



Deson Development International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 262)



ANNUAL REPORT 2014

投資項目 Investment Project

迪臣·世博廣場 Deson·World Expo Plaza

此宗地位於鄭開大道以北，淨用地面積29,847平方米，可發展樓面超過1,000,000平方呎，集文化項目、商業、住宅為一體的綜合開發。商業建築群引進二零一零年上海世博會清明上河圖動態館、一座國際品牌“智選假日酒店”及沿街商舖、住宅區由三幢29層高住宅組成。

The site is situated on north side of Zheng-Kai Expressway with site coverage of 29,847m² with over 1,000,000ft² allowable floor area, the development is aim for integrating cultural, business and residential usage and is going to consist of a dynamic exhibition hall for the painting “Along the River During the Qing Ming Festival” similar to that of Shanghai World Expo 2010, a block for the “Holiday Inn Express” International Hotel and three 29 storey residential blocks.



CONTENTS

CORPORATE INFORMATION	2
CHAIRMAN'S STATEMENT	3
REPORT OF THE DIRECTORS	8
CORPORATE GOVERNANCE REPORT	21
INDEPENDENT AUDITORS' REPORT	29
AUDITED FINANCIAL STATEMENTS	
Consolidated:	
Statement of Profit or Loss	31
Statement of Comprehensive Income	32
Statement of Financial Position	33
Statement of Changes in Equity	35
Statement of Cash Flows	37
Company:	
Statement of Financial Position	40
Notes to Financial Statements	41

BOARD OF DIRECTORS

Mr. Lu Quanzhang (*Chairman*)
Mr. Tjia Boen Sien
(*Managing Director and Deputy Chairman*)
Mr. Wang Jing Ning
Mr. Keung Kwok Cheung
Mr. Wong Shing Kay, Oliver*
(*appointed on 14 March 2014*)
Dr. Ho Chung Tai, Raymond**
Mr. Siu Man Po**
Mr. Siu Kam Chau** (*appointed on 14 March 2014*)

(* *Non-executive Director*)

(** *Independent non-executive Directors*)

COMPANY SECRETARY

Mr. Lam Wing Wai, Angus

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
Wing Hang Bank, Limited

LEGAL ADVISERS

Appleby
Linklaters

AUDITORS

Ernst & Young

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Management (Bermuda) Ltd.
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

11th Floor, Nanyang Plaza
57 Hung To Road
Kwun Tong
Kowloon
Hong Kong

FOREWORDS

I have pleasure to present to the Shareholders the Group's annual report for the year ended 31 March 2014.

During the year under review, the Group's profit attributable to owners of the Company is the second highest in history, this is mainly contributed by the significant increase in the fair value as a result of revaluation of one of the Group's investment properties at Shanghai (which was previously classified as completed properties held for sale and was re-classified as an investment property during the year). On the other hand, the substantial gain on a disposal of a subsidiary under the property development and investment segment of the Group also lead to satisfactory profit attributable to owners of the Company.

BUSINESS REVIEW

The Group's turnover for the year ended 31 March 2014 surged to the highest in history and recorded at HK\$984,190,000, which represented an increase of 25% as compared with last year. The net profit attributable to equity holders of the Company amounted to approximately HK\$145,712,000 representing an increase of 197% as compared with last year. The increase is mainly because there were significant increases in fair value of investment properties (after deferred taxation) in the amount of HK\$91,916,000 (2013: HK\$163,000), also in current year the Group makes a gain on disposal of a subsidiary in the amount of HK\$16,057,000, no similar gain was generated in last year. Earnings per share is approximately HK26.25 cents.

The Group's major business segment during the period comprises (i) construction as a main contractor and decoration, as well as the provision of electrical and mechanical ("E&M") engineering services; (ii) property development and investment; and (iii) trading of medical equipment and home security and automation products, and provision of related installation and maintenance services.

During the year ended 31 March 2014, the Group completed or substantially completed projects such as main contractor for redevelopment of a 21-storey industrial building at Tsuen Wan, Hong Kong, alternation and addition and fitting out works for Miu Miu shops at Peking Road, Tsim Sha Tsui, Hong Kong, fitting out works for Miu Miu shops at Chengdu and Nanjing, PRC and fitting out works for Prada shop at Nanjing and Tianjin, PRC. In current year, turnover generated from the construction business segment surged to the highest in history, this is mainly because more E&M engineering contracts and decoration contracts are granted to the Group, and also certain E&M engineering contracts granted in last year were at the beginning stage, and had not yet bring a lot of turnover to the Group in last year.

On 1 February 2013, Yew Siang Limited ("Yew Siang"), an indirect wholly owned subsidiary of the Company entered into a sale and purchase agreement with an independent third party to dispose of its entire interest in 美格菲(成都)康體發展有限公司 (the "Disposal Group"), a wholly-owned subsidiary of Yew Siang, together with the shareholder's loan for a total consideration of RMB56,453,000. The disposal was completed on 29 May 2013 and contributed a gain on disposal of a subsidiary of HK\$16,057,000 for the year ended 31 March 2014.

In September 2007, Asian Villas City Square was awarded one of the "Top 100 Best Property in China for year 2007 (third anniversary)". In May 2008, the Company was awarded one of the "Top 500 Most Influential Property Development Enterprise in China" for year 2008, by 2008 亞洲(博鰲)房地產領袖峰會. In December 2009, the Company was awarded one of the "Chinese businessman top 500 in 2009" by 華商中國市場500強評選活動組委會.

FINANCIAL REVIEW

Turnover

For the year ended 31 March 2014, the Group's turnover amounted to HK\$984 million, increased by 25% as compared to last year. The increase was mainly contributed by the construction business segment, which more E&M engineering contracts and decoration contracts are granted to the Group during the year, and also certain contracts granted in last year were at the beginning stage, and had not yet bring a lot of turnover to the Group for the same period in last year. The above increase is partly offset by the 39% decrease in turnover in property development and investment segment, which the decrease is mainly due to no new properties under development is completed during this year, and we are only selling the remaining completed properties of section B, D to F of Phase II of Century Place, Kaifeng, PRC. Turnover generated from construction contracting business, property development and investment business and other business amounted to approximately HK\$834 million, HK\$121 million, HK\$29 million respectively, which represent an increase by 49%, a decrease by 39% and an increase by 7% respectively as compared to last year.

Gross profit margin

During the year ended 31 March 2014, the Group's gross profit margin was approximately 10%, down by 7% as compared to last year's 17%, this is mainly driven from the decrease in the percentage of turnover generated from the property development and investment segment over the total turnover, from last year's 25% to this year's 12%, where the gross profit margin of property development and investment segment generally have a much higher gross profit margin than the other main segment-construction contracting segment, as a result, the overall gross profit margin is lower than last year.

Liquidity and financial resources

As at 31 March 2014, the Group had total assets of HK\$1,927,390,000, which is financed by total liabilities, shareholders' equity and non-controlling interests of HK\$944,704,000, HK\$976,863,000 and HK\$5,823,000, respectively. The Group's current ratio at 31 March 2014 was 2.01 compared to 2.06 at 31 March 2013.

The gearing ratio for the Group is 19% (31 March 2013: 18%). It was calculated based on the non-current liabilities of HK\$230,355,000 (31 March 2013: HK\$189,321,000) and long term capital (equity and non-current liabilities) of HK\$1,213,041,000 (31 March 2013: HK\$1,037,828,000).

Capital expenditure

Total capital expenditure for the year ended 31 March 2014 was approximately HK\$646,000, which are mainly used in the purchase of office equipments.

Contingent liabilities

At the end of the reporting date, there were no significant contingent liabilities for the Group.

Commitments

At the end of the reporting date, there were no significant capital commitments for the Group.

Charges on group assets

Details of the charges on assets of the Group are set at in note 33 to the financial statements.

Treasury policies

The Directors will continue to follow a prudent policy in managing its cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of growth opportunities for the business. In view of the expected development for the property development project in Kaifeng, PRC, the Group will take consideration on the Renminbi fund planning to adequately finance this project. Interest for the current bank borrowings were mainly on floating rate basis and the bank borrowings were principally denominated in Hong Kong dollars and Renminbi, hence, there is no significant exposure to foreign exchange rate fluctuations.

Exchange risk exposure

The Group's receivables and payables were denominated mainly in Hong Kong dollar and Renminbi. Since some of the Group's business are based in the PRC, the continuing appreciation of RMB inevitably increase the development cost and operating cost, however, the fluctuation in RMB is still mild for the time being and the PRC operation is naturally hedged by the future RMB receivables, therefore the management does not foresee any significant foreign currency exposure.

PROSPECT**Construction business (including E&M works)**

The Group will uphold an on-going parallel development of its construction business (including building construction and E&M works) in both the PRC and Hong Kong. With its proven track records and adequate expertise in the main contracting business, the Group obtained "List of Approved Contractors for Public Works under Group C of the Building Category under Environment, Transport and Works Bureau of the HKSAR". Together with the license in Group II under the "Turn-key Interior Design and Fitting-out Works" under the "List of Approved Suppliers of Materials and Specialist Contractors for Public Works" and the 11 licenses held under the "List of Approved Suppliers of Materials and Specialist Contractors for Public Works under Environment, Transport and Works Bureau of the Government of the HKSAR", enables the Group to take an active part in the construction business development.

During the year, new projects such as superstructure work for residential houses at Stubbs Road, Hong Kong, alternation and addition works for residential development at South Bay Road, Hong Kong, electrical installation for residential building at Kwai Fong Street, Happy Valley, Hong Kong, refurbishment of addressable fire alarm system and visual fire alarm installation at a divisional police station, Hong Kong, air-conditioning & mechanical ventilation installation for construction of public rental housing development at Tung Chung, fitting out works for Citistore at Yeun Long, Hong Kong, fitting out works for Miu Miu shop and Prada shop at Tianjin and Shanghai, PRC, fitting out works for a police hostel at Beijing, PRC were granted. As at the date of this report, the Group has contracts on hand with a total contract sum of over HK\$1,172 million.

Property development and investment

On 9 June 2005, the Group has been granted the land use rights of a development site in Long Ting district of the city of Kaifeng. The Directors intend to develop a residential and commercial complex on the site with an estimated gross floor area of approximately 221,000 sq. metres. Up to now, gross floor area of 190,000 sq. metres had completed construction and the total sales contract sum achieved amounted to approximately RMB700 million. The remaining of the land is under construction, processing smoothly, and it is expected the construction will be completed by 2015.

On 16 February 2012, the Group has successfully won a bid for the acquisition of land use right of a residential and commercial site in the city of Kaifeng. The Directors intend to develop a residential and commercial complex on the site with an estimated gross floor area of approximately 104,000 sq. metres.

Although customer demand is affected by austerity measures posed by the Central Government and macro-economic uncertainties, property prices are not expected to decrease substantively. In anticipation of appreciation of Renminbi as well as enormous domestic demand, the Board remains optimistic to the property market in Mainland China and the Group will continue to place emphasis on strengthening the property development and investment business, and may acquire additional land bank to enrich its land reserve, specifically in the second and third tier cities in PRC which the market trend and growth potential is consistently increasing, however, the Group has no specific investment plan in relation to any particular project currently.

Trading of medical equipment and home security and automation products

With rising affluence especially in Hong Kong and the major cities in PRC, the consumers' increasing health awareness, especially among higher-income urban consumers, continued to create higher demand for medical equipments, and our effort in trading of medical equipment should continue to pay off in terms of sales growth and market penetration in PRC. In the coming year, we will expand our distribution channels and introducing a broader range of products to spur sales growth.

Also, with the increasing safety awareness in Hong Kong and the major cities in PRC, we expect there will be high demand for wired and wireless security devices and systems, which are applicable to residential estates, commercial offices, shops, hotels, hospitals, museums and prisons.

Going forward, the uncertainty in the world economy and the slow down in economic growth in the mainland will continue to pose challenges to the business. The tightening policies such as restrictions on home purchase as a part of its efforts to control inflation and maintain a stable and healthy economic growth, also caused certain negative impact on the mainland property market. However, it is expected the economy of the PRC will sustain a healthy growth, also, Hong Kong remains well positioned to benefit from the PRC's continuing growth and development, as such, the Group remains optimistic in the long run and has confidence in the growth momentum in the PRC and Hong Kong.

The Group will continue to adopt efficacious cost management strategies and maintain tight credit control to cope with challenges and enhance competitiveness under the fluctuated operating environment. The Directors will continue to dedicate their best effort to maximize the best interests for the shareholders of the Group.

HUMAN RESOURCES

As at 31 March 2014, the Group has 139 employees, 10 of whom were based in the PRC. The total employee benefits expenses including directors' emoluments for the year under review amounted to HK\$49 million as compared to HK\$41 million in the last year, the increase is mainly due to the increment under the yearly review and provide more discretionary bonus in current year.

The remuneration policy and package of the Group's employees are reviewed and approved by the directors. Apart from pension funds, in order to attract and retain a high caliber of capable and motivated workforce, the Company offers discretionary bonus and share option to staff based on the individual performance and the achievements of the Company's targets.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the CG Code for the purpose of reviewing and providing supervision over the Group's internal controls, risk management and financial reporting matters including the review of the annual results for the year ended 31 March 2014, and adequacy of resources and qualifications of the Company's accounting staff. The audit committee comprise of three independent non-executive directors of the Company, namely Dr. Ho Chung Tai, Raymond, Mr. Siu Man Po and Mr. Siu Kam Chau. Mr. Siu Kam Chau is the Chairman of the committee.

SUMMARY

The Group's fruitful achievement was confirmed by the satisfactory profit attributable to owners of the Company in current year. Looking ahead, the Group holds a cautiously optimistic view towards the coming year. On the external front, the global economy continued to show improvement in the second half of 2013 where the Eurozone economy emerged from recession and the US economy gained more traction. In respect of domestic demand, consumer confidence in PRC was affected by the austerity policies and measures implemented by the PRC Government, nevertheless, with its proven track records and valuable expertise, the Group remain confident that our team's commitment and dedication will enable us to embrace the challenges ahead. We will continue strengthen the development of construction business (including E&M) and also focus on the property development and investment business in a prudent manner, and the Group will keep on seeking new opportunities and corporate development so as to accelerate the growth momentum. I believe the Group will continue to create value for shareholders on the back of the diligent efforts of all employees.

ACKNOWLEDGEMENTS

On behalf of the directors, I would like to express my heartfelt thanks to the long term support and trust of our Shareholders, business partners and customers, I would also like to thank my colleagues for their dedication, hard work and continuous commitment over the past few years in aiding the Group to achieve an outstanding performance. We will carry on dedicating our efforts towards the Group's long-term development and hence deliver sustainable returns to Shareholders.

Tjia Boen Sien

Managing Director and Deputy Chairman

Hong Kong

16 June 2014

The Directors herein present their report and the audited financial statements of the Company and of the Group for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries consist of (a) the construction business, as a main contractor and decoration, as well as the provision of electrical and mechanical engineering services, mainly in Hong Kong and Mainland China; (b) property development and investment; and (c) trading of medical equipment and home security and automation products, and provision of related installation and maintenance services.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 March 2014 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 31 to 120.

An interim dividend of HK1 cent per share was paid on 31 December 2013. The Directors recommend the payment of a final dividend of HK1.3 cents per share in respect of the year to Shareholders on the register of members on 20 August 2014. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the statement of financial position.

Taking together with the interim dividend of HK1 cent per share paid on 31 December 2013, this will make a total dividend for the year ended 31 March 2014 of HK2.3 cents per share (2013: HK2.2 cents per share).

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years ended 31 March 2014, as extracted from the published audited financial statements is set out below.

RESULTS

	Year ended 31 March				
	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
REVENUE	984,190	788,095	817,580	446,548	498,747
PROFIT FROM OPERATING ACTIVITIES AFTER FINANCE COSTS	199,351	87,486	100,201	290,582	63,281
Share of profits and losses of a joint venture	(16)	(16)	(9)	33	(620)
Share of profits and losses of associates	679	450	6,340	(82)	(227)
PROFIT BEFORE TAX	200,014	87,920	106,532	290,533	62,434
Income tax expense	(54,296)	(39,131)	(34,161)	(13,383)	(34,139)
PROFIT FOR THE YEAR	145,718	48,789	72,371	277,150	28,295
Attributable to:					
Owners of the Company	145,712	49,135	72,184	162,216	26,662
Non-controlling interests	6	(346)	187	114,934	1,633
	145,718	48,789	72,371	277,150	28,295

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March				
	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000	2010 HK\$'000
Total assets	1,927,390	1,683,797	1,471,073	1,463,540	1,212,470
Total liabilities	(944,704)	(835,290)	(700,975)	(772,347)	(675,224)
Non-controlling interests	(5,823)	(5,817)	(4,652)	(6,218)	(4,933)
	976,863	842,690	765,446	684,975	532,313

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Group during the year are set out in notes 14 and 15 to the financial statements, respectively. Further details of the Group's investment properties are set out on page 19.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the share capital and share options during the year are set out in notes 35 and 36 to the financial statements, respectively.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 37(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 March 2014, the Company's reserves available for cash distribution and/or distribution in specie, computed in accordance with the Companies Act 1981 of Bermuda (as amended), amounted to HK\$217,278,000, of which HK\$7,192,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account and capital redemption reserve, in the aggregate amount of HK\$128,608,000, may be distributed in the form of fully paid bonus shares.

Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions from its contributed surplus in certain circumstances.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for approximately 46% (2013: 41%) of the total sales for the year and sales to the largest customer included therein amounted to approximately 13% (2013: 11%). Purchases from the Group's five largest suppliers accounted for approximately 26% (2013: 33%) of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 10% (2013: 11%).

None of the Directors of the Company or any of their associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) or any other shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in any of the Group's five largest customers or suppliers during the year.

DIRECTORS

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

Executive Directors

Mr. LU Quanzhang

(Chairman)

Mr. TJIA Boen Sien^{*®}

(Managing Director and Deputy Chairman)

Mr. WANG Jing Ning^{*®}

Mr. KEUNG Kwok Cheung

Non-executive Director

Mr. WONG Shing Kay, Oliver

DIRECTORS *(continued)**Independent non-executive Directors*

Dr. HO Chung Tai, Raymond**®

Mr. SIU Man Po**®

Mr. SIU Kam Chau**®

* audit committee members

‡ remuneration committee members

® nomination committee members

Mr. Tjia Boen Sien, Mr. Keung Kwok Cheung, Mr. Siu Man Po and Mr. Siu Kam Chau will retire by rotation according to the Company's bye-laws and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from Dr. Ho Chung Tai, Raymond, Mr. Siu Man Po and Mr. Siu Kam Chau, and as at the date of this report still considers them to be independent.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meeting. Other emoluments are determined by the Company's board of Directors with reference to Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

No Director of the Company had a material beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT**Executive Directors**

Mr. LU Quanzhang, joined the Group in November 2011. He is an executive director and Chairman of the Board. Mr. Lu has over 18 years of experience in legal practice in the People's Republic of China (the "PRC"). Mr. Lu is a registered lawyer in the PRC, he holds a master post graduate certificate of law from China University of Political Science and Law (Practicing). Mr. Lu was a founding partner of Jun Yan Law Firm in Guangdong where he has practiced since 2003. He is an arbitrator of the China International Economic and Trade Arbitration Commission, Shenzhen Court Of International Arbitration and Shanghai International Arbitration Centre.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(continued)

Executive Directors *(continued)*

Mr. TJIA Boen Sien, aged 70, is one of the co-founders of the Group. He is the Managing Director and Deputy Chairman of the Group. Mr. Tjia is responsible for the overall corporate strategy and the daily operations of the Group, including business development and overall management. He graduated from the Fujian Overseas Chinese University in Mainland China. Mr. Tjia is well respected and has established connections in Mainland China construction industry through his extensive experience. He has over 31 years' experience in the construction industry in Mainland China and Hong Kong. Mr. Tjia is the Vice Chairman and a committee member of Zhan Tian You Civil Engineering Development for Science and Technology; a corporate member of the Chartered Institute of Building and a professional member of The Royal Institution of Chartered Surveyors in the United Kingdom.

Mr. WANG Jing Ning, aged 58, joined the Group in 1989 and is an executive director of the Group. Mr. Wang has over 34 years' experience in hotel management and construction engineering in Mainland China and Hong Kong. He is responsible for managing the Group's projects in Mainland China.

Mr. KEUNG Kwok Cheung, aged 56, joined the Group in March 1989. He is an executive director of the Group and is in charge of the Group's engineering and contracts departments. He has over 32 years' experience in the fields of civil, structural and building engineering and in the management of large-scale projects. He also holds an Associateship in Civil and Structural Engineering from the Hong Kong Polytechnic University and a Master degree in Business Administration. He is a fellow member of the Hong Kong Institute of Directors.

Non-Executive Director

Mr. WONG Shing Kay, Oliver, aged 62, obtained his professional accounting qualifications in both Hong Kong and Canada. Mr. Wong is an associate member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. Mr. Wong is also a fellow member of the Hong Kong Institute of Certified Public Accountants, an ordinary member of The Society of Chinese Accountants and Auditors, and an associate member of Certified General Accountants of Canada. Mr. Wong had worked in various renowned auditing firms in Hong Kong with over 20 years of experience in handling auditing, financial accounting and taxation matters. Mr. Wong is currently appointed as an independent non-executive director and a member of Auditing Committee of several listed companies in Hong Kong. He also assumed the duty of Financial Controller for several listed companies in both Hong Kong and Canada for over ten years. Mr. Wong is presently practicing as a Certified Public Accountant in Hong Kong. He is knowledgeable with expertise in financial accounting, taxation, system development, internal control and company management.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(continued)

Independent non-executive Directors

Dr. HO Chung-Tai, Raymond, SBS, MBE, S.B. St. J., JP, aged 75, has over 50 years' experience in the fields of civil, structural, environmental and geotechnical engineering and direct project management of mega size engineering projects including 41 years in Hong Kong and 10 years in the United Kingdom, with direct responsibility in the \$3.0 billion project of Electrification and Modernisation of Kowloon-Canon Railway from the mid-70's till early 80's, all the government-funded infrastructure works for Shatin New Town and Tseung Kwan O New Town from early 80's till the end of 1993, major projects of tunnels, bridges, flyovers, roads, dockyards, jetties, hospitals, hotels, incinerators, high-rise commercial/residential buildings, geotechnical work, environmental studies and projects. Dr. Ho holds a doctorate degree in civil engineering from the City University of London, United Kingdom, Honorary Doctor of Business Administration from the City University of Hong Kong, Honorary Doctor of Laws from University of Manchester, United Kingdom, a postgraduate diploma in geotechnical engineering from Manchester University, United Kingdom and a bachelor degree in civil engineering from the University of Hong Kong. Dr. Ho was formerly a partner and senior director of Maunsell Consultants Asia Limited from January 1976 to August 1993. Dr. Ho was formerly Hong Kong Deputy to the 10th & 11th National People's Congress of the PRC, member of the 1st, 2nd, 3rd & 4th terms of Legislative Council (Engineering Functional Constituency) (1998-2012), member of the Provisional Legislative Council (1996-1998), President of the Hong Kong Institution of Engineers (1987/1988), Founding Council Chairman of the City University of Hong Kong, Council Chairman of the former City Polytechnic of Hong Kong, Chairman of Hong Kong Technology Committee of the Industry & Technology Development Council (ITDC) and member of ITDC, , Chairman of the Transport Advisory Committee, Hong Kong Affairs Adviser, member of Consultative Committee on the New Airport and Related Projects, and member of the Gas Safety Advisory Committee. Currently, Dr. Ho is Chairman of Guangdong Daya Bay Nuclear Plant, LingAo Nuclear Plant Safety Consultative Committee, board member of the Hong Kong Airport Authority, member of the Court of the City University of Hong Kong and member of the Chinese Medicine Consultative Committee of the School of Chinese Medicine of Hong Kong Baptist University.

Ir SIU Man-po was awarded the MEDAL OF HONOUR (MH) by the Chief Executive of the Government of the Hong Kong Special Administrative Region (HKSAR) in July 2004 for his dedication and meritorious services to the engineering profession and the community.

Mr. Siu, aged 76, obtained his Master of Science in Civil Engineering in 1963 from Auburn University in Auburn, Alabama, U.S.A.

Mr. Siu has extensive experience in construction field including the construction of Tsing Yi Power Stations in 1966-1977, MTR stations in 1977-1987, and Hong Kong Baptist University campus development in 1989-1999.

Mr. Siu is a Fellow Member of the Hong Kong Institution of Engineers and the American Society of Civil Engineers.

Mr. Siu is currently the Managing Director of Ho Wang Siu Mak Management Ltd.

Mr. SIU Kam Chau, aged 49, joined the Group in March 2014 as an independent non-executive director. Mr. Siu graduated from the City University of Hong Kong with a bachelor degree in accountancy. He is a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a Certified Public Accountant (practising) in Hong Kong. Mr. Siu has over 24 years of working experience in auditing, accounting, company secretarial and corporate finance. Mr. Siu is currently an executive director of Jun Yang Solar Power Investments Limited (stock code: 397), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and an independent non-executive director of three companies the shares of which are listed on the Stock Exchange, namely China New Economy Fund Limited (stock code: 0080), Wang On Group Limited (stock code: 1222), and Oriental Unicorn Agricultural Group Limited (stock code: 8120).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(continued)

Senior management

Mr. CHAN Chi Kwong, aged 51, joined the Group in July 1992. He is a senior project manager of the Group and is responsible for the supervision of the Group's construction projects both in Hong Kong and in Mainland China. He has over 30 years' experience in the field of civil and structural engineering. He holds a Bachelor Degree of Science in Construction Management from the University of Wolverhampton.

Mr. KWOK Koon Keung, aged 46, joined the Group in February 1996. He is the contracts manager of the Group and in-charge of the contracts department. He has over 24 years' experience in the industry and holds a Bachelor of Science degree in Building from South Bank University in the United Kingdom. He is a Professional Associate Member of the Royal Institute of Chartered Surveyors.

Mr. YEUNG Yam Chi, aged 52, joined the Group in April 1994. He is a senior project manager of the Group and is responsible for supervision of the Group's construction projects in Hong Kong and in Mainland China. He has over 28 years' experience in the field of civil & structural engineering and interior fitting out & decoration works. He holds a Master degree in Civil and Structural Engineering from the University of Sheffield in the United Kingdom.

Mr. LO Wing Ling, age 54, joined the Group in 2000. He is the director of Kenworth Engineering Limited and incharge of the engineering division of the Group. He is responsible for the planning and co-ordination of projects which cover the co-ordination of engineering resources, progress monitoring and work performance. Mr. Lo has over 31 years' experience in environmental engineering and building services work. He holds a Bachelor of Science degree in Mechanical Engineering, a Bachelor of Arts degree in Business Studies and a Master of Science degree in Environmental Management.

Mr. LAM Wing Wai, Angus, aged 38, joined the Group in September 2005. He is the Financial Controller and Company Secretary of the Group. He is responsible for all the Group's accounting, finance, listing compliance and company secretary functions. He holds a Bachelor degree in Business Administration from the Hong Kong University of Science and Technology. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Before joining the Group, He has several years' experience with an international accounting firm.

Mr. KWOK Chun Fai, aged 70, joined the Group in February 1991. He is the project manager of the Group and is responsible for the Group's construction projects in Mainland China. He has over 40 years' experience in the industry. He graduated from Fujian Overseas Chinese University in Mainland China in builder's work of Industrial and Civil Building. He obtained the International Engineering and Professional Manager Qualification Certificate and the Member of Architectural Society of Chinese.

Mr. DAI Xiaobo, aged 50, joined the Group in January 2006. He is the project manager of the Group and is responsible for the Group's construction projects in Mainland China. He has over 20 years' experience in the industry. He graduated from Changsha University in Mainland China in Industrial and Civil Construction. He holds a First Level/Senior Technician of Occupation Qualification Certificate in Mainland China.

Miss LI Ngan Mei, aged 53, joined the Group in December 1988 and is the administration manager of the Group. She has more than 29 years' experience in personnel and administration management.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2014, the interests and short positions of the Directors in the share capital and share option of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which he would be deemed or taken to have under Section 344 and 345 of the SFO) or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Long positions in ordinary shares of the Company:

Name of Director	Number of shares held, capacity and nature of interest			Percentage of the Company's issued share capital
	Directly beneficially owned	Through controlled corporation	Total	
Mr. Tjia Boen Sien*	45,774,400	233,290,000	279,064,400	50.44
Mr. Wang Jing Ning	14,839,600	–	14,839,600	2.68
Mr. Lu Quanzhang	100,000	–	100,000	0.02
Mr. Keung Kwok Cheung	200,000	–	200,000	0.04
Dr. Ho Chung Tai, Raymond	500,000	–	500,000	0.09
Mr. Siu Man Po	530,000	–	530,000	0.10

* Sparta Assets Limited ("Sparta Assets"), a company incorporated in the British Virgin Islands and wholly owned by Mr. Tjia Boen Sien, is beneficially interested in 233,290,000 ordinary shares of the Company.

The interests of the Directors in the share options of the Company are separately disclosed in note 36 to the financial statements.

Save as disclosed above and note 36 to the financial statements, none of the Directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in note 36 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details of the scheme and the share options issued under the scheme are included in note 36 to the financial statements.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 March 2014, the following interests of 5% or more of the issued share capital and share options of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

Name	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued share capital
Sparta Assets (<i>Note 1</i>)	Beneficial Owner	233,290,000	42.17
Mr. Tjia Boen Sien	Interests of controlled corporation Directly beneficially own	233,290,000 45,774,400	42.17 8.27
Granda Overseas Holding Co. Ltd. (<i>"Granda"</i>) (<i>Note 2</i>)	Beneficial Owner	115,799,160	20.93
Mr. Chen Huofa	Interests of controlled corporation	115,799,160	20.93

Notes:

1. Sparta Assets, a company incorporated in the British Virgin Islands and wholly owned by Mr. Tjia Boen Sien, is beneficially interested in 233,290,000 ordinary shares of the Company.
2. Granda, a company incorporated in the British Virgin Islands and wholly owned by Mr. Chen Huofa, is beneficially interested in 115,799,160 ordinary shares of the Company.

Save as disclosed above, no person, other than the Directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, at 31 March 2014, had registered an interest or short position in the shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES

During the year ended 31 March 2014, the Company purchased certain of its shares on the Stock Exchange and these shares were subsequently cancelled by the Company. The Company considered that it is the best way of enhancing shareholder value and that it is in the best interest of the shareholders to return a substantial part of the surplus funds to them. The summary details of those transactions are as follows:

	Number of Shares repurchased	Price per share		Total price paid <i>HK\$'000</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
April 2013	2,875,000	0.650	0.610	1,864
June 2013	980,000	0.630	0.610	609
July 2013	1,440,000	0.640	0.610	906
August 2013	315,000	0.630	0.620	198
September 2013	1,080,000	0.640	0.620	685
November 2013	200,000	0.600	0.600	120
December 2013	665,000	0.600	0.590	399
	<u>7,555,000</u>			<u>4,781</u>

The repurchased shares were cancelled and an amount equivalent to the nominal value of these shares of HK\$756,000 was transferred from retained profits to the capital redemption reserve. The premium of HK\$4,025,000 paid on the repurchases shares and share repurchase expenses of HK\$45,000 were charged against the share premium account.

The purchase of the Company's shares during the year ended 31 March 2014 was effected by the Directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Except as disclosed above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 March 2014.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

CONTINUING CONNECTED TRANSACTIONS

On 23 March 2011, the Group has entered into two tenancy agreements with 上海美格菲健身中心有限公司 and Fitness Concept Limited, companies wholly-owned by Mr. Tjia Boen Sien, the Managing Director and Deputy Chairman and a substantial shareholder of the Company, for the leasing of two properties of the Group at Sichuan, PRC and Hong Kong. The two tenancy agreements are contracted for three years commencing 1 April 2011, and the monthly rent payable are RMB150,000 and HK\$25,500, respectively. As discussed above, the Group had disposed of its entire shareholding interest in the disposal group which hold the above mentioned properties at Sichuan, PRC. Due to the disposal, the Group had early terminated the leasing arrangement with 上海美格菲健身中心有限公司 commencing November 2012, and the rental income earned during the year ended 31 March 2014 from the remaining tenancy agreement was HK\$306,000 only.

Upon the expiry of the above mentioned tenancy agreement for the leasing of a property in Hong Kong on 31 March 2014, on 30 May 2014, the Group has entered into a new tenancy agreement with Fitness Concept Limited to renew the tenancy agreement for another three years commencing 1 April 2014, and the monthly rent payable is HK\$25,500.

Given that Mr. Tjia is the Managing Director and Deputy Chairman of the Company and has an approximately 48.44% and 50.44% equity interest in the Company at the time entering into the tenancy agreements in 2011 and 2014, Mr. Tjia is a connected person of the Company within the meaning of the Listing Rules. The transactions therefore constitute connected transactions of the Company. As each of the applicable percentage ratios of the remaining tenancy agreement was less than 5% and the total considerations involved were less than HK\$1,000,000, pursuant to Rule 14A.33 of the Listing Rules, the transaction was exempted from the reporting, annual review, announcement and independent shareholders' approval requirements of the Listing Rules.

PARTICULARS OF PROPERTIES

The properties under development for sale of the Group are as follows:

Location	Group's interest	Stage of completion	Expected completion date	Expected use	Gross floor area
1 Xi Da Jie Kaifeng City Henan Province The PRC	100%	Removal and construction stage	2014	Residential/commercial complex	The total gross floor area is 30,696 sq. m.
Core Lot No. 2012-1 Zheng Kai Avenue Kaifeng City Henan Province The PRC	100%	Planning stage	2015	Residential/commercial complex	The total gross floor area is 104,000 sq. m

PARTICULARS OF PROPERTIES *(continued)*

The completed properties held for sale of the Group are as follows:

Location	Group's interest	Tenure	Current use	Gross floor area
Phase I to IV of Asian Villas City Square Southern Area Jinpen Industrial Development Zone Haikou Hainan Province The PRC	100%	The properties are held for a term of 70 years, commencing on 13 May 1998 and expiring on 12 May 2068	Residential/commercial complex	The total gross floor area is 116,973 sq. m.
Section A, B, D, E & F 1 Xi Da Jie Kaifeng City Henan Province The PRC	100%	The properties are held for a term of 70 years, commencing on 15 June 2005 and expiring on 15 June 2075	Residential/commercial complex	The total gross floor area is 190,215 sq. m.

The investment properties of the Group are as follows:

Location	Group's interest	Tenure	Current use	Gross floor area
12 Haixiu Avenue Meilan District Haikou Hainan Province The PRC	100%	The properties are held for a term of 70 years, commencing on 15 September 2006 and expiring on 14 September 2076	Commercial	The total gross floor area is 22,803 sq. m.
Shops at Park View Nos. 206,208,218,220,222, 228 & 238 Baise Road Xuhui District Shanghai The PRC	100%	The properties are held for a term of 70 years, commencing on 18 February 1993 and expiring on 17 February 2063	Commercial	The total gross floor area is 5,901 sq. m.
Unit 2-31 on Level 11 and carpark space no. B37 on basement 2 Block D, Fu Hua Mansion 8 Beida Street Chaoyangmen Dongcheng District Beijing The PRC	60%	The properties are held for a term expiring on 14 January 2044	Commercial	The total gross floor area is 268 sq. m.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public throughout the year ended 31 March 2014.

AUDITORS

Ernst & Young retire, and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

Tjia Boen Sien

Managing Director and Deputy Chairman

Hong Kong

16 June 2014

The Company is committed to a high standard of corporate governance practices in enhancing the confidence of shareholders, investors, employees, creditors and business partners and also the growth of its business. The Company's corporate governance practices are based on the principles ("Principles") and the code provisions ("Code Provisions") as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules"). The Company has complied with most of the Code Provisions save for the deviation from the Code Provision A.4.1, details of which are explained below. The Company regularly reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

Summary of derivation of the CG Code:

Code Provision A.4.1

Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election.

The independent non-executive Directors are not appointed for a specific term. However, all non-executive Directors are subject to the retirement and rotation once every three years in accordance with the Company's Bye-Laws. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are comparable with those in the Code.

Code Provision A.6.7

Code Provision A.6.7 stipulates that independent non-executive Directors and other non-executive Director should attend general meetings and develop a balance understanding of the views of shareholders. All non-executive Directors were unable to attend the annual general meeting of the Company held in 2013 due to their engagement in their own official business.

THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

The Company acknowledges the important role of its Board of Directors ("Board") in providing effective leadership and direction of the Company towards its objectives and ensuring transparency and accountability of all operations. The key corporate governance principles and practices of the Company are summarised as follows:

THE BOARD

Responsibilities

The Company has a division of functions reserved to the Board and delegated to the management. The Board provides leadership and approves strategic policies and plans with a view to enhance shareholder interests while the day-to-day operations of the Company are delegated to the management. The Board reserves for its decisions all major matters of the Company, including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, corporate governance, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board. The Company has arranged appropriate insurance cover in respect of legal actions against the Board.

The day-to-day management, administration and operation of the Company are delegated to the Managing Director and the management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned officers.

The Board has the full support of the Managing Director and the management to discharge its responsibilities.

The Company has arranged for appropriate liability insurance to indemnify its directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

Composition

The Board has in its composition a balance of skills and experience necessary for independent decision making and fulfilling its business needs.

The Board of the Company comprises the following Directors:

Executive Directors

Mr. Lu Quanzhang (*Chairman*)

Mr. Tjia Boen Sien (*Managing Director and Deputy Chairman*) (*Member of Remuneration Committee and Nomination Committee*)

Mr. Wang Jing Ning (*Member of Remuneration Committee and Nomination Committee*)

Mr. Keung Kwok Cheung

Non-Executive Director

Mr. Wong Shing Kay, Oliver (*Appointed on 14 March 2014*)

Independent Non-Executive Directors

Dr. Ho Chung Tai, Raymond (*Member of Audit Committee, Remuneration Committee and Nomination Committee*)

Mr. Siu Man Po (*Member of Audit Committee, Remuneration Committee and Nomination Committee*)

Mr. Siu Kam Chau (*Appointed On 14 March 2014, as Chairman of Audit Committee, Remuneration Committee and Nomination Committee*)

Mr. Wong Shing Kay, Oliver (*Resigned on 14 March 2014, as Chairman of Audit Committee, Remuneration Committee and Nomination Committee*)

None of the members of the Board is related to one another.

During the year ended 31 March 2014, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

The non-executive Director brings independent judgement on issues of strategies direction, development, performance and risk management through their contribution at Board meeting.

The independent non-executive Directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive Directors will scrutinize the performance of the Company.

Appointment and Succession Planning of Directors

The Company has established formal, considered and transparent procedures for the appointment and succession planning of Directors. Any Board member is entitled to recommend suitable candidate that meet the requirements of the Listing Rules for consideration by the Board.

Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. In accordance with the Company's Bye-Laws, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Although the independent non-executive Directors do not have a specific term of appointment, all Directors of the Company retire by rotation once every three years. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are comparable with those in the Code.

Training for Directors

Each newly appointed Director receives comprehensive, formal induction to ensure that he/she has appropriate understanding of the business and his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

During the year ended 31 March 2014, the Company has arranged certain Directors to attend seminars conducted by qualified professions to ensure they are fully aware of the responsibilities as directors under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirement. The Directors are also regularly updated and apprised of any new regulations and guideline, as well as any amendments thereto issued by the Stock Exchange, particularly the effects of such new or amended regulations and guidelines on directors specifically. On an ongoing basis, Directors are encouraged to keep up to date on all matters relevant to the Group and attend briefings and seminars as appropriate.

The Company is aware of the requirement to regularly review and agrees with each Director their training needs. The continuing professional training program of the Company for Directors will be reviewed on an ongoing basis by the Nomination Committee. During the year ended 31 March 2014, Directors have individually attended seminars and training courses conducted by qualified professions on accounting, taxation and Listing Rules.

Board Meetings

Code Provision A.1.1 stipulates that the Company should hold at least four regular Board meetings a year at approximately quarterly intervals with active participation of a majority of Directors, either in person or through other electronic means of communication.

Regular Board meetings were held during the year for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the year under review, five full board meetings were held. Details of the attendance of the Directors are as follows:–

Executive Directors	Directors' Attendance
Mr. Lu Quanzhang (<i>Chairman</i>)	3/5
Mr. Tjia Boen Sien (<i>Managing Director and Deputy Chairman</i>)	5/5
Mr. Wang Jing Ning	5/5
Mr. Keung Kwok Cheung	5/5
Independent Non-Executive Directors	
Dr. Ho Chung Tai, Raymond	3/5
Mr. Siu Man Po	3/5
Mr. Siu Kam Chau (<i>Appointed on 14 March 2014</i>)	0/5*
Mr. Wong Shing Kay, Oliver (<i>Resigned on 14 March 2014</i>)	3/5

* No meeting was held after his appointment.

Notices of regular Board meetings were served to all Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Agenda and Board papers together with all appropriate information are sent to all Directors at least three days before each Board meeting or committee meeting to give an opportunity and sufficient time to include matters in the agenda. The Board is also obligated to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the executives whenever necessary.

The Company Secretary is responsible to take and keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection. Directors are entitled to have access to board papers and queries will be responded fully. According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. Such Director must abstain from voting and will not be counted as quorum.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company fully supports the division of responsibility between the Chairman of the Board and the Managing Director, who performs similar role as Chief Executive Officer, to ensure a balance of power and authority. The respective responsibilities of the Chairman and the Managing Director are clearly defined and set out in writing. The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. With the support of the management, the Chairman is also responsible for ensuring that the Directors receive adequate information and appropriate briefing on issues arising at Board meetings.

The Managing Director focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Managing Director is also responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval, as well as developing policies and practices on corporate governance and compliance with legal and regulatory requirements. The position of the Chairman is held by Mr. Lu Quanzhang while the position of the Managing Director is held by Mr. Tjia Boen Sien.

BOARD COMMITTEES

The Board has established three committees, namely, the Remuneration Committee, Nomination Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Stock Exchange website and the Company's website and are available to shareholders upon request. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

Remuneration Committee

Mr. Tjia Boen Sien, Mr. Wang Jing Ning, Dr. Ho Chung Tai, Raymond, Mr. Siu Man Po and Mr. Siu Kam Chau are the members of the Remuneration Committee and Mr. Siu Kam Chau is the chairman of the committee. Mr. Wong Shing Kay, Oliver, the previous chairman of the committee, resigned on 14 March 2014. The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive Directors and the executives after consultation with the Chairman/Managing Director and accessed to professional advice, at the Company's expense, when necessary. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. The Remuneration Committee normally meets towards the end of each year for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the executive Directors and the executives and other related matters. The Remuneration Committee met two times during the year ended 31 March 2014 and reviewed the remuneration policy and structure of the Company and remuneration packages of the executive Directors and the executives for the year under review.

Details of attendance record of members of the Remuneration Committee are set out below:

Name of member	Members' Attendance
Mr. Tjia Boen Sien	2/2
Mr. Wang Jing Ning	2/2
Dr. Ho Chung Tai, Raymond	2/2
Mr. Siu Man Po	2/2
Mr. Siu Kam Chau (<i>Appointed on 14 March 2014 as Chairman of Remuneration Committee</i>)	0/2*
Mr. Wong Shing Kay, Oliver (<i>Resigned on 14 March 2014 as Chairman of Remuneration Committee</i>)	2/2

* No meeting was held after his appointment.

Nomination Committee

Mr. Tjia Boen Sien, Mr. Wang Jing Ning, Dr. Ho Chung Tai, Raymond, Mr. Siu Man Po and Mr. Siu Kam Chau are the members of the Nomination Committee and Mr. Siu Kam Chau is the chairman of the committee. Mr. Wong Shing Kay, Oliver, the previous chairman of the committee, resigned on 14 March 2014. The primary objectives of the Nomination Committee include reviewing the Board composition and identifying and nominating candidates for appointment to the Board such that it has the relevant blend of skills, knowledge and experience. Candidates for appointment as Directors may be sourced internally or externally through various channels such as using the services of specialist executive search firms. The aim is to appoint individuals of the highest caliber in their area of expertise and experience. The Nomination Committee met two times during the year ended 31 March 2014 and reviewed the structure, size and composition of the Board for the year under review.

Details of attendance record of members of the Nomination Committee are set out below:

Name of member	Members' Attendance
Mr. Tjia Boen Sien	2/2
Mr. Wang Jing Ning	2/2
Dr. Ho Chung Tai, Raymond	2/2
Mr. Siu Man Po	2/2
Mr. Siu Kam Chau (<i>Appointed on 14 March 2014 as Chairman of Nomination Committee</i>)	0/2*
Mr. Wong Shing Kay, Oliver (<i>Resigned on 14 March 2014 as Chairman of Nomination Committee</i>)	1/2

* No meeting was held after his appointment.

Audit Committee

The Audit Committee comprises the three independent non-executive Directors (including one independent non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise) and Mr. Siu Kam Chau is the chairman of the committee. Mr. Wong Shing Kay, Oliver, the previous chairman of the committee, was resigned on 14 March 2014. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer (if any) or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees, terms of engagement and independence, and make recommendation to the Board on the appointment, reappointment and removal of external auditors.
- (c) To review the adequacy and effectiveness of the Company's financial reporting system, and risk management system and associated procedures.
- (d) To review the adequacy of resources, qualifications and experience of the Company's accounting staff, their training programs, and budget.

The Audit Committee held two meetings during the year ended 31 March 2014 to review the financial results and reports, financial reporting and compliance procedures, effectiveness of internal control systems and the re-appointment of the external auditors. There is no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Sufficient resources is provided by the Company for the Audit Committee to perform its duties.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

Details of the attendance of the Audit Committee Meetings are as follows:

Name of member	Members' Attendance
Dr. Ho Chung Tai, Raymond	2/2
Mr. Siu Man Po	2/2
Mr. Siu Kam Chau (<i>Appointed on 14 March 2014 as Chairman of Audit Committee</i>)	0/2*
Mr. Wong Shing Kay, Oliver (<i>Resigned on 14 March 2014 as Chairman of Audit Committee</i>)	2/2

* No meeting was held after his appointment.

AUDITORS' REMUNERATION

For the year ended 31 March 2014, the Group had engaged the Group's external auditors, Ernst & Young, to provide the following services and their respective fees charged are set out as below:

Fee charged for the year ended 31 March 2014:

	HK\$
Types of services:	
Audit for the Group	1,980,000
Non-audit services – taxation services	69,000
	<hr/>
Total	2,049,000
	<hr/> <hr/>

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2014.

The Company has adopted the same Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 March 2014. The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on pages 29 to 30. Management of the Company is obligated to provide explanation and information to the Board to make informed assessment of relevant matters.

INTERNAL CONTROL

The Board has overall responsibility for maintaining sound and effective internal control system of the Group. Internal control system policies and procedures are designed to identify and manage the risks that the Group may be exposed to, thereby providing reasonable assurance regarding the achievement of corporate objectives. Controls are monitored by periodic management review. Internal financial systems also allow the Board to monitor the Group's overall financial position, to protect the Group's assets and to mitigate against material financial misstatement or loss. Through the Audit Committee of the Company, the Board has conducted reviews of the effectiveness of the system of internal control of the Company and its subsidiaries in accordance with the Code provisions on internal control. The reviews cover material controls, including financial, operational and compliance controls, risk management functions and the adequacy of staffing of the financial reporting functions.

INVESTORS RELATIONS

The Company is committed to maintain an open and effective investors relations policy and to update investors on relevant information/developments in a timely manner, subject to relevant regulatory requirements. Briefings and meetings with institutional investors and analysts are conducted from time to time. The Company also replied the enquiries from shareholders timely. The Directors host the annual general meeting each year to meet the shareholders and answer their enquiries. The corporate website of the Company has provided a communication platform via which the public and investor community can access to up-to-date information regarding the Group.

SHAREHOLDER RIGHTS

To ensure compliance with the newly amended CG Code, the notice of the meeting, the annual report and the circular containing information on the proposed resolutions will be sent to shareholders at least twenty clear business days before the annual general meeting. Voting at the forthcoming annual general meeting will be by way of a poll. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the commencement of the annual general meeting to ensure that shareholders are familiar with such procedures.

Poll results will be counted by Hong Kong Branch Share Registrar, Tricor Tengis Limited and will be posted on the websites of the Company and of the Stock Exchange on the day the shareholders' meeting held. The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Remuneration Committee, Nomination Committee and Audit Committee, or in their absence, other members of the respective committees, and where applicable, the independent Board committee, are available to answer questions at the shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual Directors.

In addition to regular Board meetings, the Board, on the requisition of shareholders of the Company holding not less than one-tenth of the paid-up capital of the Company, may convene a special general meeting to address specific issues of the Company within 21 days from the date of deposit of written notice to the Company Secretary, at the Company's head office at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong. The requisition must state the purposes of the meeting, and must be signed by the requisitioner(s).

SHAREHOLDERS COMMUNICATION POLICY

The Company has established a Shareholders Communication Policy to set out the Company's procedures in providing the shareholders and the investment community with ready, equal and timely access to balanced and understandable information about the Company, in order to enable the shareholders to exercise their rights in an informed manner and to allow the shareholders and the investment community to engage actively with the Company.

**To the shareholders of Deson Development International Holdings Limited**

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Deson Development International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 31 to 120, which comprise the consolidated and company statements of financial position as at 31 March 2014, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants

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

16 June 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
REVENUE	5	984,190	788,095
Cost of sales		(882,208)	(654,975)
Gross profit		101,982	133,120
Other income and gains	5	53,845	44,961
Fair value gain on investment properties, net	15	122,554	218
Gain on disposal of a subsidiary	39	16,057	–
Administrative expenses		(93,522)	(84,901)
Other operating income/(expenses), net		371	(2,652)
Finance costs	7	(1,936)	(3,260)
Share of profits and losses of:			
A joint venture		(16)	(16)
Associates		679	450
PROFIT BEFORE TAX	6	200,014	87,920
Income tax expense	10	(54,296)	(39,131)
PROFIT FOR THE YEAR		145,718	48,789
Attributable to:			
Owners of the Company	11	145,712	49,135
Non-controlling interests		6	(346)
		145,718	48,789
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	13		
Basic and diluted		HK26.25 cents	HK8.62 cents

Details of the dividends paid and proposed for the year are disclosed in note 12 to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
PROFIT FOR THE YEAR		145,718	48,789
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Share of other comprehensive income of associates		2,567	1,532
Exchange differences on translation of foreign operations		(1,428)	5,067
Release of exchange fluctuation reserve upon disposal of a subsidiary	39	(5,438)	–
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		(4,299)	6,599
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Surplus on revaluation of leasehold land and buildings	14	11,805	48,007
Income tax effect	34	(2,021)	(7,982)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		9,784	40,025
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		5,485	46,624
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		151,203	95,413
Attributable to:			
Owners of the Company		151,197	95,728
Non-controlling interests		6	(315)
		151,203	95,413

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2014

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	14	164,181	158,083
Investment properties	15	305,000	169,375
Goodwill	16	–	–
Investment in a joint venture	18	–	–
Investments in associates	19	3,785	939
Available-for-sale investments	20	21,641	21,641
Deposits	28	244	–
		<hr/>	<hr/>
Total non-current assets		494,851	350,038
CURRENT ASSETS			
Amounts due from associates	19	4,748	4,707
Amount due from an investee	21	100	100
Properties held for sale under development and properties held for sale	24	1,054,613	942,959
Gross amount due from contract customers	25	7,563	8,682
Inventories	26	12,103	7,529
Accounts receivable	27	77,206	102,682
Prepayments, deposits and other receivables	28	94,935	34,303
Pledged deposits	29	51,797	64,207
Cash and cash equivalents	29	129,474	97,931
		<hr/>	<hr/>
		1,432,539	1,263,100
Assets of a disposal group classified as held for sale	30	–	70,659
		<hr/>	<hr/>
Total current assets		1,432,539	1,333,759
CURRENT LIABILITIES			
Gross amount due to contract customers	25	87,845	58,222
Accounts payable	31	59,191	44,021
Other payables and accruals	32	172,564	183,195
Amounts due to associates	19	48	48
Amounts due to non-controlling shareholders	22	1,500	1,500
Amount due to a related company	23	2,193	761
Tax payable		86,520	111,582
Interest-bearing bank borrowings	33	304,488	231,460
		<hr/>	<hr/>
		714,349	630,789
Liabilities directly associated with the assets of a disposal group classified as held for sale	30	–	15,180
		<hr/>	<hr/>
Total current liabilities		714,349	645,969
		<hr/>	<hr/>
NET CURRENT ASSETS		718,190	687,790

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 March 2014

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
NET CURRENT ASSETS		<u>718,190</u>	<u>687,790</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,213,041</u>	<u>1,037,828</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	33	157,041	150,223
Deferred tax liabilities	34	<u>73,314</u>	<u>39,098</u>
Total non-current liabilities		<u>230,355</u>	<u>189,321</u>
Net assets		<u>982,686</u>	<u>848,507</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	35	55,321	56,077
Reserves	37(a)	914,350	779,918
Proposed final dividend	12	<u>7,192</u>	<u>6,695</u>
		976,863	842,690
Non-controlling interests		<u>5,823</u>	<u>5,817</u>
Total equity		<u>982,686</u>	<u>848,507</u>

Tjia Boen Sien
Director

Wang Jing Ning
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2014

Notes	Attributable to owners of the Company												Non-controlling interests	Total equity
	Issued capital	Share		Property revaluation reserve	Capital		Exchange fluctuation reserve	Investment revaluation reserve	Reserve funds	Proposed		Total		
		premium account	Contributed surplus		redemption reserve	reserve				Retained profits	final dividend			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2012	57,272	124,293	15,262	82,524	(9,240)	12,319	53,347	2,232	3,260	418,458	5,719	765,446	4,652	770,098
Profit for the year	-	-	-	-	-	-	-	-	-	49,135	-	49,135	(346)	48,789
Other comprehensive income for the year:														
Surplus on revaluation of leasehold land and buildings, net of tax	-	-	-	40,043	-	-	-	-	-	-	-	40,043	(18)	40,025
Share of other comprehensive income of associates	-	-	-	-	-	-	-	1,532	-	-	-	1,532	-	1,532
Exchange differences on translation of foreign operations	-	-	-	-	-	-	5,018	-	-	-	-	5,018	49	5,067
Total comprehensive income for the year	-	-	-	40,043	-	-	5,018	1,532	-	49,135	-	95,728	(315)	95,413
Release of revaluation reserve	-	-	-	(2,508)	-	-	-	-	-	2,508	-	-	-	-
Deregistration of a subsidiary	17	-	-	-	-	-	-	-	-	-	-	-	1,711	1,711
Repurchase of shares	35(i)	(1,195)	(5,829)	-	-	1,195	-	-	-	(1,195)	-	(7,024)	-	(7,024)
Share repurchase expenses	35(i)	-	(56)	-	-	-	-	-	-	-	-	(56)	-	(56)
Dividends paid to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	(231)	(231)
Final 2012 dividend declared		-	-	-	-	-	-	-	-	8	(5,719)	(5,711)	-	(5,711)
Interim 2013 dividend	12	-	-	-	-	-	-	-	-	(5,693)	-	(5,693)	-	(5,693)
Proposed final 2013 dividend	12	-	-	-	-	-	-	-	-	(6,695)	6,695	-	-	-
At 31 March 2013	56,077	118,408*	15,262*	120,059*	(9,240)*	13,514*	58,365*	3,764*	3,260*	456,326*	6,695	842,690	5,817	848,507

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 March 2014

	Notes	Attributable to owners of the Company											Non-controlling interests	Total equity	
		Share	Property	Capital	Exchange	Investment	Reserve	Retained	Proposed						
		Issued capital	premium account	Contributed surplus	revaluation reserve	Capital redemption reserve	fluctuation reserve	revaluation reserve	funds	profits	final dividend	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2013		56,077	118,408	15,262	120,059	(9,240)	13,514	58,365	3,764	3,260	456,526	6,695	842,690	5,817	848,507
Profit for the year		-	-	-	-	-	-	-	-	-	145,712	-	145,712	6	145,718
Other comprehensive income/(loss) for the year:															
Surplus on revaluation of leasehold land and buildings, net of tax		-	-	-	9,784	-	-	-	-	-	-	-	9,784	-	9,784
Release of exchange fluctuation reserve upon disposal of a subsidiary	39	-	-	-	-	-	-	(5,438)	-	-	-	-	(5,438)	-	(5,438)
Share of other comprehensive income of associates		-	-	-	-	-	-	-	2,567	-	-	-	2,567	-	2,567
Exchange differences on translation of foreign operations		-	-	-	-	-	-	(1,428)	-	-	-	-	(1,428)	-	(1,428)
Total comprehensive income/(loss) for the year		-	-	-	9,784	-	-	(6,866)	2,567	-	145,712	-	151,197	6	151,203
Release of revaluation reserve		-	-	-	(3,570)	-	-	-	-	-	3,570	-	-	-	-
Disposal of a subsidiary		-	-	-	(6,156)	-	-	-	-	-	6,156	-	-	-	-
Repurchase of shares	35(iii)	(756)	(4,025)	-	-	-	756	-	-	-	(756)	-	(4,781)	-	(4,781)
Share repurchase expenses	35(iii)	-	(45)	-	-	-	-	-	-	-	-	-	(45)	-	(45)
Final 2013 dividend declared	12	-	-	-	-	-	-	-	-	29	(6,695)	-	(6,666)	-	(6,666)
Interim 2014 dividend	12	-	-	-	-	-	-	-	-	(5,532)	-	-	(5,532)	-	(5,532)
Proposed final 2014 dividend	12	-	-	-	-	-	-	-	-	(7,192)	7,192	-	-	-	-
At 31 March 2014		<u>55,321</u>	<u>114,338*</u>	<u>15,262*</u>	<u>120,117*</u>	<u>(9,240)*</u>	<u>14,270*</u>	<u>51,499*</u>	<u>6,331*</u>	<u>3,260*</u>	<u>598,513*</u>	<u>7,192</u>	<u>976,863</u>	<u>5,823</u>	<u>982,686</u>

* These reserve accounts comprise the consolidated reserves of HK\$914,350,000 (2013: HK\$779,918,000) in the consolidated statement of financial position.

The contributed surplus of the Group represents the excess of the nominal value of the subsidiaries' shares acquired over the nominal value of the Company's shares issued in exchange thereof, pursuant to the Group reorganisation on 21 May 1997.

The reserve funds of the Group include statutory reserves required to be appropriated from the profit after tax of the Company's subsidiaries in Mainland China under the laws and regulations of the People's Republic of China ("PRC"). The amount of the appropriation is at the discretion of these subsidiaries' boards of directors.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		200,014	87,920
Adjustments for:			
Finance costs	7	1,936	3,260
Share of profits and losses of:			
A joint venture		16	16
Associates		(679)	(450)
Interest income	5	(1,216)	(2,247)
Written off of an amount due to a non-controlling shareholder	6, 17	–	(329)
Fair value gain on investment properties, net	15	(122,554)	(218)
Gain on disposal of a subsidiary	39	(16,057)	–
Loss on disposal of items of property, plant and equipment	6	76	87
Depreciation	6	6,254	4,934
Provision for inventories	6	530	980
Impairment of other receivables	6	64	2,761
Reversal of impairment of accounts receivable	6	(18)	(109)
		68,366	96,605
Increase in properties held for sale under development and properties held for sale		(92,960)	(40,041)
Decrease/(increase) in gross amount due from contract customers		1,861	(1,906)
Increase in inventories		(5,104)	(4,270)
Decrease/(increase) in accounts receivable		24,863	(64,365)
Decrease/(increase) in prepayments, deposits and other receivables		(60,055)	4,921
Increase in gross amount due to contract customers		29,623	28,645
Increase in accounts payable		15,166	22,810
Increase/(decrease) in other payables and accruals		(10,013)	763
Cash generated from/(used in) operations		(28,253)	43,162
Interest paid		(37,838)	(30,177)
Overseas taxes paid		(48,719)	(6,633)
Net cash flows from/(used in) operating activities – page 38		(114,810)	6,352

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Year ended 31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
Net cash flows from/(used in) operating activities – page 37		(114,810)	6,352
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,216	2,247
Dividends received from associates		400	6,354
Purchases of items of property, plant and equipment		(646)	(1,144)
Proceeds from disposal of items of property, plant and equipment		38	27
Acquisition of a subsidiary	38	–	2,995
Disposal of a subsidiary	39	69,003	–
Advance to a joint venture		(16)	(15)
Advances to associates, net		(41)	(5,947)
Repayment from an investee		–	49
Decrease in pledged deposits		12,410	29,211
Net cash flows from investing activities		82,364	33,777
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of the Company's shares	35	(4,781)	(7,024)
Share repurchase expenses	35	(45)	(56)
New bank borrowings		323,115	382,152
Repayment of bank borrowings		(236,815)	(307,540)
Movement in balances with a related company, net		1,432	831
Dividends paid		(12,198)	(11,404)
Dividends paid to non-controlling shareholders		–	(231)
Net cash flows from financing activities		70,708	56,728
NET INCREASE IN CASH AND CASH EQUIVALENTS – page 39			
		38,262	96,857

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Year ended 31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
NET INCREASE IN CASH AND CASH EQUIVALENTS – page 38		38,262	96,857
Cash and cash equivalents at beginning of year		91,479	(6,449)
Effect of foreign exchange rate changes, net		(277)	1,071
 		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>129,464</u>	<u>91,479</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	<i>29</i>	129,474	97,931
Bank overdrafts, secured	<i>33</i>	(10)	(6,464)
Cash and cash equivalents attributable to assets of a disposal group classified as held for sale	<i>30</i>	–	12
		<hr/>	<hr/>
Cash and cash equivalents as stated in the statement of cash flows		<u>129,464</u>	<u>91,479</u>

STATEMENT OF FINANCIAL POSITION

31 March 2014

	<i>Notes</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Investments in subsidiaries	17	470,223	478,891
CURRENT ASSETS			
Prepayments	28	46	34
Cash and cash equivalents	29	61	161
Total current assets		107	195
CURRENT LIABILITIES			
Accruals	32	1,448	1,265
Amounts due to subsidiaries	17	64,595	49,595
Amount due to a related company	23	3,080	977
Total current liabilities		69,123	51,837
NET CURRENT LIABILITIES		(69,016)	(51,642)
Net assets		401,207	427,249
EQUITY			
Issued capital	35	55,321	56,077
Reserves	37(b)	338,694	364,477
Proposed final dividend	12	7,192	6,695
Total equity		401,207	427,249

Tjia Boen Sien
Director

Wang Jing Ning
Director

1. CORPORATE INFORMATION

Deson Development International Holdings Limited is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

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

- the construction business, as a main contractor and decoration, as well as the provision of electrical and mechanical engineering services, mainly in Hong Kong and Mainland China;
- property development and investment; and
- trading of medical equipment and home security and automation products, and provision of related installation and maintenance services.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for leasehold land and buildings classified as property, plant and equipment, and investment properties, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> (early adopted)
HK(IFRIC)-Int 20 <i>Annual Improvements 2009-2011 Cycle</i>	<i>Stripping Costs in the Production Phase of a Surface Mine</i> Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, HKAS 19 (2011), amendments to HKFRS 10, HKFRS 11, HKFRS 12, HKAS 1 and HKAS 36, and certain amendments included in *Annual Improvements 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

- (a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation – Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled. The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 April 2013.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (b) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011). The application of this new standard has no material financial impact on the Group.
- (c) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities. Details of the disclosures for subsidiaries, a joint venture and associates are included in notes 17, 18 and 19 to the financial statements.
- (d) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time. These amendments have no material impact on the Group.
- (e) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended. Additional disclosures required by HKFRS 13 for the fair value measurements of leasehold land and buildings classified as property, plant and equipment and investment properties are included in notes 14 and 15 to the financial statements, respectively. The application of this new standard has no material financial impact on the Group.
- (f) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

- (g) HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. As the Group does not have any defined benefit plan or employee termination plan and the Group does not have any significant employee benefits that are expected to be settled for more than twelve months after the reporting period, the adoption of the revised standard has had no material financial impact on the Group.
- (h) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 April 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.
- (i) *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- *HKAS 1 Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- *HKAS 32 Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 9	<i>Financial Instruments</i> ⁵
HKFRS 9, HKFRS 7 and HKFRS 39 Amendments	<i>Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39</i> ⁵
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – <i>Investment Entities</i> ¹
HKFRS 11 Amendments	Amendments to HKFRS 11 <i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i> ³
HKFRS 14	<i>Regulatory Deferral Accounts</i> ³
HKFRS 15	<i>Revenue from Contracts with Customers</i> ⁴
HKAS 16 and HKAS 38 Amendments	Amendments to HKAS 16 <i>Property, Plant and Equipment</i> and HKAS 38 <i>Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation</i> ³
HKAS 19 Amendments	Amendments to HKAS 19 <i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i> ²
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ¹
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures of Non-Financial Assets</i> ¹
HKAS 39 Amendments	Amendments to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i> ¹
HK(IFRIC)-Int 21 <i>Annual Improvements 2010-2012 Cycle</i>	<i>Levies</i> ¹ Amendments to a number of HKFRSs issued in January 2014 ²
<i>Annual Improvements 2011-2013 Cycle</i>	Amendments to a number of HKFRSs issued in January 2014 ²

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 July 2014

³ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016

⁴ Effective for annual periods beginning on or after 1 January 2017

⁵ No mandatory effective date yet determined but is available for adoption

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

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the “Additions”) and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option (“FVO”). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

In December 2013, the HKICPA added to HKFRS 9 the requirements related to hedge accounting and made some related changes to HKAS 39 and HKFRS 7 which include the corresponding disclosures about risk management activity for applying hedge accounting. The amendments to HKFRS 9 relax the requirements for assessing hedge effectiveness which result in more risk management strategies being eligible for hedge accounting. The amendments also allow greater flexibility on the hedged items and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments. In addition, the amendments to HKFRS 9 allow an entity to apply only the improved accounting for own credit risk-related fair value gains and losses arising on FVO liabilities as introduced in 2010 without applying the other HKFRS 9 requirements at the same time.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

The HKAS 32 Amendments clarify the meaning of “currently has a legally enforceable right to set off” for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2014.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Investments in associates and joint ventures

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

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

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

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments in associates and joint ventures *(continued)*

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

Business combination and goodwill

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

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

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Business combination and goodwill *(continued)*

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

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

Fair value measurement

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

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

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

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

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

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of non-financial assets

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related parties

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

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

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

or

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment and depreciation

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

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

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. An annual transfer from the property revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the property revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

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

Leasehold land and buildings	Over the remaining lease terms
Leasehold improvements	Over the remaining lease terms
Furniture and fixtures	15% on the reducing balance basis
Office equipment	15% on the reducing balance basis
Tools and equipment	15% on the reducing balance basis
Motor vehicles	15% on the reducing balance basis

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Operating leases

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

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the leasehold land and buildings as a finance lease in property, plant and equipment.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

Loans and receivables

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

Available-for-sale financial investments

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

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

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Available-for-sale financial investments (continued)

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

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

Derecognition of financial assets

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

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

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

Impairment of financial assets

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Financial assets carried at amortised cost

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

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

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

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

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Available-for-sale financial investments (continued)

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

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include accounts payable, other payables, accruals, amounts due to associates, amounts due to non-controlling shareholders and interest-bearing bank borrowings.

Subsequent measurement

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

Loans and borrowings

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities *(continued)*

Financial guarantee contracts

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

Properties held for sale under development and properties held for sale

Properties under development which are intended for sale are included in properties held for sale under development and properties held for sale and are stated at the lower of cost and net realisable value, which is estimated by the directors based on the prevailing market conditions. Costs include all costs directly incurred in the properties under development, including development expenditure, borrowing costs and other direct costs.

Completed properties for sale are stated at the lower of cost and net realisable value. Cost includes all development expenditure, applicable borrowing costs and other direct costs attributable to such properties. Net realisable value is determined by reference to the prevailing market prices on an individual property basis.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

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

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

Income tax

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

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

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

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

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

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

Revenue recognition

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

- (a) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for "Construction contracts" below;
- (b) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (c) from the rendering of services, when the services are rendered or on the percentage of completion basis, as further explained in the accounting policy for "Contracts for services" below;
- (d) from the sale of property interests, when all the conditions of sale have been met and the risks and rewards of ownership have been transferred to the buyer;
- (e) rental income, on a time proportion basis over the lease terms;
- (f) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset; and
- (g) dividend income, when the shareholders' right to receive payment has been established.

Construction contracts

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Construction contracts *(continued)*

Revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

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

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

Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Share-based payments

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

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes model.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share-based payments *(continued)*

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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

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

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

Other employee benefits

Pension schemes

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

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Operating lease commitments – Group as lessor

The Group has entered into leases for certain of its properties. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty

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

Land appreciation tax

Under the Provisional Regulations on land appreciation tax ("LAT") implemented upon the issuance of the Provisional Regulations of the PRC on 27 January 1995, all gains arising from the transfer of real estate properties in Mainland China with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in the property development business in Mainland China are subject to land appreciation taxes, which have been included in income tax. However, the implementation of these taxes varies amongst various Mainland China cities and the Group has not finalised its land appreciation tax returns with various tax authorities. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax and provisions of land appreciation taxes in the period in which such determination is made.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;
- (b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and
- (c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 March 2014 was HK\$305,000,000 (2013: HK\$169,375,000). Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are given in note 15 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Estimates regarding the realisability of deferred tax assets

Estimating the amount for deferred tax assets arising from tax losses requires a process that involves determining appropriate provisions for taxation, forecasting future years' taxable income and assessing the ability to utilise tax benefits through future taxable profits. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details of the unrecognised tax losses of the Group are set out in note 34 to the financial statements.

Useful lives and impairment of property, plant and equipment

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

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

Impairment of accounts receivable

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

4. OPERATING SEGMENT INFORMATION

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

- (a) the construction business segment is engaged in construction contract works as a main contractor and decoration, as well as the provision of electrical and mechanical engineering services;
- (b) the property development and investment business segment is engaged in property development of residential and commercial properties and holding of investment properties; and
- (c) the “others” segment comprises, principally, trading of medical equipment and home security and automation products, and provision of related installation and maintenance services.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income and unallocated gain, dividend income, gain on disposal of a subsidiary, finance costs, share of profits and losses of a joint venture and associates as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude investment in a joint venture, investments in associates and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other unallocated head office and corporate liabilities, including interest-bearing bank borrowings, tax payable and deferred tax liabilities, as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. OPERATING SEGMENT INFORMATION *(continued)*
Year ended 31 March 2014

	Construction business <i>HK\$'000</i>	Property development and investment business <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Sales to external customers	833,887	121,068	29,235	984,190
Other income and gains	7,237	43,837	256	51,330
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue	841,124	164,905	29,491	<u>1,035,520</u>
Segment results				
Operating profit	16,242	173,600	2,520	192,362
<i>Reconciliation:</i>				
Interest income and unallocated gain				1,716
Dividend income				799
Unallocated expenses				(9,647)
Gain on disposal of a subsidiary				16,057
Finance costs				(1,936)
Share of loss of a joint venture				(16)
Share of profits and losses of associates				679
				<hr/>
Profit before tax				<u>200,014</u>
Segment assets				
	261,460	1,438,428	20,202	1,720,090
<i>Reconciliation:</i>				
Investments in associates				3,785
Corporate and other unallocated assets				203,515
				<hr/>
Total assets				<u>1,927,390</u>

4. OPERATING SEGMENT INFORMATION *(continued)*Year ended 31 March 2014 *(continued)*

	Construction business HK\$'000	Property development and investment business HK\$'000	Others HK\$'000	Total HK\$'000
Segment liabilities	172,907	139,614	5,774	318,295
<i>Reconciliation:</i>				
Corporate and other unallocated liabilities				626,409
Total liabilities				<u>944,704</u>
Other segment information:				
Fair value gain of investment properties	(635)	(121,919)	–	(122,554)
Loss on disposal of items of property, plant and equipment	39	25	12	76
Impairment of other receivables	64	–	–	64
Reversal of impairment of accounts receivable	–	–	(18)	(18)
Provision for inventories	–	–	530	530
Depreciation	5,022	1,146	86	6,254
Capital expenditure	<u>259</u>	<u>274</u>	<u>113</u>	<u>646*</u>

* Capital expenditure represents additions to property, plant and equipment.

4. OPERATING SEGMENT INFORMATION *(continued)*
Year ended 31 March 2013

	Construction business <i>HK\$'000</i>	Property development and investment business <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue:				
Sales to external customers	561,191	199,661	27,243	788,095
Other income and gains	6,974	35,207	96	42,277
Revenue	568,165	234,868	27,339	830,372
Segment results				
Operating profit	9,090	85,116	100	94,306
<i>Reconciliation:</i>				
Interest income				2,247
Dividend income				437
Unallocated expenses				(6,244)
Finance costs				(3,260)
Share of loss of a joint venture				(16)
Share of profits and losses of associates				450
Profit before tax				87,920
Segment assets				
	232,551	1,183,529	11,780	1,427,860
<i>Reconciliation:</i>				
Investments in associates				939
Corporate and other unallocated assets				184,339
Assets of a disposal group classified as held for sale				70,659
Total assets				1,683,797

4. OPERATING SEGMENT INFORMATION *(continued)*Year ended 31 March 2013 *(continued)*

	Construction business <i>HK\$'000</i>	Property development and investment business <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment liabilities	122,498	158,702	4,397	285,597
<i>Reconciliation:</i>				
Liabilities directly associated with the assets of a disposal group classified as held for sale				15,180
Corporate and other unallocated liabilities				534,513
Total liabilities				<u>835,290</u>
Other segment information:				
Fair value (gain)/loss of investment properties	(1,353)	1,135	–	(218)
Loss on disposal of items of property, plant and equipment	68	–	19	87
Impairment of other receivables	–	2,761	–	2,761
Reversal of impairment of accounts receivable	(85)	–	(24)	(109)
Provision for inventories	–	–	980	980
Depreciation	3,695	1,142	97	4,934
Capital expenditure	<u>601</u>	<u>429</u>	<u>114</u>	<u>1,144*</u>

* Capital expenditure represents additions to property, plant and equipment.

4. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information

(a) Revenue from external customers

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Hong Kong	600,240	360,374
Mainland China	383,950	427,721
	<u>984,190</u>	<u>788,095</u>

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

(b) Non-current assets

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Hong Kong	144,245	137,625
Mainland China	325,180	189,833
	<u>469,425</u>	<u>327,458</u>

The non-current assets information above is based on the locations of the assets and excludes investment in a joint venture, investments in associates and available-for-sale investments.

Information about a major customer

During the year, revenue of approximately HK\$123,717,000 was derived from sales by construction segment to a single customer. In the prior year, revenue of approximately HK\$89,508,000 was derived from sales by property development and investment segment to a single customer.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents an appropriate proportion of contract revenue from construction contracts; income from property development and investment business; the net invoiced value of goods sold, after allowances for returns and trade discounts; and provision of related installation and maintenance services.

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

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		
Income from construction contracting and related business	833,887	561,191
Income from property development and investment business	121,068	199,661
Income from trading of medical equipment and home security and automation products, and provision of related installation and maintenance services	29,235	27,243
	<u>984,190</u>	<u>788,095</u>
Other income and gains		
Bank interest income	1,216	2,247
Dividend income	799	437
Gross rental income	42,254	34,546
Others	9,576	7,731
	<u>53,845</u>	<u>44,961</u>

6. PROFIT BEFORE TAX

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

	Notes	Group	
		2014 HK\$'000	2013 HK\$'000
Cost of properties sold		76,986	111,971
Cost of construction contracting		786,833	523,480
Cost of inventories sold and services provided		18,389	19,524
Auditors' remuneration		1,980	1,880
Depreciation	14	6,254	4,934
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		883	1,053
Minimum lease payments under operating leases on land and buildings		1,826	1,828
Rental income on investment properties less direct operating expenses of HK\$883,000 (2013: HK\$1,053,000)		(3,275)	(4,137)
Gain on disposal of a subsidiary	39	16,057	–
Loss on disposal of items of property, plant and equipment [^]		76	87
Employee benefit expense (including directors' and chief executive's remuneration – note 8):			
Wages and salaries		49,124	40,852
Pension schemes contributions*		1,160	1,028
Less: Amount capitalised		(10,203)	(7,475)
		40,081	34,405
Foreign exchange differences, net [^]		(493)	(87)
Provision for inventories, included in cost of inventories sold		530	980
Written off of an amount due to a non-controlling shareholder	17	–	(329)
Reversal of impairment of accounts receivable [^]	27	(18)	(109)
Impairment of other receivables [^]	28	64	2,761

* At 31 March 2014, there were no forfeited contributions available to the Group to reduce contributions to the pension schemes in future years (2013: Nil).

[^] These amounts are included in "Other operating income/(expenses), net" on the face of the consolidated statement of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on bank loans and overdrafts wholly repayable within five years and total interest expense on financial liabilities not at fair value through profit or loss	37,837	30,177
Less: Interest capitalised	(35,901)	(26,917)
	<u>1,936</u>	<u>3,260</u>

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance, is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Fees	<u>318</u>	<u>312</u>
Other emoluments:		
Salaries and allowances	7,510	4,669
Pension schemes contributions	75	69
	<u>7,585</u>	<u>4,738</u>
	<u>7,903</u>	<u>5,050</u>

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(continued)*

(a) **Non-executive director and independent non-executive directors**

	Fees <i>HK\$'000</i>	Total remuneration <i>HK\$'000</i>
2014		
Independent non-executive directors:		
Dr. Ho Chung Tai, Raymond	120	120
Mr. Siu Man Po	96	96
Mr. Wong Shing Kay, Oliver	92	92
Mr. Siu Kam Chau	6	6
	314	314
Non-executive director:		
Mr. Wong Shing Kay, Oliver	4	4
	318	318
2013		
Independent non-executive directors:		
Dr. Ho Chung Tai, Raymond	120	120
Mr. Siu Man Po	96	96
Mr. Wong Shing Kay, Oliver	96	96
	312	312

There were no other emoluments payable to the non-executive director and independent non-executive directors during the year (2013: Nil).

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)**(b) Executive directors and chief executive**

	Salaries and allowances <i>HK\$'000</i>	Pension scheme contributions <i>HK\$'000</i>	Total remuneration <i>HK\$'000</i>
2014			
Executive directors:			
Mr. Lu Quanzhang	300	–	300
Mr. Tjia Boen Sien (“Mr. Tjia”)*	4,800	–	4,800
Mr. Wang Jing Ning	853	15	868
Mr. Keung Kwok Cheung	1,557	60	1,617
	<u>7,510</u>	<u>75</u>	<u>7,585</u>
2013			
Executive directors:			
Mr. Lu Quanzhang	300	–	300
Mr. Tjia Boen Sien	2,450	–	2,450
Mr. Wang Jing Ning	722	15	737
Mr. Keung Kwok Cheung	1,197	54	1,251
	<u>4,669</u>	<u>69</u>	<u>4,738</u>

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2013: Nil).

* Mr. Tjia is also the chief executive of the Group as defined in the Listing Rules.

9. FIVE HIGHEST PAID EMPLOYEES AND SENIOR MANAGEMENT

The five highest paid employees during the year included two (2013: two) directors and the chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2013: three), highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Group	
	2014 HK\$'000	2013 HK\$'000
Salaries and allowances	2,948	2,379
Pension schemes contributions	89	64
	<u>3,037</u>	<u>2,443</u>

9. FIVE HIGHEST PAID EMPLOYEES AND SENIOR MANAGEMENT *(continued)*

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

	Number of employees	
	2014	2013
Nil to HK\$1,000,000	1	3
HK\$1,000,001 to HK\$1,500,000	2	–
	3	3
	3	3

Other than the directors' remuneration and five highest paid employees disclosed above, the amounts paid to the senior management as disclosed in the "biographical details of directors and senior management" section were as follows:

	Group	
	2014 HK\$'000	2013 HK\$'000
Salaries and allowances	4,070	2,595
Pension schemes contributions	94	69
	4,164	2,664
	4,164	2,664

10. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year. No Hong Kong profits tax had been provided in last year as the Group's subsidiaries either did not generate any assessable profits arising in Hong Kong during that year or have available tax losses brought forward from prior years to offset the assessable profits generated during that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

LAT in Mainland China is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

10. INCOME TAX *(continued)*

	Group	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Hong Kong		
Charge for the year	506	–
Overprovision in prior years	(5)	(14)
Current – Elsewhere		
Charge for the year	14,685	17,048
Underprovision in prior years	5	329
Deferred (note 34)	32,546	4,480
LAT in Mainland China	6,559	17,288
	<u>54,296</u>	<u>39,131</u>
Total tax charge for the year	<u>54,296</u>	<u>39,131</u>

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

	Group	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Profit before tax	<u>200,014</u>	<u>87,920</u>
Tax at the statutory tax rate of 16.5% (2013: 16.5%)	33,002	14,507
Effect of different rates for companies operating in other jurisdictions	11,599	7,255
Profits and losses attributable to a joint venture	3	3
Profits and losses attributable to associates	(112)	(74)
Income not subject to tax	(1,127)	(5,911)
Expenses not deductible for tax	1,960	543
Effect of withholding tax at 10% or 5% on the distributable profits of the Group's PRC subsidiaries	1,908	4,425
Tax losses utilised from previous periods	(1,557)	(912)
Tax losses and temporary differences not recognised	2,213	1,794
LAT	6,559	17,288
Others	(152)	213
	<u>54,296</u>	<u>39,131</u>
Tax charge at the Group's effective rate of 27.1% (2013: 44.5%)	<u>54,296</u>	<u>39,131</u>

The share of tax credit attributable to associates amounting to HK\$68,000 (2013: HK\$88,000) is included in "Share of profits and losses of associates" on the face of the consolidated statement of profit or loss. There was no share of tax attributable to a joint venture during the current and prior years.

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company for the year ended 31 March 2014 includes a loss of HK\$9,018,000 (2013: HK\$6,063,000) which has been dealt with in the financial statements of the Company (note 37(b)).

12. DIVIDENDS

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Interim – HK1 cent (2013: HK1 cent) per ordinary share	5,532	5,693
Proposed final – HK1.3 cents (2013: HK1.2 cents) per ordinary share	<u>7,192</u>	<u>6,695</u>
	<u>12,724</u>	<u>12,388</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 555,104,267 (2013: 569,893,267) in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for years ended 31 March 2014 and 2013 in respect of a dilution as the Group has no potential dilutive ordinary shares issued during these years.

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold land and buildings <i>HK\$'000</i>	Leasehold improve- ments <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Tools and equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
31 March 2014							
At 31 March 2013 and at 1 April 2013:							
Cost or valuation	151,675	4,220	2,622	7,437	3,254	7,988	177,196
Accumulated depreciation	–	(2,597)	(2,114)	(5,977)	(2,980)	(5,445)	(19,113)
Net carrying amount	<u>151,675</u>	<u>1,623</u>	<u>508</u>	<u>1,460</u>	<u>274</u>	<u>2,543</u>	<u>158,083</u>
At 1 April 2013, net of accumulated depreciation							
	151,675	1,623	508	1,460	274	2,543	158,083
Additions	–	9	7	582	20	28	646
Disposals	–	–	–	(46)	–	(68)	(114)
Surplus on revaluation	11,805	–	–	–	–	–	11,805
Depreciation provided during the year	(4,830)	(257)	(90)	(441)	(29)	(607)	(6,254)
Exchange realignment	–	4	1	4	–	6	15
At 31 March 2014	<u>158,650</u>	<u>1,379</u>	<u>426</u>	<u>1,559</u>	<u>265</u>	<u>1,902</u>	<u>164,181</u>
At 31 March 2014:							
Cost or valuation	158,650	4,229	2,629	7,753	3,274	7,554	184,089
Accumulated depreciation	–	(2,850)	(2,203)	(6,194)	(3,009)	(5,652)	(19,908)
Net carrying amount	<u>158,650</u>	<u>1,379</u>	<u>426</u>	<u>1,559</u>	<u>265</u>	<u>1,902</u>	<u>164,181</u>
Analysis of cost or valuation:							
At cost	–	4,229	2,629	7,753	3,274	7,554	25,439
At valuation	158,650	–	–	–	–	–	158,650
	<u>158,650</u>	<u>4,229</u>	<u>2,629</u>	<u>7,753</u>	<u>3,274</u>	<u>7,554</u>	<u>184,089</u>

14. PROPERTY, PLANT AND EQUIPMENT *(continued)*
Group

	Leasehold land and buildings <i>HK\$'000</i>	Leasehold improve- ments <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment <i>HK\$'000</i>	Tools and equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
31 March 2013							
At 1 April 2012:							
Cost or valuation	119,353	4,229	3,729	7,180	6,888	7,916	149,295
Accumulated depreciation	–	(2,339)	(3,142)	(6,147)	(6,134)	(4,776)	(22,538)
Net carrying amount	<u>119,353</u>	<u>1,890</u>	<u>587</u>	<u>1,033</u>	<u>754</u>	<u>3,140</u>	<u>126,757</u>
At 1 April 2012, net of accumulated depreciation	119,353	1,890	587	1,033	754	3,140	126,757
Additions	–	–	199	874	21	50	1,144
Transferred to investment properties (note 15)	(8,875)	–	–	–	–	–	(8,875)
Reclassified as assets of a disposal group classified as held for sale (note 30)	(3,375)	–	(203)	–	(442)	–	(4,020)
Disposals	–	(19)	–	(95)	–	–	(114)
Surplus on revaluation	48,007	–	–	–	–	–	48,007
Depreciation provided during the year	(3,530)	(259)	(77)	(352)	(64)	(652)	(4,934)
Exchange realignment	95	11	2	–	5	5	118
At 31 March 2013	<u>151,675</u>	<u>1,623</u>	<u>508</u>	<u>1,460</u>	<u>274</u>	<u>2,543</u>	<u>158,083</u>
At 31 March 2013:							
Cost or valuation	151,675	4,220	2,622	7,437	3,254	7,988	177,196
Accumulated depreciation	–	(2,597)	(2,114)	(5,977)	(2,980)	(5,445)	(19,113)
Net carrying amount	<u>151,675</u>	<u>1,623</u>	<u>508</u>	<u>1,460</u>	<u>274</u>	<u>2,543</u>	<u>158,083</u>
Analysis of cost or valuation:							
At cost	–	4,220	2,622	7,437	3,254	7,988	25,521
At valuation	151,675	–	–	–	–	–	151,675
	<u>151,675</u>	<u>4,220</u>	<u>2,622</u>	<u>7,437</u>	<u>3,254</u>	<u>7,988</u>	<u>177,196</u>

The Group's leasehold land and buildings were revalued individually at the end of the reporting period by Peak Vision Appraisals Limited, independent professionally qualified valuer, at an aggregate open market value of HK\$158,650,000 (2013: HK\$151,675,000) based on their existing use.

A revaluation surplus of HK\$11,805,000 (2013: HK\$48,007,000) resulting from the revaluation has been credited to other comprehensive income.

14. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Details of the leasehold land and buildings are as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Long term lease:		
Hong Kong	13,000	12,100
Medium term leases:		
Hong Kong	128,400	122,700
Mainland China	17,250	16,875
	158,650	151,675
	158,650	151,675

As at 31 March 2014, certain leasehold land and buildings of the Group with an aggregate carrying amount of HK\$141,400,000 (2013: HK\$134,800,000) were pledged to secure certain banking facilities granted to the Group (note 33).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's properties held for own use:

	Fair value measurement as at 31 March 2014 using			Total <i>HK\$'000</i>
	Quoted prices in active markets (Level 1) <i>HK\$'000</i>	Significant observable inputs (Level 2) <i>HK\$'000</i>	Significant unobservable inputs (Level 3) <i>HK\$'000</i>	
Recurring fair value measurement for:				
Properties held for own use	–	–	158,650	158,650
	–	–	158,650	158,650
	–	–	158,650	158,650

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

14. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Properties held for own use HK\$'000
Carrying amount at 1 April 2013	151,675
Depreciation	(4,830)
Surplus on revaluation recognised in other comprehensive income	11,805
	<hr/>
Carrying amount at 31 March 2014	158,650
	<hr/> <hr/>

Below is a summary of the valuation technique used and the key input to the valuation of properties held for own use:

	Valuation technique	Significant unobservable input	Range
Properties held for own use	Direct comparison approach	Market unit selling price (per square feet)	HK\$2,615 – HK\$6,070

The direct comparison approach

Under the market approach, fair value is estimated by the direct comparison method on the assumption of the sale of the property interest with the benefit of vacant possession and by making reference to comparable sales transactions as available in the market.

The valuation takes into account the characteristic of the properties held for own use, which included the location, size, shape, view, floor level, year of completion and other factors collectively, to arrive at the market price.

The key input was the market price, which a significant increase (decrease) in the market price would result in a significant increase (decrease) in the fair value of the properties held for own use.

15. INVESTMENT PROPERTIES

	Group	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Carrying amount at 1 April	169,375	225,060
Net gain from fair value adjustment	122,554	218
Transferred from property, plant and equipment (note 14)	–	8,875
Transferred from completed properties held for sale	14,923	–
Reclassified as a disposal group classified as held for sale (note 30)	–	(66,625)
Exchange realignment	(1,852)	1,847
	<u>305,000</u>	<u>169,375</u>
Carrying amount at 31 March	<u><u>305,000</u></u>	<u><u>169,375</u></u>

The Group's investment properties are situated in Mainland China and are held under long term lease.

The Group's investment properties were revalued on 31 March 2014 based on valuations performed by Peak Vision Appraisals Limited, independent professionally qualified valuer, at HK\$305,000,000.

As at 31 March 2014, certain investment properties of the Group with an aggregate carrying amount of HK\$294,125,000 (2013: HK\$159,125,000) were pledged to secure certain banking facilities granted to the Group (note 33).

As at 31 March 2014, investment properties of the Group with a carrying amount of HK\$305,000,000 (2013: HK\$169,375,000) were leased to independent third parties.

Particulars of the Group's investment properties are included on page 19.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 March 2014 using			Total <i>HK\$'000</i>
	Quoted prices in active markets (Level 1) <i>HK\$'000</i>	Significant observable inputs (Level 2) <i>HK\$'000</i>	Significant unobservable inputs (Level 3) <i>HK\$'000</i>	
Recurring fair value measurement for:				
Hotel properties	–	–	294,125	294,125
Commercial properties	–	–	10,875	10,875
	<u>–</u>	<u>–</u>	<u>305,000</u>	<u>305,000</u>

15. INVESTMENT PROPERTIES *(continued)*

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Hotel properties HK\$'000	Commercial properties HK\$'000
Carrying amount at 1 April 2013	159,125	10,250
Net gain from a fair value adjustment recognised in other operating income/(expenses), net in profit or loss	121,919	635
Transferred from completed properties held for sale	14,923	–
Exchange realignment	(1,842)	(10)
	<hr/>	<hr/>
Carrying amount at 31 March 2014	294,125	10,875

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	Significant unobservable inputs	Range (weighted average)
Hotel properties and commercial properties	Investment method	Estimated rental value (per square metre and per month)	RMB35 – RMB189
		Term yield	2% – 6.25%
		Reversionary yield	5.75% – 6.75%
Car park spaces	Direct comparison approach	Market unit selling price	RMB300,000

The direct comparison approach

Under the market approach, fair value is estimated by the direct comparison method on the assumption of the sale of the property interest with the benefit of vacant possession and by making reference to comparable sales transactions as available in the market.

The valuation takes into account the characteristic of the investment properties, which included the location, size, shape, view, floor level, year of completion and other factors collectively, to arrive at the market price.

The key input was the market price, which a significant increase (decrease) in the market price would result in a significant increase (decrease) in the fair value of the investment properties.

15. INVESTMENT PROPERTIES *(continued)***The investment method**

Under the investment method, fair value is estimated on the basis of capitalisation of existing rent receivable from the existing tenancies and the potential reversionary market rent of the properties.

The valuation takes into account the characteristic of the investment properties, which included the location, size, shape, view, floor level, year of completion and other factors collectively, to arrive at the estimated rental value and reversionary yield, while it takes into account the rental value generated from the existing lease term to arrive at the term yield.

The key inputs were the estimated rental value, term yield and reversionary yield, which a significant increase (decrease) in these inputs would result in a significantly increase (decrease) in the fair value of the investment properties.

16. GOODWILL

	Group HK\$'000
At 1 April 2012, 31 March 2013, 1 April 2013 and 31 March 2014:	
Cost	606
Accumulated impairment	(606)
	<hr/>
Net carrying amount	–
	<hr/> <hr/>

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014	2013
	HK\$'000	HK\$'000
Unlisted shares, at cost	156,031	156,031
Due from subsidiaries	314,192	322,860
	<hr/>	<hr/>
	470,223	478,891
	<hr/> <hr/>	<hr/> <hr/>

The amounts due to subsidiaries included in the Company's current liabilities of HK\$64,595,000 (2013: HK\$49,595,000) are unsecured, interest-free and repayable on demand.

The amounts advanced to the subsidiaries included in investments in subsidiaries above are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, these advances are considered as quasi-equity loans to the subsidiaries.

In the prior year, the Group had deregistered a 70%-owned subsidiary, Billion Hope Holdings Limited ("Billion Hope"). Billion Hope was principally engaged in building construction contracting and remained dormant since year 2006 before its deregistration. Immediately before deregistration, the net liability and share of deficit by non-controlling interests of Billion Hope amounted to HK\$2,040,000 and HK\$1,711,000, respectively. Upon deregistration, a net gain of HK\$329,000 had been credited to the statement of profit or loss in the prior year.

17. INVESTMENTS IN SUBSIDIARIES *(continued)*

Details of the principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued/ registered capital	Class of shares held	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Beijing Chang De Architectural & Decoration Co., Ltd. (a)*	PRC/ Mainland China	RMB16,000,000	(ii)	–	60	Decoration engineering
Deson Development Holdings Limited*	British Virgin Islands/ Hong Kong	US\$200	Ordinary	100	–	Investment holding
Deson Development Limited	Hong Kong	HK\$20,000,100	Class A	–	100	Construction contracting and investment holding
		HK\$20,000,000	Class B (i)	–	100	
Deson Industries Limited*	British Virgin Islands/ Hong Kong	US\$1	Ordinary	–	100	Investment holding
Deson Property Development (Kaifeng) Co., Ltd. (b)*	PRC/ Mainland China	HK\$250,000,000	(ii)	–	100	Property development
Deson Ventures Limited*	British Virgin Islands/ Hong Kong	US\$1	Ordinary	–	100	Investment holding
Deson Ventures (Hong Kong) Limited	Hong Kong	HK\$1	Ordinary	–	100	Investment holding
Fortune On Engineering Limited	Hong Kong	HK\$10	Ordinary	–	100	Property development
Hua Sheng International Real Estate Development (Shanghai) Co., Ltd. (b)*	PRC/ Mainland China	US\$6,400,000	(ii)	–	100	Property development
Kenworth Engineering Limited	Hong Kong	HK\$54,374,140	Ordinary	–	100	Provision of electrical and mechanical engineering services
		HK\$20,000,000	Preference (iii)	–	100	

17. INVESTMENTS IN SUBSIDIARIES *(continued)*

Details of the principal subsidiaries are as follows: *(continued)*

Name	Place of incorporation/ registration and business	Issued/ registered capital	Class of shares held	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Medical Technologies Limited	Hong Kong	HK\$10,000	Ordinary	–	100	Trading of medical equipment
Deson Innovative Limited*	Hong Kong	HK\$1,000,000	Ordinary	–	100	Selling, distribution and marketing of home security and automation products
Super Sight Investments Inc.*	British Virgin Islands/ Mainland China	US\$1	Ordinary	–	100	Property development
上海迪申建築裝潢 有限公司 (b)*	PRC/ Mainland China	US\$800,000	(ii)	–	100	Decoration engineering
Wonderful Hope Limited*	British Virgin Islands/ Mainland China	US\$1	Ordinary	–	100	Property development
海南亞豪置業 有限公司 (b)*	PRC/ Mainland China	RMB10,000,000	(ii)	–	100	Property investment

(a) Registered as a Sino-foreign investment enterprise under PRC law.

(b) Registered as wholly-foreign-owned enterprises under PRC law.

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

Notes:

(i) The holders of these non-voting class B shares are not entitled to dividend distributions. Moreover, upon the winding-up of this company, the class B shareholders are not entitled to any return of assets if the assets of the Company are less than HK\$100 trillion.

(ii) The issued or paid-up capital of these subsidiaries is not classified.

(iii) The holders of the preference shares have a cumulative preferential right to the company's profits at 10% of the nominal amount of its share capital, but are not entitled to receive notice of or attend or vote at any meeting of members or any meeting of directors.

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

18. INVESTMENT IN A JOINT VENTURE

	Group	
	2014 HK\$'000	2013 HK\$'000
Share of net liabilities	(14,122)	(14,106)
Due from a joint venture	22,915	22,899
Impairment	(8,793)	(8,793)
	14,122	14,106
	-	-

The amount due from the joint venture is unsecured, interest-free and has no fixed terms of repayment. In the opinion of the directors, this balance is considered as a quasi-equity loan to the joint venture.

An impairment was recognised for an amount due from a joint venture with a carrying amount of HK\$22,915,000 (before deducting the impairment loss) (2013: HK\$22,899,000 (before deducting the impairment loss)) because the amount is unlikely to be recovered in the foreseeable future.

Particulars of the joint venture are as follows:

Name	Place of registration and business	Issued capital	Percentage of			Principal activities
			Ownership interest	Voting power	Profit sharing	
Kenworth-Watfield Joint Venture Limited	Hong Kong	HK\$1,000,000	50	50	50	Provision of electrical and mechanical engineering services

The investment in a joint venture is held through a subsidiary of the Company.

18. INVESTMENT IN A JOINT VENTURE *(continued)*

The following table illustrates the summarised financial information of Kenworth-Watfield Joint Venture Limited that is not individually material:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Share of the joint venture's loss for the year	(16)	(16)
Share of the joint venture's total comprehensive loss	(16)	(16)
Aggregate carrying amount of the Group's investment in the joint venture	—	—

19. INVESTMENTS IN ASSOCIATES

	Group	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Share of net assets	<u>3,785</u>	<u>939</u>
Due from associates	<u>4,748</u>	<u>4,707</u>
Due to associates	<u>(48)</u>	<u>(48)</u>

The balances with associates are unsecured, interest-free and repayable on demand.

Particulars of the principal associates are as follows:

Name	Particulars of issued capital held/ paid-up	Place of incorporation/ registration and business	Percentage of ownership attributable to the Group		Principal activities
			2014	2013	
Asia Construction Holdings Limited	HK\$980,000	Hong Kong	49	49	Investment holding
Deson Metals Company Limited*	HK\$2,000,000	Hong Kong/ Mainland China	40	40	Trading of construction materials

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

19. INVESTMENTS IN ASSOCIATES *(continued)*

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

The Group's shareholdings in the associates are held through subsidiaries of the Company.

The Group has discontinued the recognition of its share of losses of certain associates because it exceeded the Group's interests in these associates and the Group has no obligation to take up further losses. The Group's aggregate unrecognised share of profits for the current year and share of accumulated losses of these associates amounted to HK\$67,000 (2013: losses of HK\$69,000) and HK\$1,578,000 (2013: HK\$1,645,000), respectively.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Share of the associates' profit for the year	679	450
Share of the associates' other comprehensive income	2,567	1,532
Share of the associates' total comprehensive income	3,246	1,982
Aggregate carrying amount of the Group's investments in the associates	<u>3,785</u>	<u>939</u>

20. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Unlisted equity investments, at cost	11,550	11,550
Advance to an investee	16,521	16,521
Impairment	<u>(6,430)</u>	<u>(6,430)</u>
	<u>10,091</u>	<u>10,091</u>
	<u>21,641</u>	<u>21,641</u>

The above investments represent investments in equity securities which are designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

The unlisted available-for-sale investments were stated at cost less impairment because the range of reasonable fair value estimates was so significant that the directors are of the opinion that their fair values could not be measured reliably.

The advance to an investee above is unsecured, interest-free and has no fixed terms of repayment. In the opinion of the directors, this advance is considered as a quasi-equity loan to the investee.

21. AMOUNT DUE FROM AN INVESTEE

The amount due from an investee of the Group's available-for-sale investments is unsecured, interest-free and repayable on demand.

22. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

The amounts due to non-controlling shareholders are unsecured, interest-free and repayable on demand.

23. AMOUNT DUE TO A RELATED COMPANY

Particulars of an amount due to a related company are as follows:

Name	Group		
	31 March 2014 <i>HK\$'000</i>	Maximum amount outstanding during the year <i>HK\$'000</i>	1 April 2013 <i>HK\$'000</i>
Excel Win Ltd ("Excel Win")	(2,193)	961	(761)

Mr. Tjia is a director of and has beneficial interests in the Company and Excel Win.

The amount due to a related company is unsecured, interest-free and repayable on demand.

24. PROPERTIES HELD FOR SALE UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Completed properties held for sale	571,097	660,960
Properties held for sale under development	483,516	281,999
	<u>1,054,613</u>	<u>942,959</u>
Properties held for sale under development		
– expected to be recovered:		
Within one year	240,933	93,532
After one year	64,888	40,028
– pending for construction expected to be recovered after one year	177,695	148,439
	<u>483,516</u>	<u>281,999</u>

As at 31 March 2014, certain completed properties held for sale and properties held for sale under development of the Group with an aggregate carrying amount of HK\$345,149,000 (2013: HK\$268,014,000) were pledged to secure certain banking facilities granted to the Group (note 33).

Particulars of the Group's properties held for sale under development and properties held for sale are included on pages 18 and 19.

25. CONSTRUCTION CONTRACTS

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross amount due from contract customers	7,563	8,682
Gross amount due to contract customers	(87,845)	(58,222)
	<u>(80,282)</u>	<u>(49,540)</u>
Contract costs incurred plus recognised profits less recognised losses and provision for foreseeable losses to date	1,224,694	1,914,113
Less: Progress billings	(1,304,976)	(1,963,653)
	<u>(80,282)</u>	<u>(49,540)</u>

26. INVENTORIES

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trading goods	<u>12,103</u>	<u>7,529</u>

27. ACCOUNTS RECEIVABLE

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accounts receivable	68,525	99,664
Impairment	(4,821)	(4,866)
	<u>63,704</u>	<u>94,798</u>
Retention monies receivable	<u>13,502</u>	<u>7,884</u>
	<u>77,206</u>	<u>102,682</u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally 90 days for the sale of trading goods and up to 180 days for the sale of completed properties held for sale. For retention monies receivable in respect of construction work carried out by the Group, the due dates are usually one year after the completion of the construction work. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Accounts receivable are non-interest-bearing.

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

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 90 days	61,298	87,625
91 to 180 days	1,285	1,637
181 to 360 days	64	3,998
Over 360 days	1,057	1,538
	<u>63,704</u>	<u>94,798</u>
Retention monies receivable	<u>13,502</u>	<u>7,884</u>
Total	<u>77,206</u>	<u>102,682</u>

27. ACCOUNTS RECEIVABLE (continued)

The movements in the provision for impairment of accounts receivable are as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April	4,866	12,963
Amount written off as uncollectible	(27)	(7,988)
Impairment losses reversed (note 6)	(18)	(109)
	<hr/>	<hr/>
At 31 March	4,821	4,866
	<hr/> <hr/>	<hr/> <hr/>

Included in the above provision for impairment of accounts receivable is a provision for individually impaired accounts receivable of HK\$4,821,000 (2013: HK\$4,866,000) with a carrying amount before provision of HK\$4,821,000 (2013: HK\$4,866,000). The individually impaired accounts receivable relate to customers that were in financial difficulties or the customers that were in default in repayments and the receivables were not expected to be recovered.

The aged analysis of the accounts receivable that are neither individually nor collectively considered to be impaired is as follows:

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Neither past due nor impaired	61,713	88,885
Less than 3 months past due	1,348	4,880
3 to 6 months past due	–	4
More than 6 months past due	643	1,029
	<hr/>	<hr/>
	63,704	94,798
	<hr/> <hr/>	<hr/> <hr/>

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

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

None of the retention monies receivable is either past due or impaired.

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Prepayments	40,448	7,014	46	34
Deposits	3,940	2,909	–	–
	44,388	9,923	46	34
Other receivables	57,993	31,518	–	–
Impairment	(7,202)	(7,138)	–	–
	50,791	24,380	–	–
Less: non-current portion	(244)	–	–	–
Current portion	94,935	34,303	46	34

Except for other receivables against which impairment has been made, the remaining assets are neither past due nor impaired. The financial assets included in the above net balances relate to receivables for which there was no recent history of default.

The movements in the provision for impairment of other receivables are as follows:

	Group	
	2014 HK\$'000	2013 HK\$'000
At 1 April	7,138	4,323
Impairment losses (note 6)	64	2,761
Exchange realignment	–	54
At 31 March	7,202	7,138

Included in the above provision for impairment of other receivables is a provision for individual other receivables that defaulted in repayments and these receivables were not expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

29. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	Note	Group		Company	
		2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Cash and bank balances		129,474	97,931	61	161
Time deposits		51,797	64,207	–	–
		181,271	162,138	61	161
Less: Pledged deposits for banking facilities	33	(51,797)	(64,207)	–	–
Cash and cash equivalents		129,474	97,931	61	161

At the end of the reporting period, the aggregate cash and bank balances and deposits of the Group denominated in Renminbi ("RMB") amounted to HK\$93,768,000 (2013: HK\$111,111,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

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

30. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets of a disposal group classified as held for sale	–	70,659
Liabilities directly associated with the assets of a disposal group classified as held for sale	–	15,180

On 1 February 2013, Yew Siang Limited (“Yew Siang”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “Sale and Purchase Agreement”) with an independent third party to dispose of its entire interest in 美格菲(成都)康體發展有限公司 (the “Disposal Group”), a wholly-owned subsidiary of Yew Siang, together with the shareholder’s loan at a total consideration of RMB56,453,000 (equivalent to HK\$70,531,000). The Disposal Group is principally engaged in property investment at the date of disposal. Details of the disposal are set out in the announcement of the Company dated 4 February 2013.

As at 31 March 2013, the conditions stated in the Sale and Purchase Agreement were not fulfilled, accordingly, the assets and liabilities of the Disposal Group have been presented as assets and liabilities of disposal group classified as held for sale under current assets and current liabilities, respectively, in the prior year.

The disposal was completed on 29 May 2013.

The major classes of the assets and liabilities of the Disposal Group classified as held for sale as at 31 March 2013 are as follows:

	Notes	2013 <i>HK\$'000</i>
Assets		
Property, plant and equipment	14	4,020
Investment properties	15	66,625
Prepayments, deposits and other receivables		2
Cash and bank balances		12
Assets classified as held for sale		70,659
Liabilities		
Other payables and accruals		5,866
Deferred tax liabilities	34	9,314
Liabilities directly associated with the assets classified as held for sale		15,180
Net assets directly associated with the disposal group classified as held for sale		55,479

31. ACCOUNTS PAYABLE

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

	Group	
	2014 HK\$'000	2013 HK\$'000
Current to 90 days	49,594	28,453
91 to 180 days	14	3,045
181 to 360 days	2,807	6,056
Over 360 days	6,776	6,467
	<u>59,191</u>	<u>44,021</u>

Accounts payable are non-interest-bearing and are normally settled on 30-day terms.

32. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Deposits received	54,960	100,114	–	–
Other payables	86,744	56,656	–	–
Accruals	30,860	26,425	1,448	1,265
	<u>172,564</u>	<u>183,195</u>	<u>1,448</u>	<u>1,265</u>

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

33. INTEREST-BEARING BANK BORROWINGS *(continued)*

The Group's banking facilities are secured by:

- (i) the pledge of certain of the Group's leasehold land and buildings situated in Hong Kong of HK\$141,400,000 (2013: HK\$134,800,000) (note 14);
- (ii) the pledge of certain of the Group's investment properties situated in Mainland China of HK\$294,125,000 (2013: HK\$159,125,000) (note 15);
- (iii) the pledge of certain of the Group's properties held for sale situated in Mainland China of HK\$345,149,000 (2013: HK\$268,014,000) (note 24); and
- (iv) the pledge of the Group's deposits of HK\$51,797,000 (2013: HK\$64,207,000) (note 29).

In addition, certain banking facilities are secured by corporate guarantees executed by the Company.

As further explained in note 46 to the financial statements, the Group's interest-bearing bank borrowings in the amount of HK\$114,418,000 (2013: HK\$123,600,000) containing on-demand clauses.

Based on the maturity terms of the bank loans and trust receipt loans, the amounts repayable in respect of the Group's interest-bearing bank borrowing are: within one year or on demand HK\$304,478,000 (2013: HK\$224,996,000); in the second year HK\$63,497,000 (2013: HK\$30,682,000); in the third to fifth years, inclusive HK\$38,768,000 (2013: HK\$50,731,000); and beyond five years HK\$54,776,000 (2013: HK\$68,810,000).

34. DEFERRED TAX

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

Group

	2014			
	Accelerated tax depreciation <i>HK\$'000</i>	Revaluation of properties <i>HK\$'000</i>	Withholding taxes <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2013	239	28,186	10,673	39,098
Deferred tax charged to the statement of profit or loss during the year (note 10)	–	30,638	1,908	32,546
Deferred tax charged to the statement of other comprehensive income during the year	–	2,021	–	2,021
Exchange realignment	–	(351)	–	(351)
Deferred tax liabilities at 31 March 2014	<u>239</u>	<u>60,494</u>	<u>12,581</u>	<u>73,314</u>

34. DEFERRED TAX *(continued)***Group**

	2013			
	Accelerated tax depreciation <i>HK\$'000</i>	Revaluation of properties <i>HK\$'000</i>	Withholding taxes <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2012	239	29,390	6,248	35,877
Deferred tax charged to the statement of profit or loss during the year (note 10)	–	55	4,425	4,480
Deferred tax charged to the statement of other comprehensive income during the year	–	7,982	–	7,982
Reclassified as a disposal group classified as held for sale (note 30)	–	(9,314)	–	(9,314)
Exchange realignment	–	73	–	73
Deferred tax liabilities at 31 March 2013	<u>239</u>	<u>28,186</u>	<u>10,673</u>	<u>39,098</u>

The Group has estimated tax losses arising in Hong Kong of HK\$591,642,000 (2013: HK\$589,014,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of HK\$841,000 (2013: HK\$2,754,000) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries with uncertain future operating profit streams.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

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

35. SHARE CAPITAL

Shares

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Authorised:		
1,500,000,000 (2013: 1,500,000,000) ordinary shares of HK\$0.10 each	<u>150,000</u>	<u>150,000</u>
Issued and fully paid:		
553,210,267 (2013: 560,765,267) ordinary shares of HK\$0.10 each	<u>55,321</u>	<u>56,077</u>

A summary of the transactions during the current and prior years with reference to the movements in the Company's issued ordinary share capital is as follows:

	<i>Notes</i>	Number of shares in issue	Issued capital <i>HK\$'000</i>	Share premium account <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2012		572,715,267	57,272	124,293	181,565
Repurchase of shares	<i>(i)</i>	(11,950,000)	(1,195)	(5,829)	(7,024)
Share repurchase expenses	<i>(i)</i>	–	–	(56)	(56)
At 31 March 2013 and 1 April 2013		560,765,267	56,077	118,408	174,485
Repurchase of shares	<i>(ii)</i>	(7,555,000)	(756)	(4,025)	(4,781)
Share repurchase expenses	<i>(ii)</i>	–	–	(45)	(45)
At 31 March 2014		<u>553,210,267</u>	<u>55,321</u>	<u>114,338</u>	<u>169,659</u>

Notes:

- (i) In the prior year, the Company repurchased a total of 11,950,000 of its own shares on the Stock Exchange at a price ranging from HK\$0.45 to HK\$0.66 per share at a total consideration, before expenses, of HK\$7,024,000. The repurchased shares were cancelled and an amount equivalent to the nominal value of these shares of HK\$1,195,000 was transferred from retained profits to the capital redemption reserve. The premium of HK\$5,829,000 paid on the repurchased shares and share repurchase expenses of HK\$56,000 were charged against the share premium account.
- (ii) During the year, the Company repurchased a total of 7,555,000 of its own shares on the Stock Exchange at a price ranging from HK\$0.59 to HK\$0.65 per share at a total consideration, before expenses, of HK\$4,781,000. The repurchased shares were cancelled and an amount equivalent to the nominal value of these shares of HK\$756,000 was transferred from retained profits to the capital redemption reserve. The premium of HK\$4,025,000 paid on the repurchased shares and share repurchase expenses of HK\$45,000 were charged against the share premium account.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 36 to the financial statements.

36. SHARE OPTION SCHEME

On 13 August 2012, the share option scheme of the Company adopted on 14 August 2002 ceased to operate and a new share option scheme (“the Scheme”) was adopted on the same day to comply with the requirements of Chapter 17 of the Listing Rules regarding share option schemes of a company.

The Company operates the Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Company’s directors, including independent non-executive directors, the Company’s shareholders and other employees of the Group. The Scheme became effective on 15 August 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Group at the adoption date of the Scheme. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 30 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. An option may be exercised under the Scheme at any time during a period not exceeding 10 years after the date when the option is granted and will expire on the last date of such period.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company’s shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of an ordinary share.

Share options do not confer rights on the holders to dividends or to vote at shareholders’ meetings.

No share option was granted during the year ended 31 March 2014.

At the date of approval of these financial statements, no share option was outstanding under the Scheme.

37. RESERVES

(a) Group

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

(b) Company

	Notes	Share premium account HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Retained profits HK\$'000	Proposed final dividend HK\$'000	Total equity HK\$'000
At 1 April 2012		124,293	155,531	12,319	96,662	5,719	394,524
Loss for the year and total comprehensive loss for the year	11	–	–	–	(6,063)	–	(6,063)
Repurchase of shares	35(i)	(5,829)	–	1,195	(1,195)	–	(5,829)
Share repurchase expenses	35(i)	(56)	–	–	–	–	(56)
Final 2012 dividend declared		–	–	–	8	(5,719)	(5,711)
Interim 2013 dividend	12	–	–	–	(5,693)	–	(5,693)
Proposed final 2013 dividend	12	–	–	–	(6,695)	6,695	–
At 31 March 2013 and 1 April 2013		118,408*	155,531*	13,514*	77,024*	6,695	371,172
Loss for the year and total comprehensive loss for the year	11	–	–	–	(9,018)	–	(9,018)
Repurchase of shares	35(ii)	(4,025)	–	756	(756)	–	(4,025)
Share repurchase expenses	35(ii)	(45)	–	–	–	–	(45)
Final 2013 dividend declared		–	–	–	29	(6,695)	(6,666)
Interim 2014 dividend	12	–	–	–	(5,532)	–	(5,532)
Proposed final 2014 dividend	12	–	–	–	(7,192)	7,192	–
At 31 March 2014		114,338*	155,531*	14,270*	54,555*	7,192	345,886

* These reserve accounts comprise the reserves of HK\$338,694,000 (2013: HK\$364,477,000) in the statement of financial position.

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the Group reorganisation on 21 May 1997 over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda (as amended), a distribution may be made out of the contributed surplus provided that the Company will be able to pay its liabilities as they fall due and subsequent to the distribution, the aggregate amount of its total liabilities, issued share capital and share premium is less than the realisable value of its assets.

38. BUSINESS COMBINATION

In the prior year, the Group acquired an additional 60% equity interest in an associate, Fortune On Engineering Limited ("Fortune On") and assumed an amount due to Fortune On of HK\$24,756, at a cash consideration of HK\$49. After the acquisition, Fortune On has become a wholly-owned subsidiary of the Group. Fortune On was dormant at the time of acquisition. The purchase consideration for the acquisition was in form of cash and paid on 14 November 2012.

The fair values of the identifiable net assets and liabilities of Fortune On at the date of acquisition were as follows:

	Fair value recognised on acquisition <i>HK\$'000</i>
Net assets acquired:	
Prepayments, deposits and other receivables	5
Receivables from shareholders of Fortune On	42
Cash and bank balances	2,995
Accruals	(50)
Tax payables	(2,950)
	<hr/>
	42
	<hr/> <hr/>
Satisfied by:	
Assumption of an amount due to Fortune On	25
Fair value of equity interest previously held as investment in an associate	17
	<hr/>
	42
	<hr/> <hr/>

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

	<i>HK\$'000</i>
Cash consideration	–
Cash and bank balances acquired	2,995
	<hr/>
Net inflow of cash and cash equivalents included in cash flows from investing activities	2,995
	<hr/> <hr/>

Fortune On did not contribute any significant revenue nor profit or loss to the Group in the prior year.

39. DISPOSAL OF A SUBSIDIARY

	<i>Note</i>	2014 HK\$'000
Net assets disposed of:		
Property, plant and equipment		4,066
Investment properties		67,691
Prepayments, deposits and other receivables		3
Other payables and accruals		(6,302)
Deferred tax liabilities		(7,074)
		<hr/> 58,384
Release of exchange fluctuation reserve		(5,438)
Legal and professional fee and transaction costs directly attributable to the disposal		1,528
Gain on disposal of a subsidiary	6	16,057
		<hr/> 70,531 <hr/>
Satisfied by:		
Cash		<hr/> 70,531 <hr/>

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

	2014 HK\$'000
Cash consideration	70,531
Less: Legal and professional fee and transaction costs paid	(1,528)
	<hr/>
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	<hr/> 69,003 <hr/>

Further details of 美格菲(成都)康體發展有限公司 which was disposed of during the year are set out in note 30 to the financial statements.

40. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	Group		Company	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Guarantees given to banks in connection with banking facilities granted to subsidiaries	–	–	582,300	505,500

In respect of the guarantees granted to subsidiaries, banking facilities in the amount of HK\$367,587,000 (2013: HK\$330,232,000) were utilised by the subsidiaries as at 31 March 2014.

41. OPERATING LEASE ARRANGEMENTS

(a) The Group as lessor

The Group leases certain of its properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 March 2014, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Within one year	40,324	29,345
In the second to fifth years, inclusive	147,629	110,515
After five years	312,237	320,453
	500,190	460,313

No contingent rental receivable was recognised by the Group during the year (2013: Nil).

41. OPERATING LEASE ARRANGEMENTS *(continued)*

(b) The Group as lessee

The Group leases certain of its office properties under operating lease arrangements, with leases negotiated for terms ranging from one to fifteen years.

At 31 March 2014, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Within one year	1,021	973
In the second to fifth years, inclusive	1,343	1,973
After five years	1,344	1,694
	3,708	4,640

The Company had no operating lease arrangements as at 31 March 2014 (2013: Nil).

42. COMMITMENTS

At the end of the reporting period, neither the Group nor the Company had any significant capital commitments.

43. RELATED PARTY TRANSACTIONS

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

	<i>Notes</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Management fees received from associates	<i>(i)</i>	792	774
Management fees received from a related company	<i>(i)</i>	55	55
Rental income from related companies	<i>(ii)</i>	306	1,598

Notes:

- (i) The management fees were charged by reference to actual costs incurred for the services provided by the Group.
- (ii) During the year, rental income was charged to Fitness Concept Limited ("FCL") at HK\$26,000 per month. In the prior year, rental income was charged to FCL and one of FCL's subsidiaries at HK\$26,000 and HK\$185,000 per month, respectively. Mr. Tjia is a director of and has beneficial interests in the Company and FCL while Mr. Keung Kwok Cheung is a director of the Company and FCL. Tenancy agreement with FCL's subsidiary was early terminated since 1 November 2012.

43. RELATED PARTY TRANSACTIONS *(continued)*

(b) Outstanding balances with related parties:

- (i) Details of the Group's balances with its joint venture and associates as at the end of the reporting period are included in notes 18 and 19 to the financial statements, respectively;
- (ii) Details of the Company's balances with its subsidiaries as at the end of the reporting period are included in note 17 to the financial statements;
- (iii) Details of the Group's balances with its non-controlling shareholders as at the end of the reporting period are included in note 22 to the financial statements; and
- (iv) Details of the Group's balances with its related company as at the end of the reporting period are included in note 23 to the financial statements.

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

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

The related party transactions in respect of item (a)(ii) above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

44. FINANCIAL INSTRUMENTS BY CATEGORY

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

2014	Group		
Financial assets	Loans and receivables <i>HK\$'000</i>	Available- for-sale investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Available-for-sale investments	–	21,641	21,641
Amounts due from associates	4,748	–	4,748
Amount due from an investee	100	–	100
Accounts receivable	77,206	–	77,206
Financial assets included in prepayments, deposits and other receivables (note 28)	54,731	–	54,731
Pledged deposits	51,797	–	51,797
Cash and cash equivalents	129,474	–	129,474
	<u>318,056</u>	<u>21,641</u>	<u>339,697</u>
Financial liabilities			Financial liabilities at amortised cost <i>HK\$'000</i>
Accounts payable			59,191
Financial liabilities included in other payables and accruals			114,884
Amounts due to associates			48
Amount due to a related company			2,193
Amounts due to non-controlling shareholders			1,500
Interest-bearing bank borrowings			461,529
			<u>639,345</u>

44. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

2013	Group		
Financial assets	Loans and receivables <i>HK\$'000</i>	Available- for-sale investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Available-for-sale investments	–	21,641	21,641
Amounts due from associates	4,707	–	4,707
Amount due from an investee	100	–	100
Accounts receivable	102,682	–	102,682
Financial assets included in prepayments, deposits and other receivables (note 28)	27,289	–	27,289
Pledged deposits	64,207	–	64,207
Cash and cash equivalents	97,931	–	97,931
	<u>296,916</u>	<u>21,641</u>	<u>318,557</u>
Financial liabilities			Financial liabilities at amortised cost <i>HK\$'000</i>
Accounts payable			44,021
Financial liabilities included in other payables and accruals			80,155
Amounts due to associates			48
Amount due to a related company			761
Amounts due to non-controlling shareholders			1,500
Interest-bearing bank borrowings			381,683
			<u>508,168</u>

44. FINANCIAL INSTRUMENTS BY CATEGORY *(continued)*

	Company	
Financial assets		
	Loans and receivables	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash and cash equivalents	<u>61</u>	<u>161</u>
Financial liabilities		
	Financial liabilities at amortised cost	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial liabilities included in accruals	607	423
Amount due to a related company	3,080	977
Amounts due to subsidiaries	<u>64,595</u>	<u>49,595</u>
	<u>68,282</u>	<u>50,995</u>

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2014	2013	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial liabilities				
Interest-bearing bank borrowings	<u>187,779</u>	<u>175,066</u>	<u>187,779</u>	<u>175,066</u>

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals and amounts due from/to subsidiaries, a joint venture, associates and a related company approximate to their carrying amounts largely due to the short term maturities of these instruments.

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

As at 31 March 2014 and 31 March 2013, the Group did not have any financial assets measured at fair value.

Fair value hierarchy

The Group did not have any financial liabilities measured at fair value as at 31 March 2014 and 31 March 2013. As at 31 March 2014, the Group's financial liabilities not measured at fair value but for which fair values were disclosed included interest-bearing bank borrowings of HK\$433,404,000 (2013: HK\$356,317,000). The fair values of these financial liabilities disclosed were measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are unobservable (Level 3).

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2013: Nil).

The Company did not have any financial assets and liabilities measured at fair value as at 31 March 2014 and 31 March 2013.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, available-for-sale investments, balances with associates, an investee, non-controlling shareholders and a related company, cash and cash equivalents and pledged deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as accounts receivable, accounts payable, deposits and other receivables, and other payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

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

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates in Hong Kong and the PRC.

The interest rates and terms of repayment of interest-bearing bank borrowings are disclosed in note 33 to the financial statements. Other financial assets and liabilities of the Group do not have material interest rate risk. Interest-bearing bank loans and overdrafts, cash and bank balances, and short term deposits are stated at cost and are not revalued on a periodic basis. Floating-rate interest income and expense are charged to the consolidated statement of profit or loss as incurred.

The nominal interest rates of the financial instruments approximate to their respective effective interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in the Hong Kong dollar interest rate, with all other variables held constant, of the Group's profit before tax and equity (through the impact on floating rate borrowings).

Group

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax <i>HK\$'000</i>	Increase/ (decrease) in equity* <i>HK\$'000</i>
2014			
Hong Kong dollar	100	(4,173)	–
Hong Kong dollar	(100)	4,173	–
2013			
Hong Kong dollar	100	(4,241)	–
Hong Kong dollar	(100)	4,241	–

* Excluding retained profits

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)***Foreign currency risk**

The monetary assets and transactions of several subsidiaries of the Group are principally denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currently has no particular hedging vehicles to hedge its exposure to foreign exchange risk. It is the Group's policy to monitor foreign exchange exposure and to make use of appropriate hedging measures when required.

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

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in profit before tax HK\$'000	Increase/ (decrease) in equity* HK\$'000
2014			
If the Hong Kong dollar weakens against RMB	5	(18,722)	–
If the Hong Kong dollar strengthens against RMB	(5)	18,722	–
2013			
If the Hong Kong dollar weakens against RMB	5	(15,860)	–
If the Hong Kong dollar strengthens against RMB	(5)	15,860	–

* Excluding retained profits

Credit risk

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

The credit risk of the Group's other financial assets, which comprise amounts due from associates, an amount due from an investee, an amount due from a related company, available-for-sale investments, other receivables, cash and cash equivalents and pledged deposits, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's accounts receivable are widely dispersed in different sectors and industries.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable and other receivables are disclosed in notes 27 and 28 to the financial statements, respectively.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

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

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

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

Group

	2014			Total HK\$'000
	On demand HK\$'000	Less than 12 months HK\$'000	1 to 5 years HK\$'000	
Accounts payable	–	59,191	–	59,191
Financial liabilities included in other payables and accruals	114,884	–	–	114,884
Amounts due to associates	48	–	–	48
Amount due to a related company	2,193	–	–	2,193
Amounts due to non-controlling shareholders	1,500	–	–	1,500
Interest-bearing bank borrowings	–	330,632	161,745	492,377
	<u>118,625</u>	<u>389,823</u>	<u>161,745</u>	<u>670,193</u>
	2013			Total HK\$'000
	On demand HK\$'000	Less than 12 months HK\$'000	1 to 5 years HK\$'000	
Accounts payable	–	44,021	–	44,021
Financial liabilities included in other payables and accruals	80,155	–	–	80,155
Amounts due to associates	48	–	–	48
Amount due to a related company	761	–	–	761
Amounts due to non-controlling shareholders	1,500	–	–	1,500
Interest-bearing bank borrowings	–	250,846	196,584	447,430
	<u>82,464</u>	<u>294,867</u>	<u>196,584</u>	<u>573,915</u>

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)***Liquidity risk** *(continued)*

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

Company

	On demand	
	2014	2013
	HK\$'000	HK\$'000
Financial liabilities included in accruals	607	423
Amounts due to subsidiaries	64,595	49,595
Amount due to a related company	3,080	977
Guarantees given to banks in connection with banking facilities granted to subsidiaries	367,587	330,232
	435,869	381,227

Included in interest-bearing bank borrowings are certain of the Group's bank loans in the amount of HK\$114,418,000 (2013: HK\$123,600,000) of which the loan agreements contain repayment on demand clauses giving the banks the unconditional right to call in the loans at any time from 1 April 2015.

Notwithstanding the above clause, the directors do not believe that the loans will be called in in their entirety within 12 months, and they consider that these loans will be repaid in accordance with the maturity dates as set out in the loan agreements. This evaluation was made considering: the financial position of the Group at the date of approval of the financial statements; the Group's compliance with the loan covenants; the lack of events of default, and the fact that the Group has made all previously scheduled repayments on time.

In accordance with the terms of the loans, the contractual undiscounted payments at 31 March 2014 for the interest-bearing bank borrowings in respect of the Group are HK\$330,632,000 (2013: HK\$250,846,000) within one year, HK\$76,674,000 (2013: HK\$19,128,000) in the second year, HK\$58,059,000 (2013: HK\$95,205,000) in two to five years, and HK\$62,898,000 (2013: HK\$82,251,000) beyond 5 years.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2014 and 31 March 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. Net debt includes accounts payable, other payables and accruals, amounts due to associates, non-controlling shareholders and a related company, and interest-bearing bank borrowings, less cash and cash equivalents. Capital represents equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

	Group	
	2014	2013
	HK\$'000	HK\$'000
Accounts payable	59,191	44,021
Other payables and accruals	172,564	183,195
Amounts due to associates	48	48
Amounts due to non-controlling shareholders	1,500	1,500
Amount due to a related company	2,193	761
Interest-bearing bank borrowings	461,529	381,683
Less: Cash and cash equivalents	(129,474)	(97,931)
	<hr/>	<hr/>
Net debt	567,551	513,277
	<hr/>	<hr/>
Total capital	976,863	842,690
	<hr/>	<hr/>
Total capital and net debt	1,544,414	1,355,967
	<hr/> <hr/>	<hr/> <hr/>
Gearing ratio	37%	38%
	<hr/> <hr/>	<hr/> <hr/>

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 16 June 2014.

建築及裝修工程 Construction & Fitting Out Project



香港荃灣灰瑤角街2-6號

總承包建築工程，二十一層高工廠大樓（包括樁基礎及上蓋、機電及裝修工程）

No.2-6 Fui Yiu Kok Street, Tsuen Wan, Hong Kong

Main Contractor for redevelopment a 21-storey industrial building including construction of sub-structure and superstructure, E&M and fitting out works



香港九龍觀塘駿業街64號

總承包翻新工程，十五層高工商大樓（包括幕牆、機電及各層大堂裝修工程）

No.64 Tsun Yip Street, Kwun Tong, Kowloon, Hong Kong

Main Contractor for renovation a 15-storey commercial / industrial complex building including curtain wall, E&M and typical lobbies fitting out works



香港九龍尖沙咀北京道1號 Miu Miu

店舖裝修工程

Miu Miu at No.1 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong

Shop fitting out works

機電工程 E&M Project



香港科技大學 — 鄭裕彤樓

空調設備之安裝工程

The Hong Kong University of Science & Technology — Cheng Yu Tung Building

Building Services Installation (HVAC)



香港學堂國際學校

電氣及空調設備之安裝工程

Hong Kong Academy

Building Services Installation (Electrical & HVAC)