Additions	2,659	8,112	7,073	4,834	22,678
Transfer to investment properties *(notes f and 17)*	(18,076)	–	–	–	(18,076)
Disposals	–	(33,114)	(1,813)	(4,802)	(39,729)
At 31st March, 2017	**624,535**	**237,848**	**86,411**	**150,937**	**1,099,731**
Accumulated depreciation and provision for impairment					
At 1st April, 2015	87,932	258,119	63,899	76,699	486,649
Changes in exchange rates	117	23	(459)	(379)	(698)
Charge for the year	29,384	11,962	6,438	15,408	63,192
Disposals	(648)	(33,169)	(11,341)	(1,900)	(47,058)
Transfer to investment properties *(notes e and 17)*	(38,084)	–	–	–	(38,084)
Reclassification *(note 23)*	–	–	(128)	(345)	(473)
At 31st March, 2016	78,701	236,935	58,409	89,483	463,528
Changes in exchange rates	(1,052)	(53)	(1,064)	(695)	(2,864)
Charge for the year	26,804	11,348	8,348	13,644	60,144
Transfer to investment properties *(notes f and 17)*	(1,582)	–	–	–	(1,582)
Disposals	–	(33,013)	(547)	(3,903)	(37,463)
At 31st March, 2017	**102,871**	**215,217**	**65,146**	**98,529**	**481,763**
Net book value					
At 31st March, 2017	**521,664**	**22,631**	**21,265**	**52,408**	**617,968**
At 31st March, 2016	564,207	25,976	24,164	62,156	676,503

16. Property, plant and equipment (continued)

(a) Buildings of the Group include hotel property. Other assets comprise computer equipment, motor vehicles and yachts.

(b) Buildings and plant and machinery of the Group with net book value of HK$499,190,000 (2016: HK$517,619,000) have been pledged as securities for the borrowing facilities granted to the Group (note 35).

(c) Buildings of the Group are located:

	2017	2016
	HK$'000	HK$'000
In Hong Kong	**456,887**	496,468
Outside Hong Kong	**64,777**	67,739
	521,664	564,207

(d) Depreciation of HK$11,884,000 (2016: HK$12,484,000), HK$1,000 (2016: HK$2,000) and HK$48,259,000 (2016: HK$50,706,000) have been included in cost of sales, selling and marketing expenses and administrative and other operating expenses, respectively.

(e) On 21st April, 2015, Chuang's China and its wholly-owned subsidiary entered into a sale and purchase agreement with Midas International Holdings Limited ("Midas")(a listed subsidiary of the Group) and its wholly-owned subsidiary to acquire the entire registered capital of a PRC wholly-owned subsidiary of Midas (the major assets are the land and completed property in the PRC) at a consideration of RMB101.6 million (equivalent to approximately HK$123.4 million). The transaction was completed on 21st August, 2015. Details of the transaction were announced by the Company on 21st April, 2015 and 21st August, 2015 respectively. After the completion of this transaction, the property was leased out before the year ended 31st March, 2016, and accordingly the Group had reclassified the property, plant and equipment and the leasehold lands and land use rights to investment properties. As a result of this reclassification, a fair value gain on transfer of property of HK$72,250,000 (note 17), net of the related deferred taxation of HK$18,062,000 (note 36), resulting in an amount of HK$54,188,000 and after deducting the non-controlling interests portion of HK$23,588,000, the net amount of HK$30,600,000 was recorded in property, plant and equipment revaluation reserve (note 34) through other comprehensive income during the year ended 31st March, 2016.

(f) During the year ended 31st March, 2017, a commercial portion of the hotel property had been leased out, and accordingly the Group has reclassified the net book values of the property, plant and equipment of HK$16,494,000 and leasehold lands and land use rights of HK$28,796,000 to investment properties. As a result of this reclassification, a fair value gain on transfer of property of HK$34,710,000 was recorded in property, plant and equipment revaluation reserve (note 34) through other comprehensive income during the year ended 31st March, 2017.

17. Investment properties

	Properties under development HK$'000	Completed properties HK$'000	Total HK$'000
At 1st April, 2015	869,271	5,100,537	5,969,808
Changes in exchange rates	(7,074)	(30,361)	(37,435)
Additions	85,132	58,369	143,501
Interest expenses capitalized	4,183	–	4,183
Transfer from properties for sale *(note 26(d))*	–	104,043	104,043
Transfer from property, plant and equipment *(note 16(e))*	–	40,282	40,282
Transfer from leasehold lands and land use rights *(notes 16(e) and 18(e))*	–	13,045	13,045
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties *(note 16(e))*	–	72,250	72,250
Fair value gain on transfer of properties from properties for sale to investment properties *(note 7)*	–	21,187	21,187
Change in fair value	98,105	348,038	446,143
At 31st March, 2016	1,049,617	5,727,390	6,777,007
Changes in exchange rates	(13,554)	(48,724)	(62,278)
Additions	40,569	37	40,606
Interest expenses capitalized	6,685	–	6,685
Acquisition of a property business *(note 40(c)(ii))*	–	802,278	802,278
Transfer from property, plant and equipment *(note 16(f))*	–	16,494	16,494
Transfer from leasehold lands and land use rights *(notes 16(f) and 18(e))*	–	28,796	28,796
Transfer from properties for sale *(note 26(d))*	–	21,171	21,171
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties *(note 16(f))*	–	34,710	34,710
Fair value gain on transfer of properties from properties for sale to investment properties *(note 7)*	–	18,829	18,829
Disposals of subsidiaries *(note 40(c)(i))*	(51,326)	(50,768)	(102,094)
Change in fair value	343,153	408,183	751,336
At 31st March, 2017	**1,375,144**	**6,958,396**	**8,333,540**

17. Investment properties (continued)

(a) Investment properties of the Group are located:

	2017 **HK$'000**	2016 HK$'000
In Hong Kong	**6,683,700**	5,828,700
Outside Hong Kong	**1,649,840**	948,307
	8,333,540	6,777,007

(b) Investment properties in Hong Kong, Malaysia, Taiwan, the PRC and the United Kingdom were revalued at 31st March, 2017 on an open market value basis by Colliers International (Hong Kong) Limited ("Colliers"), Grant Sherman Appraisal Limited, VPC Alliance (KL) Sendirian Berhad and DTZ Cushman & Wakefield Limited, independent professional property valuers, respectively.

(c) Investment properties of HK$8,005,159,000 (2016: HK$6,479,402,000) have been pledged as securities for the borrowing facilities granted to the Group (note 35).

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

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

17. Investment properties (continued)

(e) Valuation techniques

Fair value of completed properties in Hong Kong, Malaysia, Taiwan, the PRC and the United Kingdom 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 valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties. Direct comparison method is comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

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

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

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

17. Investment properties (continued)

(f) Significant unobservable inputs used to determine fair value

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

	Hong Kong	Taiwan	The PRC	United Kingdom
2017				
Capitalization rates used for:				
Commercial properties	**2.7%–3.0%**	**N/A**	**4.0%–6.0%**	**5.0%**
Residential properties	**2.8%**	**1.6%**	**N/A**	**N/A**
2016				
Capitalization rates used for:				
Commercial properties	2.5%–3.8%	N/A	4.0%–6.0%	N/A
Residential properties	2.9%	1.6%	N/A	N/A

Note: Completed commercial property in Malaysia is revalued by direct comparison method.

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

Estimated costs to completion, developer's profit and estimated selling prices are estimated by valuers based on market conditions at 31st March, 2017 for investment properties under development in Hong Kong and the PRC. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The higher the costs, the lower the fair value.

(g) On 9th June, 2016, a wholly-owned subsidiary of the Group entered into a conditional agreement with an independent third party for the disposal of its wholly-owned subsidiary which held an investment property under construction in Hong Kong for a consideration of HK$2.1 billion (subject to adjustment) (the "HK Disposal"). The consideration will be satisfied as to approximately 80% by cash and as to approximately 20% by the transfer of a PRC property to the Group. The HK Disposal was announced by the Company on 15th June, 2016 and published in the circular on 20th July, 2016 respectively. The transaction is expected to be completed in the third quarter of 2018 upon the completion of the construction and internal decoration works and inspection by the purchaser. As at 31st March, 2017, deposits of HK$315 million were received and recorded in "Creditors and accruals" (note 31(d)). The said property is continued to be recorded in investment properties with the amount of HK$1,180,000,000 (2016: HK$828,000,000) as at 31st March, 2017 as it does not qualify for the classification as "assets of disposal group held for sale" in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations".

18. Leasehold lands and land use rights

	2017 HK$'000	2016 HK$'000
Leasehold lands and land use rights	**813,487**	883,580

(a) The interests in leasehold lands and land use rights represent prepaid operating lease payments.

(b) Leasehold lands and land use rights of the Group are located:

	2017 HK$'000	2016 HK$'000
In Hong Kong	**797,702**	866,814
Outside Hong Kong	**15,785**	16,766
	813,487	883,580

(c) Leasehold lands and land use rights of HK$810,221,000 (2016: HK$874,165,000) have been pledged as securities for the borrowing facilities granted to the Group (note 35).

(d) Amounts of HK$378,000 (2016: HK$390,000) and HK$40,549,000 (2016: HK$41,216,000) of amortization charged to the consolidated income statement from leasehold lands and land use rights have been included in cost of sales and administrative and other operating expenses, respectively.

(e) During the year ended 31st March, 2017, leasehold lands and land use rights of HK$28,796,000 (2016: HK$13,045,000) had been transferred to investment properties (notes 16(e) and 16(f)).

19. Properties for/under development

	2017	2016
	HK$'000	HK$'000
At the beginning of the year	**588,828**	778,800
Changes in exchange rates	**(4,010)**	(15,976)
Additions	**21,048**	108,972
Interest expenses capitalized	**–**	5,023
Disposals	**(12,795)**	–
Reclassification *(note 23)*	**–**	(287,991)
At the end of the year	**593,071**	588,828

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

	2017	2016
	HK$'000	HK$'000
In Hong Kong	**336,261**	341,549
Outside Hong Kong	**256,810**	247,279
	593,071	588,828

(b) Properties for/under development of HK$264,656,000 (2016: Nil) have been pledged as securities for the borrowing facilities granted to the Group (note 35).

(c) During the year ended 31st March, 2016, amortization of leasehold lands and land use rights classified under properties for/under development of HK$4,000,000 was capitalized therein.

20. Cemetery assets

	2017 HK$'000	2016 HK$'000
Total cemetery assets	**697,013**	649,135
Current portion included in current assets	**(201,463)**	(103,265)
	495,550	545,870

As at 31st March, 2017, included in the cemetery assets which are classified as current assets are grave plots and niches for cremation urns of cemetery business with the aggregate carrying value of HK$196,217,000 (2016: HK$92,358,000) that are expected to be realized after more than twelve months from the balance sheet date.

On 31st March, 2017, the Group completed a group restructuring whereby the cemetery business was transferred from Midas to Chuang's China (the "Restructuring"). As a result of the Restructuring, the Group's effective interest in the cemetery business was slightly changed from 52.0% to 49.2% but without losing control and the respective effect was recognized within equity (note 34). The Restructuring was announced by the Company on 22nd January, 2017 and published in the circulars of Chuang's China and Midas on 8th March, 2017 respectively. The related PRC withholding corporate income tax of the Restructuring was recorded in "Taxation" (note 13).

21. Subsidiaries

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

Set out below are the summarized consolidated financial information for the respective groups of Chuang's China and Midas, both are listed subsidiaries of the Group, that have non-controlling interest of 42.5% (2016: 44.0%) and 39.2% (2016: 39.2%) respectively which are material to the Group.

Summarized consolidated balance sheet as at 31st March, 2017 and 2016:

	Chuang's China *(Note)*		**Midas** *(Note)*	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Current				
Assets	**3,699,670**	2,935,382	**468,815**	350,682
Liabilities	**(797,064)**	(1,190,924)	**(141,403)**	(84,531)
Total current net assets	**2,902,606**	1,744,458	**327,412**	266,151
Non-current				
Assets	**2,419,532**	1,240,665	**362,221**	650,879
Liabilities	**(1,402,004)**	(476,255)	**(45,091)**	(161,585)
Total non-current net assets	**1,017,528**	764,410	**317,130**	489,294
Net assets	**3,920,134**	2,508,868	**644,542**	755,445

Summarized consolidated income statement for the years ended 31st March, 2017 and 2016:

	Chuang's China *(Note)*		**Midas** *(Note)*	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Revenues and net gain	**491,338**	470,018	**215,204**	255,981
Profit before taxation	**1,430,083**	217,205	**3,911**	87,264
Taxation (charge)/credit	**(191,676)**	(129,126)	**(37,068)**	1,583
Profit/(loss) for the year	**1,238,407**	88,079	**(33,157)**	88,847
Other comprehensive income/(loss)	**9,250**	(125,914)	**(22,240)**	(17,180)
Total comprehensive income/(loss)	**1,247,657**#	(37,835)	**(55,397)**#	71,667
Total comprehensive loss attributable to non-controlling interests	**(5,211)**	(1,039)	**(2,919)**	(3,022)

\# *Excluded the effect of the Restructuring (mainly excluding the negative goodwill and gain on transaction).*

Note: *The summarized consolidated financial information of the Midas group includes the fair value adjusted amounts for the identifiable assets acquired and liabilities assumed by the Group for both printing and cemetery businesses in 2011 when Midas became a subsidiary of the Group after its rights issue (formerly an associated company of the Group). In 2017, after the Restructuring as mentioned in note 20, the respective fair value adjusted amounts of the cemetery business are included in the summarized consolidated financial information of the Chuang's China group as shown above.*

21. Subsidiaries (continued)

Summarized consolidated cash flow statements for the years ended 31st March, 2017 and 2016:

	Chuang's China		Midas	
	2017	2016	**2017**	2016
	HK$'000	HK$'000	**HK$'000**	HK$'000
Cash flows from operating activities				
Cash (used in)/from operations	**(663,214)**	40,152	**5,540**	(103,729)
Interest paid	**(26,727)**	(25,604)	**(1,119)**	(2,895)
Tax paid	**(124,904)**	(172,922)	**–**	–
Net cash (used in)/from operating activities	**(814,845)**	(158,374)	**4,421**	(106,624)
Net cash from/(used in) investing activities	**691,088**	(173,383)	**182,325**	94,316
Net cash from/(used in) financing activities	**821,135**	39,994	**49,994**	(43,993)
Net increase/(decrease) in cash and cash equivalents	**697,378**	(291,763)	**236,740**	(56,301)
Cash and cash equivalents at the beginning of the year	**565,494**	871,107	**43,078**	99,442
Exchange difference on cash and cash equivalents	**(18,026)**	(13,850)	**(64)**	(63)
Cash and cash equivalents at the end of the year	**1,244,846**	565,494	**279,754**	43,078

The information above is the amount before inter-company eliminations. Certain amounts in 2017 of both the Chuang's China group and the Midas group are adjusted after taking into account the effect of the Restructuring (note 20).

On 17th March, 2016, a wholly-owned subsidiary of the Company entered into an irrevocable undertaking with Chuang's China (the "Irrevocable Undertaking") in relation to the proposed rights issue of Chuang's China on the basis of one rights share for every two existing ordinary shares at the subscription price of HK$0.28 per rights share to raise a net proceed of approximately HK$223 million (the "Rights Issue"). According to the Irrevocable Undertaking, the Group had undertaken to subscribe in full for its entitlement under the Rights Issue in the amount of approximately HK$127.1 million. The Rights Issue was completed on 3rd May, 2016.

22. Associated companies

	2017	2016
	HK$'000	HK$'000
Share of net assets	**47,122**	47,382
Loans receivable	**20,488**	17,356
	67,610	64,738
Unlisted investments, at cost, net	**43,119**	43,119

The movements of the carrying amounts of the associated companies are analyzed as follows:

	2017	2016
	HK$'000	HK$'000
At the beginning of the year	**64,738**	48,782
Acquisition of an associated company	**–**	1
Increase in loans receivable	**3,132**	15,962
Share of (loss)/profit before taxation	**(208)**	46
Share of taxation charge	**(2)**	(4)
Share of results	**(210)**	42
Dividend income received	**(50)**	(49)
At the end of the year	**67,610**	64,738

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

Particulars of the principal associated companies which, in the opinion of the Directors, materially affect the results or net assets of the Group are set out in note 45 to the consolidated financial statements.

22. Associated companies (continued)

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

	2017	2016
	HK$'000	HK$'000
Revenues	**13,701**	10,638
(Loss)/profit for the year	**(210)**	42
Assets	**90,851**	88,162
Liabilities	**(23,241)**	(23,424)
	67,610	64,738

23. Joint ventures

	2017	2016
	HK$'000	HK$'000
Share of net assets	**278,858**	235,651
Amounts due from joint ventures	**122,617**	115,814
	401,475	351,465

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

The movements of the carrying amounts of the joint ventures are analyzed as follows:

	2017	2016
	HK$'000	HK$'000
At the beginning of the year	**351,465**	66,215
Addition of joint venture	**–**	171,793
Capital injection to a joint venture	**23,864**	–
Increase in amounts due from joint ventures	**6,803**	49,192
Share of results	**25,905**	64,265
Share of exchange reserve	**(6,562)**	–
At the end of the year	**401,475**	351,465

23. Joint ventures (continued)

Share of results of joint ventures of HK$25,905,000 (2016: HK$64,265,000) in the consolidated income statement is the share of results of joint ventures for the year ended 31st March, 2017 which mainly includes the share of fair value gain of the investment properties (net of the related deferred taxation) of HK$30 million (2016: HK$64 million) of a joint venture. As at 31st March, 2017, capitalization rates used in the income capitalization method for the valuation of investment properties held by a joint venture ranged from 4.5% to 5.5% (2016: 5.5%). Details of the valuation processes and techniques are set out in note 17.

On 19th January, 2017, a joint venture as landlord entered into a tenancy agreement with Lujiang Hotel, a non-wholly-owned subsidiary of the joint venture partner and a related party of the Group, as tenant for the lease of the hotel held by the joint venture for a term of ten years from 24th March, 2017 to 23rd March, 2027 with rental at RMB9 million per annum for years 1 to 5 and RMB10 million per annum for years 6 to 10. Details of the transaction were announced by Chuang's China on 19th January, 2017. Rental income received by the joint venture for the year ended 31st March, 2017 amounted to approximately HK$231,000 (2016: Nil) and was included in the "Share of results of joint ventures" in the consolidated income statement.

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

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

Name	Place of incorporation/ operation	Registered capital/ issued capital	Interest held by the Group 2017	2016	Principal activities
Ample Excellent Limited	Hong Kong	HK$2 with 2 shares	**50.0%**	50.0%	Property development and investment
Xiamen Mingjia Binhai Resort Company Limited	PRC	RMB150,000,000 (2016: RMB140,000,000)	**70.0%**	70.0%	Property and hotel development and investment
			(effective interest held by the Group is 34.2% for 2017 (2016: 33.3%)**)**		

As at 31st March, 2017, the Group's commitments in the joint ventures were HK$24,862,000 (2016: HK$38,896,000).

As at 31st March, 2017, the Company had provided a guarantee of HK$117,000,000 (2016: HK$117,000,000) for the banking facility granted to a joint venture.

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

	2017 HK$'000	2016 HK$'000
Revenues	**240**	–
Profit for the year	**25,905**	64,265
Assets	**565,613**	487,520
Liabilities	**(164,138)**	(136,055)
	401,475	351,465

24. Available-for-sale financial assets

	2017 HK$'000	2016 HK$'000
Listed securities in Hong Kong	**215,114**	95,978
Unlisted investments, at fair value	**20,793**	83,758
	235,907	179,736

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

	2017 HK$'000	2016 HK$'000
At the beginning of the year	**179,736**	243,708
Changes in exchange rates	**(3,111)**	(3,000)
Additions	**23,348**	560
Disposals *(note c)*	**(59,961)**	(2,692)
Change in fair value recognized in other comprehensive income	**95,895**	(58,840)
At the end of the year	**235,907**	179,736

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

(c) On 5th January, 2017, a wholly-owned subsidiary of the Chuang's China group entered into an agreement with an independent third party to dispose of a major portion of its interest in the unlisted investments at a consideration of RMB64.5 million (equivalent to approximately HK$74.2 million). A gain of HK$16.7 million was recorded as "Other income and net gain" for the year ended 31st March, 2017 (note 7). The transaction was announced by Chuang's China on 5th January, 2017.

25. Loans and receivables

	2017 HK$'000	2016 HK$'000
Loans receivable *(note a)*	**157,941**	157,100
Loans to the joint venture partner *(note b)*	**11,336**	12,051
	169,277	169,151
Current portions included in debtors and prepayments *(note 28)*		
Loans receivable	**(12,987)**	(10,144)
	156,290	159,007

(a) Loans receivable include a mortgage loan with carrying amount of HK$146,956,000 (2016: HK$157,000,000) provided to an independent third party to purchase the Group's property in Hong Kong amounted to HK$220,000,000 during the year ended 31st March, 2016 at the prevailing market rate. The mortgage loan is secured by the aforesaid property and details of the mortgage loan were announced by the Company on 24th March, 2016.

Loans receivable also include other mortgage loans with aggregate carrying amount of HK$8,985,000 (2016: Nil) provided to independent third parties to purchase the Group's properties in Hong Kong and a loan with carrying amount of HK$2,000,000 (2016: Nil) to another independent third party in Hong Kong at the prevailing market rates. The mortgage loans are secured by the aforesaid properties and the remaining loan is secured by the guarantees from independent third parties.

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

26. Properties for sale

	2017 HK$'000	2016 HK$'000
Completed properties	**621,307**	742,723
Properties for/under development	**1,261,632**	1,578,351
	1,882,939	2,321,074

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

	2017 HK$'000	2016 HK$'000
At the beginning of the year	**1,578,351**	1,765,642
Changes in exchange rates	**(33,259)**	(21,353)
Property development expenditure	**267,698**	372,063
Interest expenses capitalized	**9,689**	7,748
Transfer to completed properties	**(244,833)**	(545,749)
Disposal of subsidiaries *(note d)*	**(316,014)**	–
At the end of the year	**1,261,632**	1,578,351

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

	2017 HK$'000	2016 HK$'000
In Hong Kong	**793,695**	770,993
Outside Hong Kong	**1,089,244**	1,550,081
	1,882,939	2,321,074

(c) Properties for sale of HK$728,870,000 (2016: HK$540,728,000) have been pledged as securities for the borrowing facilities granted to the Group (note 35).

(d) During the year ended 31st March, 2017, completed properties of HK$21,171,000 (2016: HK$104,043,000) have been transferred to investment properties (note 17), and properties for sale of HK$403,878,000 (2016: N/A) have been disposed of through the Dongguan Disposal (note 40(c)(i)).

(e) In view of the respective market conditions, the management performed impairment assessment on properties for sale and a provision for impairment of HK$3,054,000 (2016: HK$2,263,000) was recorded for completed properties for the year ended 31st March, 2017. The recoverable amount was determined based on the valuation performed by DTZ Cushman & Wakefield Limited, an independent professional property valuer.

27. Inventories

	2017 HK$'000	2016 HK$'000
Raw materials	**14,884**	14,422
Work in progress	**6,063**	9,881
Finished goods and merchandises	**151,082**	152,524
	172,029	176,827

28. Debtors and prepayments

	2017 HK$'000	2016 HK$'000
Trade debtors	**64,569**	76,864
Other debtors and prepayments	**74,616**	76,515
Utility and other deposits	**320,052**	307,689
	459,237	461,068

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

As at 31st March, 2017, trade debtors from the cemetery business with the aggregate carrying value of HK$793,000 (2016: HK$1,548,000) are expected to be recovered after more than twelve months from the balance sheet date.

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

	2017 HK$'000	2016 HK$'000
Below 30 days	**27,490**	31,034
31 to 60 days	**8,941**	12,267
61 to 90 days	**7,111**	9,492
Over 90 days	**21,027**	24,071
	64,569	76,864

As at 31st March, 2017, trade debtors of HK$36,808,000 (2016: HK$49,226,000) of the Group were neither past due nor impaired.

28. Debtors and prepayments (continued)

As at 31st March, 2017, trade debtors of HK$27,761,000 (2016: HK$27,638,000) of the Group were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. Management has assessed the credit quality, such as receipt in advance and respective credit insurance in receivables (if applicable), and the repayment ability of the relevant customers. The aging analysis of these trade debtors is as follows:

	2017 **HK$'000**	2016 HK$'000
Below 30 days	**5,871**	5,015
31 to 60 days	**1,251**	7,208
61 to 90 days	**500**	2,340
Over 90 days	**20,139**	13,075
	27,761	27,638

Trade debtors of HK$7,867,000 (2016: HK$6,284,000) of the Group are held as collateral for the borrowing facilities granted to the Group (note 35).

Other deposits of the Group include net deposits of HK$264,275,000 (2016: HK$270,774,000) for property projects and acquisition of properties and leasehold lands and land use rights in Hong Kong, the PRC and Vietnam after the accumulated provision for impairment of HK$128,479,000 (2016: HK$73,772,000) as at 31st March, 2017. The movement of the provision for impairment in 2017 represents the provision made for the property project in Vietnam.

Other debtors of the Group include an amount receivable from an associated company of HK$4,652,000 (2016: HK$5,100,000) which is unsecured, interest free and receivable on demand. Other debtors also include receivables of HK$12,987,000 (2016: HK$10,144,000) from the current portions of the mortgage loans provided to the purchasers of the Group's properties in Hong Kong and the loan to another independent third party in Hong Kong at prevailing market rates (note 25(a)).

The maximum exposure to credit risk at the balance sheet is the carrying value of each class of receivable mentioned above.

Debtors and prepayments are mainly denominated in Hong Kong dollar, Renminbi, United States dollar and British Pound Sterling ("GBP"). The carrying values of debtors and prepayments approximate their fair values.

29. Financial assets at fair value through profit or loss

	2017	2016
	HK$'000	HK$'000
Listed securities	**113,467**	70,364
Listed bonds	**1,543,922**	436,579
	1,657,389	506,943

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

Financial assets at fair value through profit or loss of HK$45,678,000 (2016:Nil) have been pledged as securities for the borrowing facilities granted to the Group (note 35).

30. Pledged bank balances and cash and bank balances

	2017	2016
	HK$'000	HK$'000
Pledged bank balances	**–**	40,173
Cash and bank balances		
Cash at bank and in hand	**499,540**	384,036
Short-term deposits	**2,641,204**	1,243,850
	3,140,744	1,627,886
	3,140,744	1,668,059

The effective interest rates on short-term deposits range from 0.001% to 1.45% (2016: 0.001% to 0.90%) per annum and these deposits have maturities ranged from 1 to 365 days (2016: 1 to 366 days).

As at 31st March, 2016, pledged bank balances of HK$40,000,000 and HK$173,000 had been pledged as securities for the borrowing facilities (note 35) and the financial guarantee facilities (note 39) granted to the Group, respectively.

30. Pledged bank balances and cash and bank balances (continued)

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

	2017 HK$'000	2016 HK$'000
Hong Kong dollar	**2,863,562**	1,302,197
Renminbi	**182,925**	345,222
United States dollar	**77,719**	9,294
GBP	**4,778**	46
Others	**11,760**	11,300
	3,140,744	1,668,059

Cash and bank balances of approximately HK$180 million (2016: HK$342 million) 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.

31. Creditors and accruals

	2017 HK$'000	2016 HK$'000
Trade creditors *(note a)*	**34,593**	45,610
Other creditors and accrued expenses *(note b)*	**229,016**	268,134
Amounts payable to non-controlling interests *(note c)*	**1,807**	1,818
Deposits received for the disposal of a subsidiary *(note d)*	**315,000**	–
Tenant and other deposits	**48,350**	44,533
	628,766	360,095

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

	2017 HK$'000	2016 HK$'000
Below 30 days	**18,809**	24,814
31 to 60 days	**5,793**	4,421
Over 60 days	**9,991**	16,375
	34,593	45,610

(b) Other creditors and accrued expenses of the Group include the construction cost payables and accruals of HK$115,565,000 (2016: HK$121,563,000) for the property and cemetery projects of the Group.

31. Creditors and accruals (continued)

(c) Amounts payable to non-controlling interests are unsecured, interest free and repayable on demand.

(d) The balance represents the deposits received for the HK Disposal as mentioned in note 17(g).

(e) Creditors and accruals are mainly denominated in Hong Kong dollar, Renminbi and British Pound Sterling. The carrying values of creditors and accruals approximate their fair values.

32. Sales deposits received

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

33. Share capital

	2017	2016
	HK$'000	HK$'000
Authorized:		
2,500,000,000 shares of HK$0.25 each	**625,000**	625,000

	Number of shares	**Amount**
		HK$'000
Issued and fully paid at HK$0.25 each:		
At 1st April, 2015	1,733,729,517	433,432
2015 final scrip dividend *(note 14)*	4,547,587	1,137
Repurchase of shares *(note b(i))*	(44,360,000)	(11,090)
At 31st March, 2016	1,693,917,104	423,479
Repurchase of shares *(note b(i))*	(16,724,000)	(4,181)
At 31st March, 2017	**1,677,193,104**	**419,298**

33. Share capital (continued)

Notes:

(a) *All new shares rank pari passu to the existing shares.*

(b) *Repurchase of shares*

(i) *During the year ended 31st March, 2017, the Company repurchased 16,724,000 (2016: 44,360,000) shares of its own shares on the Stock Exchange with a total amount of approximately HK$23,627,000 (2016: HK$44,300,000). The repurchased shares were cancelled after their repurchase.*

(ii) *During the year ended 31st March, 2017, Chuang's China repurchased 64,570,000 (2016: Nil) shares of its own shares on the Stock Exchange with a total amount of approximately HK$34,718,000 (2016: Nil). The repurchased shares were cancelled after their repurchase. As a result of the repurchase, the Group's effective interest in Chuang's China increased from 56.0% to 57.5% as at 31st March, 2017 and the respective effect was recognized within equity (note 34). Subsequent to 31st March, 2017, Chuang's China has further repurchased a total of 9,990,000 shares with a total amount of approximately HK$5,406,000 and the shares were also cancelled after repurchase. The Group's effective interest in Chuang's China increased to 57.8% accordingly.*

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

34. Reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Capital reserve HK$'000	Statutory reserve HK$'000	Property, plant and equipment revaluation reserve HK$'000	Investment revaluation reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1st April, 2015	813,290	4,462	418,329	349	–	49,963	(25,005)	6,509,304	7,770,692
Profit for the year	–	–	–	–	–	–	–	597,759	597,759
Net exchange differences	–	–	–	–	–	–	(55,865)	–	(55,865)
Change in fair value of available-for-sale financial assets	–	–	–	–	–	(32,356)	–	–	(32,356)
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	–	–	–	–	–	(199)	–	–	(199)
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties, net of deferred tax *(note 16(e))*	–	–	–	–	30,600	–	–	–	30,600
Transfer to statutory reserve	–	–	–	21,235	–	–	–	(21,235)	–
2015 final scrip dividend paid	2,527	–	–	–	–	–	–	(52,012)	(49,485)
2016 interim dividend paid	–	–	–	–	–	–	–	(34,766)	(34,766)
Repurchase of shares	(33,210)	–	–	–	–	–	–	–	(33,210)
Decrease of interests in subsidiaries	–	–	–	–	–	–	–	(1,937)	(1,937)
At 31st March, 2016	782,607	4,462	418,329	21,584	30,600	17,408	(80,870)	6,997,113	8,191,233
Profit for the year	–	–	–	–	–	–	–	1,264,279	1,264,279
Net exchange differences	–	–	–	–	–	–	(70,830)	–	(70,830)
Share of exchange reserve of a joint venture	–	–	–	–	–	–	(3,209)	–	(3,209)
Realization of exchange reserves upon disposal/liquidation of subsidiaries	–	–	–	–	–	–	4,316	–	4,316
Change in fair value of available-for-sale financial assets	–	–	–	–	–	54,897	–	–	54,897
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	–	–	–	–	–	(371)	–	–	(371)
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties *(note 16(f))*	–	–	–	–	34,710	–	–	–	34,710
2016 final dividend paid	–	–	–	–	–	–	–	(50,486)	(50,486)
2017 interim dividend paid	–	–	–	–	–	–	–	(50,316)	(50,316)
Repurchase of shares	(19,446)	–	–	–	–	–	–	–	(19,446)
Net decrease of interests in subsidiaries from Restructuring *(note 20)*	–	–	–	–	–	–	610	(9,898)	(9,288)
Increase of interests in subsidiaries *(note)*	–	–	–	–	–	–	–	23,644	23,644
At 31st March, 2017	**763,161**	**4,462**	**418,329**	**21,584**	**65,310**	**71,934**	**(149,983)**	**8,174,336**	**9,369,133**

Note: The amount mainly represents the respective effect arising from Chuang's China's repurchase of shares for the year ended 31st March, 2017 (note 33(b)(ii)).

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

35. Borrowings

	2017 HK$'000	2016 HK$'000
Unsecured bank borrowings		
Short-term bank borrowings	**13,004**	6,297
Long-term bank borrowings	**695,000**	449,887
	708,004	456,184
Secured bank borrowings		
Short-term bank borrowings	**145,373**	8,801
Long-term bank borrowings	**5,331,188**	3,506,087
	5,476,561	3,514,888
Total bank borrowings	**6,184,565**	3,971,072

The total bank borrowings are analyzed as follows:

	2017 HK$'000	2016 HK$'000
Short-term bank borrowings	**158,377**	15,098
Long-term bank borrowings	**6,026,188**	3,955,974
	6,184,565	3,971,072

The long-term bank borrowings are analyzed as follows:

	2017 HK$'000	2016 HK$'000
Long-term bank borrowings	**6,026,188**	3,955,974
Current portion included in current liabilities		
Portion due within one year	**(404,531)**	(695,588)
Portion due after one year which contains a repayment on demand clause	**(398,793)**	(147,259)
	(803,324)	(842,847)
	5,222,864	3,113,127

35. Borrowings (continued)

The bank borrowings of the Group are secured by certain assets including property, plant and equipment, investment properties, leasehold lands and land use rights, properties for/under development, properties for sale, trade debtors and financial assets at fair value through profit or loss with an aggregate carrying value of HK$10,361,641,000 (2016: HK$8,458,198,000, including pledged bank deposits), shares of certain subsidiaries and guaranteed by the Company, Chuang's China and Midas (2016: guaranteed by the Company, Chuang's China, Midas and a subsidiary), and bank borrowings of HK$4,494,692,000 (2016: HK$2,705,102,000) are also secured by the assignment of rental income.

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

	2017	2016
	HK$'000	HK$'000
Within the first year	**562,908**	710,686
Within the second year	**607,489**	219,956
Within the third to fifth years	**4,781,931**	2,323,502
After the fifth year	**232,237**	716,928
	6,184,565	3,971,072

The effective interest rates of the bank borrowings at the balance sheet date range from 1.45% to 8.08% (2016: 1.54% to 8.08%) per annum. The fair values of the bank borrowings, based on the cash flows discounted at the borrowing rates of 1.45% to 8.08% (2016: 1.54% to 8.08%) per annum, approximate their carrying values and are within level 2 of the fair value hierarchy.

The bank borrowings are denominated in the following currencies:

	2017	2016
	HK$'000	HK$'000
Hong Kong dollar	**5,468,570**	3,568,782
Renminbi	**64,296**	239,963
GBP	**504,140**	–
Malaysian Ringgit	**137,108**	157,744
United States dollar	**7,090**	–
Singapore dollar	**2,897**	4,583
Euro	**464**	–
	6,184,565	3,971,072

35. Borrowings (continued)

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

	2017	2016
	HK$'000	HK$'000
6 months or less	**6,184,565**	3,952,943
7 to 12 months	**–**	18,129
	6,184,565	3,971,072

36. Deferred taxation liabilities

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

	HK$'000
At 1st April, 2015	361,405
Changes in exchange rates	(7,710)
Charged to the consolidated income statement *(note 13)*	8,960
Transferred to property, plant and equipment revaluation reserve *(note 16(e))*	18,062
Reclassification *(note 23)*	(12,740)
At 31st March, 2016	367,977
Changes in exchange rates	(11,705)
Credited to the consolidated income statement *(note 13)*	(3,110)
Disposal of subsidiaries *(note 40(c)(i))*	(69,026)
At 31st March, 2017	**284,136**

36. Deferred taxation liabilities (continued)

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

	Deferred taxation liabilities					Deferred taxation assets
	Fair value gains	Revaluation of investment properties	Accelerated tax depreciation	Dividend income withholding tax	Total	Tax losses
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1st April, 2015	305,922	39,550	41,853	10,000	397,325	(35,920)
Changes in exchange rates	(5,894)	(1,966)	166	–	(7,694)	(16)
(Credited)/charged to the consolidated income statement	(8,703)	20,263	3,226	(4,000)	10,786	(1,826)
Transferred to property, plant and equipment revaluation reserve	18,062	–	–	–	18,062	–
Reclassification	(12,740)	–	–	–	(12,740)	–
At 31st March, 2016	296,647	57,847	45,245	6,000	405,739	(37,762)
Changes in exchange rates	(7,177)	(4,504)	(24)	–	(11,705)	–
(Credited)/charged to the consolidated income statement	(8,811)	6,387	(5,205)	–	(7,629)	4,519
Disposal of subsidiaries	(61,274)	(7,752)	(8)	–	(69,034)	8
At 31st March, 2017	**219,385**	**51,978**	**40,008**	**6,000**	**317,371**	**(33,235)**

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

Deferred taxation liabilities 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 balance sheet date.

36. Deferred taxation liabilities (continued)

Deferred taxation assets of HK$429.7 million (2016: HK$407.1 million) arising from unused tax losses of HK$2,560.0 million (2016: HK$2,411.8 million) and HK$1.2 million (2016: HK$1.3 million) on temporary differences in respect of accelerated tax depreciation of HK$7.1 million (2016: HK$8.0 million) have not been recognized in the consolidated financial statements respectively. These tax losses have no expiry dates or will expire within five years for those from the PRC.

Deferred taxation liabilities of HK$0.9 million (2016: HK$0.1 million) arising from withholding tax on the unremitted earnings of certain PRC subsidiaries have not been recognized in the consolidated financial statements as these earnings are expected to be reinvested.

37. Loans and payables with non-controlling interests

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

38. Commitments

(a) Capital commitments

	2017 **HK$'000**	2016 HK$'000
Contracted but not provided for:		
Property projects and property, plant and equipment	**275,655**	364,000
Available-for-sale financial assets *(note)*	**–**	47,964
	275,655	411,964

Note: The contract in relation to the capital commitment for available-for-sale financial assets was terminated upon the disposal of the available-for-sale financial assets during the year ended 31st March, 2017 (note 24(c)).

(b) Operating lease rental payable

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

	2017 **HK$'000**	2016 HK$'000
Within the first year	**18,450**	16,636
Within the second to fifth years	**36,565**	1,573
	55,015	18,209

38. Commitments (continued)

(c) Operating lease rental receivable

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

	2017 **HK$'000**	2016 HK$'000
Within the first year	**149,612**	117,590
Within the second to fifth years	**211,595**	127,950
After the fifth year	**18,156**	22,233
	379,363	267,773

The Group leases properties under various agreements which will be terminated between 2017 to 2025 (2016: 2016 to 2025).

39. Financial guarantees

	2017 **HK$'000**	2016 HK$'000
Guarantees for mortgage loans to purchasers of properties of the Group in the PRC *(note)*	**421,079**	1,079,858

Note: *The financial guarantees provided by the Group represented the guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Group's properties in the PRC. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees will be terminated upon the earlier of (i) the issuance of the property ownership certificates which is generally available within six months to one year after the purchasers take possession of the relevant properties; or (ii) the satisfaction of mortgage loans by the purchasers of properties. Since the Group is able to retain the purchaser's deposits and sell the properties to recover any amounts paid by the Group to the banks, the estimated net amounts required to be settled by the Group and the fair value of the financial guarantees as calculated are not material and hence not recognized in the consolidated financial statements. At 31st March, 2016, bank deposits of HK$173,000 had been pledged for such financial guarantees provided by the Group (note 30).*

40. Notes to the consolidated cash flow statement

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

	2017 **HK$'000**	2016 HK$'000
Operating profit	**2,066,532**	808,642
Interest income from bank deposits	**(14,674)**	(15,641)
Dividend income from available-for-sale financial assets	**(3,243)**	(8,640)
Write-back of provision for indemnity	**–**	(58,546)
Fair value gain on transfer of properties from properties for sale to investment properties	**(18,829)**	(21,187)
Negative goodwill on acquisition of a property business *(note 40(c)(ii))*	**(38,931)**	–
Reversal of provision for impairment of properties for sale	**–**	(2,392)
Reversal of provision for impairment of trade debtors	**–**	(269)
Net gain on disposal of property, plant and equipment	**(3,867)**	(4,718)
Gain on disposals of available-for-sale financial assets	**(19,313)**	(285)
Realization of exchange reserves upon disposal/liquidation of subsidiaries	**16,904**	–
Gain on disposal of subsidiaries	**(1,340,681)**	–
Change in fair value of investment properties	**(751,336)**	(446,143)
Reversal of provision for impairment of inventories	**(1,420)**	(1,644)
Depreciation	**60,144**	63,192
Amortization of leasehold lands and land use rights	**40,927**	41,606
Provision for impairment of properties for sale	**3,054**	2,263
Provision for impairment of inventories	**–**	5,521
Provision for impairment of trade debtors	**2,693**	925
Provision for impairment of other deposits	**54,707**	6,500
Operating profit before working capital changes	**52,667**	369,184
Increase in loans and receivables	**(841)**	(157,000)
Increase in properties for/under development and properties for sale	**(47,362)**	(62,431)
Decrease in inventories	**6,196**	5,208
Increase in cemetery assets	**(10,555)**	(1,593)
(Increase)/decrease in debtors and prepayments	**(65,387)**	57,694
Increase in financial assets at fair value through profit or loss	**(1,150,446)**	(421,322)
Increase/(decrease) in creditors and accruals	**334,107**	(13,258)
(Decrease)/increase in sales deposits received	**(346,510)**	151,441
Cash used in operations	**(1,228,131)**	(72,077)

40. Notes to the consolidated cash flow statement (continued)

(b) Analysis of cash and cash equivalents

	2017 HK$'000	2016 HK$'000
Cash and bank balances	**3,140,744**	1,627,886
Bank deposits maturing more than three months from date of placement	**(4,520)**	(130,877)
Cash and cash equivalents	**3,136,224**	1,497,009

(c) Acquisition and disposal of businesses

(i) Dongguan Disposal

	2017 HK$'000
Consideration	**1,641,753**
Less: Transaction costs and related expenses	**(30,808)**
Net proceeds	**1,610,945**
Details of net assets at the date of disposal:	
Investment properties	**102,094**
Properties for sale	**403,878**
Debtors and prepayments	**1,234**
Cash and bank balances	**7,769**
Creditors and accruals	**(61,262)**
Taxation payable	**(98,135)**
Deferred taxation liabilities	**(69,026)**
Net assets disposed of	**286,552**
Realization of exchange reserve upon disposal	**(16,288)**
Gain on disposal of subsidiaries before taxation *(note 8)*	**1,340,681**
	1,610,945
Analysis of net gain on the Dongguan Disposal:	
Gain on disposal of subsidiaries before taxation *(note 8)*	**1,340,681**
Less: PRC withholding corporate income tax *(note 13)*	**(109,452)**
Net gain on disposal of subsidiaries after taxation	**1,231,229**
Analysis of the net cash inflow in respect of the Dongguan Disposal:	
Net cash consideration received	**1,610,945**
Less: Cash and bank balances disposed of	**(7,769)**
Net cash inflow from the Dongguan Disposal	**1,603,176**

40. Notes to the consolidated cash flow statement (continued)

(c) Acquisition and disposal of businesses (continued)

(ii) UK Acquisition

	2017 HK$'000
Cash consideration paid	**763,347**
The recognized amounts of identifiable assets acquired and liabilities assumed at the date of acquisition:	
Investment properties	**802,278**
Negative goodwill on acquisition	**(38,931)**
	763,347
Analysis of the net loss on the UK Acquisition:	
Negative goodwill on acquisition	**38,931**
Less: Transaction costs	**(43,571)**
Net loss on acquisition	**(4,640)**
Analysis of the net cash outflow in respect of the UK Acquisition:	
Cash consideration paid	**(763,347)**

A negative goodwill of HK$38.9 million (before netting of transaction costs) was recorded in "Other income and net gain" for the year ended 31st March, 2017. The Group measures its fair value of net assets acquired with reference to the valuation based on direct comparison method carried out by Colliers, 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 acquisition date and the current use equates to the highest and best use. Details of judgment and assumptions have been disclosed in note 17. No contingent consideration arrangements or contingent liabilities were identified at acquisition.

The acquired business contributed revenues and profit attributable to the equity holders of the Company of HK$12,924,000 and HK$5,247,000 respectively to the Group for the period from its acquisition date up to 31st March, 2017. Had the acquisition of the property business occurred on 1st April, 2016, the consolidated revenues and net gain and profit attributable to the equity holders of the Company for the year ended 31st March, 2017 would have been approximately HK$1,163,758,000 and HK$1,274,774,000 respectively.

41. Event after the reporting period

In 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 and industrial use) in Hong Kong at a consideration of HK$301.2 million. The transaction was announced by the Company on 12th April, 2017. The Group intends to hold the property for investment purpose. Deposits of HK$30.12 million have been paid as at the date of this report, and the transaction is expected to be completed on or before 31st July, 2017.

42. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board on 29th June, 2017.

43. Balance sheet and reserves movement of the Company

Balance sheet of the Company

As at 31 March 2017

	Note	2017 HK$'000	2016 HK$'000
Non-current assets			
Subsidiaries		**889,708**	889,708
Loan receivable from a subsidiary		**–**	56,225
		889,708	945,933
Current assets			
Debtors and prepayments		**1,120**	599
Amounts due from subsidiaries		**1,823,845**	1,159,203
Cash and bank balances		**1,579,547**	988,665
		3,404,512	2,148,467
Current liabilities			
Creditors and accruals		**3,702**	2,550
Amount due to a subsidiary		**1,478,497**	208,137
		1,482,199	210,687
Net current assets		**1,922,313**	1,937,780
Net assets		**2,812,021**	2,883,713
Equity			
Share capital	33	**419,298**	423,479
Reserves	a	**2,392,723**	2,460,234
Total equity		**2,812,021**	2,883,713

The balance sheet of the Company was approved by the Board on 29th June, 2017 and was signed on its behalf by:

Albert Chuang Ka Pun
Director

Chan Chun Man
Director

43. Balance sheet and reserves movement of the Company (continued)

(a) Reserves movement of the Company

	Share premium HK$'000	Capital redemption reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1st April, 2015	813,290	4,462	1,073,080	1,890,832
Profit for the year	–	–	686,863	686,863
2015 final scrip dividend paid	2,527	–	(52,012)	(49,485)
2016 interim dividend paid	–	–	(34,766)	(34,766)
Repurchase of shares	(33,210)	–	–	(33,210)
At 31st March, 2016	782,607	4,462	1,673,165	2,460,234
Profit for the year	–	–	52,737	52,737
2016 final dividend paid	–	–	(50,486)	(50,486)
2017 interim dividend paid	–	–	(50,316)	(50,316)
Repurchase of shares	(19,446)	–	–	(19,446)
At 31st March, 2017	**763,161**	**4,462**	**1,625,100**	**2,392,723**

Total distributable reserves of the Company amounted to HK$1,625,100,000 (2016: HK$1,673,165,000) as at 31st March, 2017.

44. Principal subsidiaries

	Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2017	2016	Principal activities
	Anshan Chuang's Property Development Company Limited	PRC	RMB205,000,000 (2016: RMB170,000,000)	**57.5%**	56.0%	Property development and investment
	Anshan Chuang's Real Estate Development Company Limited	PRC	RMB210,000,000	**57.5%**	56.0%	Property development and investment
	Chateau 15 Investments Limited *(note 17(g))*	Hong Kong	HK$3,000,000 with 3,000,000 shares	**100.0%**	100.0%	Property investment
	Chengdu Chuang's Investment Services Limited	PRC	HK$80,000,000	**57.5%**	56.0%	Property development and investment
	China Cyberworld Limited	Hong Kong	HK$2 with 2 shares	**57.5%**	56.0%	Property development and investment
	Chinaculture.com Limited	British Virgin Islands/ Hong Kong	US$1 with 1 share	**57.5%**	56.0%	Investment holding
	Chuang's China Enterprises Limited	Hong Kong	HK$117,622,779 with 458,310,965 shares	**57.5%**	56.0%	Investment holding, securities investment and trading
*	Chuang's China Investments Limited	Bermuda/ Hong Kong	HK$118,357,266 with 2,367,145,316 shares (2016: HK$81,057,177 with 1,621,143,544 shares)	**57.5%**	56.0%	Investment holding
	Chuang's China Realty Limited	Bermuda/ Hong Kong	HK$100,000 with 2,000,000 shares	**57.5%**	56.0%	Investment holding
@	Chuang's Consortium Limited	Hong Kong	HK$455,141,193 with 4,000 shares	**100.0%**	100.0%	Investment holding
	Chuang's Credit Limited	Hong Kong	HK$10,300,000 with 10,300,000 shares	**100.0%**	100.0%	Money lending

44. Principal subsidiaries (continued)

	Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2017	2016	Principal activities
	Chuang's Development (Chengdu) Limited *(note 20)*	Hong Kong	HK$59,000,000 with 5,900,000 shares HK$1,000,000 with 100,000 non-voting deferred shares (2016: HK$20 with 2 shares; HK$1,000,000 with 100,000 non-voting deferred shares)	**60.8%**	56.0%	Property investment
	Chuang's Development (Dong Guan) Limited *(note 40(c)(i))*	Hong Kong	HK$2 with 2 shares	**–**	56.0%	Investment holding
	Chuang's-Edelweiss LLC	Mongolia	US$100,000 with 100,000 shares	**53.0%**	53.0%	Property development and investment
	Chuang's Engineering Limited	Hong Kong	HK$20 with 2 shares	**100.0%**	100.0%	Project management
	Chuang's Industrial (Holdings) Limited	Hong Kong	HK$196,825,069 with 189,231,936 shares	**100.0%**	100.0%	Investment holding, hiring of assets and trading of merchandises
	Chuang's Properties (Central Plaza) Sdn. Bhd.	Malaysia	MYR5,000,000 with 5,000,000 shares	**100.0%**	100.0%	Property investment
@	Chuang's Properties International Limited	British Virgin Islands/ Hong Kong	US$10 with 10 shares	**100.0%**	100.0%	Investment holding, property development and investment
	Chuang's Properties Limited	Hong Kong	HK$300,000,000 with 300,000,000 shares	**100.0%**	100.0%	Investment holding
	Chuang's Real Estate Agency Limited	Hong Kong	HK$2 with 2 shares	**100.0%**	100.0%	Property agency services
	Dongguan Chuang's Real Estate Development Company Limited *(note 40(c)(i))*	PRC	RMB135,420,000	**–**	56.0%	Property development and investment

44. Principal subsidiaries (continued)

	Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2017	2016	Principal activities
	Dongguan Midas Printing Company Limited	PRC	RMB126,734,400	**57.5%**	56.0%	Property investment
	Equity King Limited	Hong Kong	HK$2 with 2 shares	**100.0%**	100.0%	Securities investment and trading
	Ever Favour Limited	Hong Kong	HK$1 with 1 share	**100.0%**	100.0%	Property development and investment
	Fanus Limited	British Virgin Islands/ Hong Kong	US$100 with 100 shares	**100.0%**	100.0%	Investment holding
^	Fortune Wealth Memorial Park (Si Hui) Limited *(note 20)*	PRC	HK$95,700,000 (2016: HK$45,700,000)	**49.2%**	50.7%	Development and construction of cemetery and provision of related management services in the PRC
	General Nominees Limited	Hong Kong	HK$5,000 with 500 shares	**100.0%**	100.0%	Nominee and secretarial services
@	Gold Throne Finance Limited	British Virgin Islands/ Hong Kong	US$1 with 1 share	**100.0%**	100.0%	Investment holding
	Guangdong Boluo Yuanzhou Midas Printing Limited	PRC	US$12,500,000	**60.8%**	60.8%	Book printing and binding
	Guangzhou Chuang's Investment Services Limited *(note 20)*	PRC	RMB39,000,000	**60.8%**	56.0%	Investment holding and property investment
	Guangzhou Heng Yang Investment Services Limited	PRC	RMB1,000,000	**57.5%**	56.0%	Investment holding
	Guangzhou Panyu Chuang's Real Estate Development Company Limited	PRC	RMB150,000,000 (2016: RMB60,000,000)	**57.5%**	56.0%	Property development and investment
^	Hunan Han Ye Real Estate Development Company Limited	PRC	RMB25,000,000	**39.8%**	30.2%	Property development and investment

44. Principal subsidiaries (continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2017	2016	Principal activities
Income Holdings Limited	British Virgin Islands/ Hong Kong	US$1 with 1 share	**100.0%**	100.0%	Investment holding, securities investment and trading
Island 37 Investment Limited	Hong Kong	HK$1,100,000 with 110,000 shares	**100.0%**	100.0%	Property investment
Jannerson Limited	Hong Kong	HK$5,000 with 5,000 shares	**100.0%**	100.0%	Property investment
Koledo Company Limited	Hong Kong	HK$200 with 2 shares HK$200 with 2 non-voting deferred shares	**100.0%**	100.0%	Property investment
Ladona Limited	British Virgin Islands/ Vietnam	US$10 with 10 shares	**100.0%**	100.0%	Investment holding
Lever Printing Factory Limited	Hong Kong	HK$500,000 with 3,500 ordinary shares and 1,500 founders' shares	**60.8%**	60.8%	Securities investment and trading
MD Limited	Hong Kong	HK$1,000,000 with 1,000,000 shares	**57.5%**	56.0%	Securities investment and trading
Mega Well Limited	Hong Kong	HK$2 with 2 shares	**100.0%**	100.0%	Hotel operation and property investment
* Midas International Holdings Limited	Cayman Islands/ Hong Kong	HK$331,081,242 with 3,310,812,417 ordinary shares	**60.8%**	60.8%	Investment holding
Midas Printing International Limited	Hong Kong	HK$7,000 with 7,000 shares	**60.8%**	60.8%	Trading of printed products
Mongolia Property Development LLC	Mongolia	US$100,000 with 1,000 shares	**100.0%**	100.0%	Property development and investment
Noble Title Limited *(note 40(c)(ii))*	British Virgin Islands/ United Kingdom	US$1 with 1 share	**57.5%**	N/A	Property investment
On Profit Investment Limited *(note 40(c)(i))*	Hong Kong	HK$2 with 2 shares	**–**	56.0%	Property development and investment

44. Principal subsidiaries (continued)

	Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2017	2016	Principal activities
	Option Success Limited	British Virgin Islands/ Mongolia	US$1 with 1 share	**100.0%**	100.0%	Investment holding
@	Profit Stability Investments Limited	British Virgin Islands/ Hong Kong	US$1 with 1 share	**100.0%**	100.0%	Investment holding
	Rich Joint Limited	Hong Kong	HK$1 with 1 shares	**57.5%**	56.0%	Securities investment and trading
@	Sav Hospitality Limited	Hong Kong	HK$1,000,000 with 1,000,000 shares	**100.0%**	100.0%	Hotel management
	Silver Chase Investment Limited *(note 40(c)(i))*	Hong Kong	HK$2 with 2 shares	**–**	56.0%	Property development and investment
	Silver Dragon Investment Limited *(note 40(c)(i))*	Hong Kong	HK$2 with 2 shares	**–**	56.0%	Property development and investment
	Sintex Nylon and Cotton Products (Pte) Limited	Singapore	S$850,000 with 8,500 shares	**88.2%**	88.2%	Manufacture and sale of home finishing products
	Supreme Property Services Limited	Hong Kong	HK$1,000 with 1,000 shares	**100.0%**	100.0%	Property management
	Uniworld Property Management Limited	Hong Kong	HK$2 with 2 shares	**100.0%**	100.0%	Property management

* *Listed in Hong Kong*

@ *Directly held by the Company*

^ *As at 31st March, 2017, these companies are subsidiaries of Chuang's China of which the Group holds 57.5% (2016: 56.0%) equity interest. Accordingly, these companies are classified as subsidiaries of the Group.*

45. Principal associated companies

	Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective interest held by the Group 2017	2016	Principal activities
	Marigondon Realty & Development Co., Inc.	Philippines	PHP6,000,000 with 6,000 shares	**40.0%**	40.0%	Hotel operation
	Pacific Cebu Resort International, Inc.	Philippines	PHP70,000,000 with 70,000 shares	**40.0%**	40.0%	Hotel operation
^	Treasure Auctioneer International Limited	British Virgin Islands/ Hong Kong	US$1,000,000 with 1,000,000 shares	**14.4%**	14.0%	Auction services
^	Versilcraft Holdings Limited (formerly known as Best Peak Developments Limited)	British Virgin Islands/ Hong Kong	US$300 with 300 shares	**19.1%**	18.6%	Manufacture of yacht
^	Versilcraft International Limited	Hong Kong	HK$1 with 1 share	**19.1%**	18.6%	Manufacture of yacht

^ *As at 31st March, 2017, these companies are associated companies of Chuang's China of which the Group holds 57.5% (2016: 56.0%) equity interest. Accordingly, these companies are classified as associated companies of the Group.*

The following list contains only properties held by the Group as at 31st March, 2017 which are material to the Group as the Directors are of the opinion that a complete list will be of excessive length.

1. Investment/Hotel properties

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

1. Investment/Hotel properties (continued)

Location	Term	Usage	Group's interest
Malaysia			
Central Plaza, No. 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Lot No. 1262, Section 57, Kuala Lumpur, Federal Territory	Freehold	Commercial/Offices/ Carparking spaces	100.0%
Taiwan			
sáv Residence, Xinyi District, Taipei City	Freehold	Residential	100.0%
The People's Republic of China			
Commercial podium, Phase II, Chuang's Le Papillon, Guangzhou, Guangdong	Medium lease	Commercial	57.5%
Industrial property, Xiaobian Village, No. 64 Dezheng Middle Road, Changan, Dongguan, Guangdong	Medium lease	Industrial	57.5%
Commercial podium, Chuang's Mid-town, Anshan, Liaoning	Medium lease	Commercial, works in progress	57.5%
Units 01, 02, 03, 06 and 07, 38th Floor, R&F Yingkai Square, No. 16 Huaxia Road, Tianhe District, Guangzhou, Guangdong Province	Medium lease	Offices	60.8%
6th Floor, Chengdu Digital Plaza, No. 1 Renmin South Road Fourth Portion, Wuhou District, Chengdu, Sichuan Province	Medium lease	Commercial	60.8%
United Kingdom			
Office property, 10 Fenchurch Street, and 1 Philpot Lane, London, United Kingdom	Freehold	Commercial/Offices	57.5%

2. Property projects

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Hong Kong					
Parkes Residence, No. 101 Parkes Street, K.I.L. No. 1511, R.P.S.A., S.D., S.E., S.S.2.S.C., R.P.S.C. and S.B. of K.I.L. No. 1510	Completed	Completed	Residential/ Commercial	Site area – about 4,882 sq. ft. Saleable area – about 6,736 sq. ft.	100.0%
Villa 28 and Villa 30, Po Shan Road, I.L. No. 6070	Contract of site formation and foundation works will be awarded soon	N/A	Residential	Site area – about 10,000 sq. ft. Gross floor area – about 40,662 sq. ft.	50.0%
Yip Wong Road, Tuen Mun Town Lot No. 514, Tuen Mun, New Territories	Excavation and lateral support works in progress	2019		Site area – about 26,135 sq. ft.	57.5%
			Residential	Gross floor area – about 116,897 sq. ft.	
			Commercial	Gross floor area – about 25,102 sq. ft. (and 47 carparking spaces)	
Vietnam					
Greenview Garden, Thu Duc District, Ho Chi Minh City	Construction permit obtained	N/A	Residential/ Commercial	Site area – about 20,300 sq. m. Gross floor area – about 94,000 sq. m.	100.0%

2. Property projects (continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Mongolia					
International Finance Centre, Sukhbaatar District, Ulaanbaatar	Superstructure works commenced	N/A	Commercial/ Offices	Site area – about 3,272 sq. m. Gross floor area – estimated to be about 40,000 sq. m.	100.0%
sáv Residence, Sukhbaatar District, Ulaanbaatar	Internal and external finishing works in progress	Second half of 2017	Residential/ Commercial	Site area – about 3,600 sq. m. Gross floor area – about 19,000 sq. m. (and 48 carparking spaces)	53.0%
The People's Republic of China					
Chuang's Le Papillon, Guangzhou, Guangdong					
– Phase I and II: Block A to N	Completed	Completed	Residential/ Commercial	Site area – about 119,721 sq. m. Gross floor area – about 2,924 sq. m. (and 950 carparking spaces)	57.5%
Block P	Completed	Completed	Residential	Site area – about 3,309 sq. m. Gross floor area – about 6,987 sq. m.	57.5%
– Phase III	Preparatory works	N/A	Comprehensive development area	Site area – about 33,200 sq. m. Gross floor area – about 54,000 sq. m.	57.5%
– Remaining	Strategic planning stage	N/A	Comprehensive development area (subject to approvals)	Site area – about 60,276 sq. m. Gross floor area – about 111,700 sq. m.	57.5%

2. Property projects (continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
The People's Republic of China (continued)					
Twin tower (Block AB and C) Chuang's Mid-town, Anshan, Liaoning	Internal and external finishing works in progress	Second half of 2017	Comprehensive development area	Site area – about 11,000 sq. m. Gross floor area – about 62,700 sq. m.	57.5%
Chuang's Plaza, Anshan, Liaoning	Master planning in progress	N/A	Comprehensive development area	Site area – about 39,500 sq. m. Gross floor area – about 390,000 sq. m.	57.5%
Beverly Hills (also known as Ju Hao Shan Zhuang), Changsha, Hunan	Completed	Completed	Residential	Site area – about 95,948 sq. m. Gross floor area – about 11,100 sq. m.	39.8%
	Superstructure works completed	N/A	Commercial/Hotel	Gross floor area – about 11,600 sq. m.	39.8%
Xiamen Mingjia Hotel, Xiamen, Fujian	Completed	Completed	Resort and villa	Site area – about 27,574 sq. m. Gross floor area – about 19,156 sq. m.	34.2%

Results

	2013 HK$'000	2014 HK$'000	2015 HK$'000	2016 HK$'000	**2017** **HK$'000**
Revenues and net gain	1,100,345	1,389,053	1,521,709	1,869,172	**1,137,910**
Profit attributable to equity holders	1,147,641	468,530	502,952	597,759	**1,264,279**
Earnings per share (HK cents)	70.88	27.71	29.17	34.51	**75.19**
Dividend per share (HK cents)					
Interim	2.00	2.00	2.00	2.00	**3.00**
Final	3.00	3.00	3.00	3.00	**3.00**
Special	–	–	–	–	**2.00**
Total	5.00	5.00	5.00	5.00	**8.00**

Assets and liabilities

	2013 HK$'000	2014 HK$'000	2015 HK$'000	2016 HK$'000	**2017** **HK$'000**
Non-current assets	7,719,567	8,679,319	9,387,831	10,226,734	**11,714,898**
Current assets	5,138,575	5,580,216	5,504,908	5,237,236	**7,513,801**
Total assets	12,858,142	14,259,535	14,892,739	15,463,970	**19,228,699**
Total liabilities	(4,014,780)	(4,988,381)	(5,161,742)	(5,411,552)	**(7,484,739)**
Non-controlling interests	(1,465,272)	(1,478,027)	(1,526,873)	(1,437,706)	**(1,955,529)**
Shareholders' funds	7,378,090	7,793,127	8,204,124	8,614,712	**9,788,431**
Net asset value per share (HK$)	4.39	4.53	4.73	5.09	**5.84**

Net debt to equity ratio

	2013 HK$'M	2014 HK$'M	2015 HK$'M	2016 HK$'M	**2017** **HK$'M**
Cash and bank balances and investments held for trading	2,081.3#	2,454.6#	2,113.1#	2,175.0#	**4,798.1**
Bank borrowings	2,557.8	3,252.3	3,700.8	3,971.1	**6,184.6**
Net debt to equity ratio (%)	6.5	10.2	19.4	20.8	**14.2**

\# *Included pledged bank balances and those in assets held for sale.*

NOTICE IS HEREBY GIVEN that the annual general meeting of Chuang's Consortium International Limited (the "Company") will be held at Chater Room, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Friday, 8th September, 2017 at 12:00 noon for the following purposes:

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

2. (a) To declare a final dividend.

   (b) To declare a special dividend.

3. (a) To re-elect Mr. Richard Hung Ting Ho as an executive Director.

   (b) To re-elect Mr. Wong Chung Wai as an executive Director.

   (c) To re-elect Mr. Abraham Shek Lai Him (who has served more than nine years) as an independent non-executive Director.

   (d) To re-elect Mr. Fong Shing Kwong (who has served more than nine years) as an independent non-executive Director.

   (e) To re-elect Mr. Tony Tse Wai Chuen as an independent non-executive Director.

   (f) To authorize the board of Directors to fix the remuneration of the Directors.

4. To re-appoint PricewaterhouseCoopers as the auditor and to authorize the board of Directors to fix its remuneration.

5. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

Ordinary Resolutions

(A) "**THAT**:

(a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of HK$0.25 each (the "Shares") in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as amended from time to time, be and is hereby generally and unconditionally approved;

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

(c) for the purpose of this Resolution, "**Relevant Period**" means the period from the date of the passing of this Resolution until whichever is the earliest of:

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

(ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or

(iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution."

(B) "**THAT**:

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares of the Company and to make or grant offers, agreements, options and other rights, or issue warrants and other securities, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and other rights, and issue warrants and other securities, which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of Shares allotted or to be allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:

(i) a Rights Issue (as defined below); or

(ii) the exercise of any option under any option scheme of the Company; or

(iii) an issue of Shares upon exercise of the subscription or conversion rights attaching to or under the terms of any warrants of the Company; or

(iv) any scrip dividend or similar arrangement in accordance with the Bye-laws of the Company; or

(v) a specific authority granted by the shareholders of the Company in general meeting,

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

(d) for the purpose of this Resolution:

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

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

(ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or

(iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution; and

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

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

6. To transact any other business.

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

Hong Kong, 28th July, 2017

Notes:

1. *Any member entitled to attend and vote at the annual general meeting of the Company (the "AGM") is entitled to appoint one or more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.*

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

3. *For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 4th September, 2017 to Friday, 8th September, 2017, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 1st September, 2017.*

4. *The board of Directors has recommended a final dividend of 3.0 HK cents per share and a special dividend of 2.0 HK cents per share.*

5. *The proposed final dividend and proposed special dividend are subject to the approval of the shareholders at the AGM. The record date for entitlement to the proposed final dividend and proposed special dividend is Wednesday, 20th September, 2017. For determining the entitlement to the proposed final dividend and proposed special dividend, the register of members of the Company will be closed from Friday, 15th September, 2017 to Wednesday, 20th September, 2017, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and proposed special dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 14th September, 2017.*

6. *Concerning Resolutions numbered 3 and 5 above, the information necessary to enable the shareholders to make decisions on whether to vote for or against the Resolutions, as required by the Listing Rules, will be set out in a separate document from the Company to be enclosed with the 2017 Annual Report.*

This Annual Report is printed by Midas International Holdings Limited

CHUANG'S CONSORTIUM
INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)
Stock Code: 367

25th Floor, Alexandra House,
18 Chater Road, Central, Hong Kong

www.chuangs-consortium.com