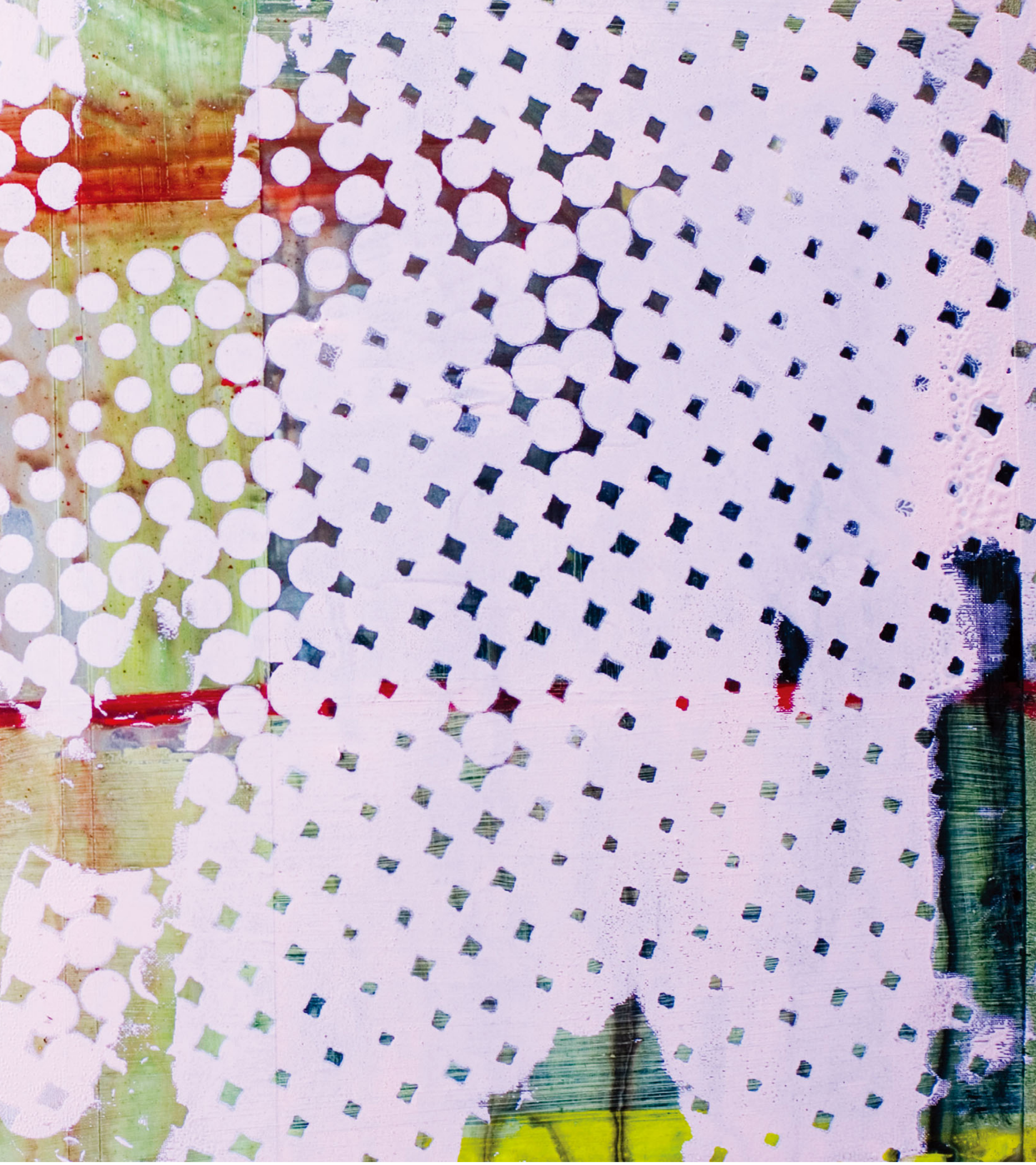


思城控股有限公司
C CHENG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code: 8320

2014 Annual Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the "Directors") of C Cheng Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; there are no other matters the omission of which would make any statement herein or this report misleading.

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Liang Ronald (Chairman)
Mr. Fu Chin Shing (Chief Executive Officer)
Mr. Wang Jun You
Mr. Lo Kin Nang
Mr. Ng Kwok Fai
Mr. He Xiao

Independent Non-Executive Directors

Mr. Lo Wai Hung
Mr. Wang Julius
Mr. Yu Chi Hang

AUDIT COMMITTEE

Mr. Lo Wai Hung (Chairman)
Mr. Wang Julius
Mr. Yu Chi Hang

REMUNERATION COMMITTEE

Mr. Yu Chi Hang (Chairman)
Mr. Fu Chin Shing
Mr. Lo Wai Hung

NOMINATION COMMITTEE

Mr. Liang Ronald (Chairman)
Mr. Wang Julius
Mr. Yu Chi Hang

AUTHORISED REPRESENTATIVES

Mr. Fu Chin Shing
Ms. Yu Wing Sze

COMPLIANCE OFFICER

Mr. Fu Chin Shing

COMPANY SECRETARY

Ms. Yu Wing Sze

REGISTERED OFFICE

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

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15th Floor
North Tower World Finance Centre
Harbour City
Tsim Sha Tsui
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
A18/F.
Asia Orient Tower
Town Place
33 Lockhart Road
Wanchai
Hong Kong

COMPLIANCE ADVISER

China Everbright Capital Limited
17th Floor
Far East Finance Centre
16 Harcourt Road
Hong Kong

HONG KONG LEGAL ADVISER

D.S. Cheung & Co., Solicitors
29th Floor
Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Hongkong and Shanghai and Banking Corporation Limited
HSBC Main Building
1 Queen's Road
Central
Hong Kong

CITIC Bank International Limited
232 Des Voeux Road
Central
Hong Kong

China Merchants Bank
Central Business Branch
1/F, Central Business Building
No. 88 Fuhua 1 Road
Shenzhen, P.R.C.

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor One Pacific Place
88 Queensway
Admiralty
Hong Kong

STOCK CODE

8320

CORPORATE WEBSITE

www.cchengholdings.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of C Cheng Holdings Limited and its subsidiaries (collectively the Group), it is my pleasure to present the annual report for the year ended 31 December 2014 to our business partners and shareholders.

2014 was a year of development. The Group invested in sectors related to 3D scanning and printing technology and thematic designs in respect of amusement parks and entertainment centres. The Group has confidence that the development of these new sectors will further enhance and complement our traditional sectors, as well as provide potential new revenue streams. Also, with the support of our well-established offices in Hong Kong and the PRC, the Group expanded the business by setting up a new office in Manila to strengthen our premium design services to other branch offices and cater to the regional opportunities in Philippines.

2014 was a year of recognition. The Board and I are extremely proud to announce that the Group, through our various efforts, was presented with six awards for our commercial, residential design excellence, and community volunteer services during the past year. The awards reflect the Group's continuous efforts to make improvements to both the hardware and software internally; the Group believes that this comprehensive approach will enable us to face challenges and constitute a sustainable direction in the future.

2014 was a year of challenge. Due to the slowdown in the economic growth of the PRC, the Group's main market posed challenges to our business growth, and this consolidation phase may continue into the first half of this financial year. Nevertheless, the Group's HK headquarters, PRC Design Institute, and all the regional branch offices, together with our professional disciplines, including town planning, interior design, and landscape

2014 was an inspiring year for the Group. It was a year of new development, market recognition, regional challenge, and profit growth. The core and newly established businesses of the Group will continuously and steadily perform a sound operating base which will deliver lasting returns for the shareholders.

architecture, will continue to pursue excellence within our services. Looking ahead, the Board will continue to pursue growth for the Group and enhance our status in a way that will reward shareholders.

2014 was a year of growth. The Group has enjoyed stable growth in revenue and profit during the past year, despite the slowdown in macro-economic growth and consolidation in the PRC. Revenue from the Group's continuing operations for the full year rose 18.6% over the previous year. The HK government is committed to expanding its housing land policy; together with the Group's multi-centre operations model and one-stop-shop capacity, we will continue to search for new revenue streams to develop a higher-operating, efficiency-enhanced brand image and adhere to the Group's service-oriented philosophy. The Board remains optimistic about the medium-term prospects.

Finally, the Board and I wish to express our sincere gratitude to our shareholders and clients for their support and trust. Heartfelt thanks are also due to our staff and fellow directors for their hard work and dedication. I will continue to work with other members of the Board to guide the Group and ensure that it continues to develop in a sustainable and healthy manner amidst intense competition, continuing to deliver lasting returns for our shareholders.

Mr. Liang Ronald
Chairman

Hong Kong, 24 March 2015

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group maintained its market position as one of the leading comprehensive architectural service provider in Hong Kong and the PRC.

During the year, the Group maintained a steady growth of 18.6% in revenue, and secured 125 new contracts with contract sums of approximately HK$433,000,000 in Hong Kong and the PRC. As at 31 December 2014, the Group had remaining contract sums of approximately HK$1,064,000,000. Architecture, contributing 90.3% of the revenue, continued to be our mainstream of practice.

Besides architecture, the service of: (a) landscape architecture; (b) town planning; (c) interior design; and (d) heritage conservation, maintained its stable contribution to the revenue of the Group. In term of contract sum, these four sectors contribute 7.2% of all the contracts signed. In 2014, these four sectors contributing 9.7% of the revenue of the Group. The Directors believe that these sectors will be having significant growth in the years to come.

The proven track record and investment in latest technology put the Group in a strong position to take advantage of the business opportunities ahead, and reinforce its leading market position amid the intense competition.

FINANCIAL REVIEW

Revenue

Revenue for the year ended 31 December 2014 was HK$384,384,000, when compared with that of HK$324,007,000 in 2013, representing an increase of 18.6%. The increase was attributable by the increase of revenue generated by the provision of service of architecture as well as the increase of revenue generated from the provision of service of landscape architecture, town planning, interior design and heritage conservation.

Dunbar Place, Ho Man Tin

Cost of services

Cost of services for the year ended 31 December 2014 amounted to HK$269,832,000, when compared with that of HK$231,561,000 in 2013, representing an increase of 16.5%. The increase was mainly driven by the rise in direct labour costs and overhead costs as a result of the expansion of the Group during the year.

Gross profit and gross profit margin

The gross profit for the year ended 31 December 2014 amounted to HK$114,552,000, when compared with that of HK$92,446,000 in 2013, representing an increase 23.9%. The increase was mainly attributable to improvement of cost efficiency from streamlining the work flow of our projects during the year.

The gross profit margin of the Group for the year ended 31 December 2014 was 29.8%, which maintained stable when compared with previous year.

Administrative expenses

Administrative expenses for the year ended 31 December 2014 amounted to HK$75,073,000 (2013: HK$57,522,000), representing an increase of 30.5%. The increase was mainly due to (i) a growth in staff costs by HK$7,826,000 as a result of an increase of average salary, bonus and headcount; (ii) expenses on promotion of investor relations and professional fees on general legal and compliance advisory; and (iii) rental and other office expenses on expansion of our offices and teams during the year.

Profit for the year

The profit for the year ended 31 December 2014 was HK$28,291,000, as compared to HK$11,172,000 in the previous year.

Li Xiang Lake, Chongqing

LIQUIDITY AND FINANCIAL RESOURCES

	As at 31 December	
	2014	2013
	HK$'000	HK$'000
Current assets	**303,878**	274,469
Current liabilities	**205,739**	193,152
Current ratio	**1.48**	1.42

The current ratio of the Group at 31 December 2014 was 1.48 times as compared to that of 1.42 times at 31 December 2013. It was mainly resulted from an increase in the accounts due from customers for contract work with the working progress of the projects during the year.

At 31 December 2014, the Group had total bank balances and cash and pledged bank deposits of approximately HK$58,078,000 (2013: HK$58,955,000). The unutilised bank overdraft is approximately HK$3,380,000 (2013: HK$1,269,000) as at 31 December 2014.

At 31 December 2014, the Group's gearing ratio (represented by amounts due to directors, obligations under finance leases and bank overdraft divided by equity) amounted to approximately 0.8% (2013: 4.4%).

The Group's borrowings have not been hedged by any interest rate financial instruments. The Group's financial position is sound and strong. With available bank balances and cash and bank credit facilities, the Group has sufficient liquidity to satisfy its funding requirements.

Tiley Royal Bay, Hainan

PROSPECTS

In 2015, the Group will continue to be a one-stop design solution provider with the systematic application of its multi-centre operation model. Leveraging its accumulated experienced in design and project execution. With its diversified service portfolio, the Group will actively explore opportunities derived from the urbanisation development in Asia, which has remained steady in recent years.

Perceiving the market potential of new technology and design sectors, the Group is in process of enhancing its business edge by 3D scanning and printing technology, and the design services for amusement parks and entertainment centers. The Directors believe that the Group's 3D-related disciplines and thematic design services have competed the trials and testing periods. The Group is well equipped to handle the actual needs of the current construction industry and its consumer segment. These services are ready to be introduced to market in 2015.

The Directors envision the growth in housing construction volume and land supplies in Hong Kong will remain sustainable in 2015. Business operations in Hong Kong are expected to make substantial contributions to the Group's revenue and this is, backed by a relatively stable economy prospect in local market, complemented by the Group's diversified business portfolio.

Given that the property market in the PRC has stepped into a consolidation period, the Group will take strategic moves to explore new business opportunities to strengthen its leading position in the current market. The Group will also capture development potentials by considering further expansion of its business reach by means of merger and acquisition.

In response to the rising momentum of urbanisation in Asia Pacific region, the Group will continue to pursuit excellence in design and efficiency in executions for traditional sectors. Furthermore, the Group plans to leverage its network and increase participation in selected overseas market, with the aim of securing new clientele and stimulating business growth where it maximises its existing strength.

FINAL DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2014 (2013: Nil).

CAPITAL STRUCTURE

There has been no change in the capital structure of the Group during the year ended 31 December 2014. The capital of the Group only comprises of ordinary shares.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi. As at 31 December 2014, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

SIGNIFICANT INVESTMENT

During the year ended 31 December 2014, the Group did not have any significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the year ended 31 December 2014, the Group had no future plan for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2014, the Group had no material acquisitions and disposals of subsidiaries.

PLEDGE OF ASSETS

As at 31 December 2014, the Group has pledged short-term bank deposits with an aggregate carrying amount of HK$2,545,000 (2013: HK$2,545,000) to banks to secure bank overdraft granted to the Group.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2014 (2013: Nil).

COMMITMENTS

The contractual commitments of the Group are primarily related to the leases of its office premises. The Group's operating lease commitments amounted to approximately HK$48,878,000 (2013: HK$35,741,000) as at 31 December 2014.

As at 31 December 2014, the Group did not have any significant capital commitments (2013: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2014, the Group employed around 670 (2013: 600) employees.

Employees are remunerated according to nature of the job, market trend and individual performance. Employee bonus is distributable based on the performance of the respective subsidiaries and the employees concerned.

The Group offers competitive remuneration and benefit package to our employees. Our employee benefits include mandatory provident fund, employee pension schemes in the PRC, medical coverage, insurance, training and development programs and options that were granted under the pre-IPO share option scheme or may be granted under the share option scheme both of which were approved by the shareholders of the Company on 5 December 2013.

Chengdu IFS

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus for the period from 8 December 2013, being the latest practicable date as defined in the Prospectus, to 31 December 2014 with the Group's actual business progress is set out below:

Business objectives for period from 8 December 2013 to 31 December 2014	Actual Business Progress up to 31 December 2014
1. To enhance the Group's information technology infrastructure	
• invest resources and carry out the build-up and conduct the testing of the design information management platform, cost management system, building information modelling system and three-dimensional ("3D") printing technology	• A professional team on building information modeling (BIM) had been set up and performing pilot runs to integrate BIM with 3D printing with promising results • Implementation of 3D photogrammetry and image processing technologies to develop new services and products for building construction sites and major infrastructure works • Cost management system was in the progress of enhancing. Data collection for the project information management platform was also in progress
2. To carry out marketing activities in the PRC	
• organise design forums, seminars or conferences with academic institutions or professional bodies/associations in order to promote the Group's "Go Green" building design idea continuously	• The Group's delegation attended the 10th International Conference on Green and Energy Efficient Building & New Technologies and Products Expo in Beijing in late March 2014
• carry out design exhibitions in first tier cities in the PRC	• The Group participated as an exhibitor in Bi-City Biennale of Urbanism\Architecture • LWK Hong Kong was appointed as a curator for Hong Kong Exhibition at the 14th Venice Biennale International Architecture Exhibition 2014. Total member of visitors to Hong Kong Pavilion reached approximately 34,000 during the exhibition period • LWK Hong Kong was registered to exhibit in International Association of Amusement Parks and Attractions (IAAPA) Asian Attractions Expo 2014 opened in Beijing in June 2014

Business objectives for period from 8 December 2013 to 31 December 2014	Actual Business Progress up to 31 December 2014
• provide sponsorships to architecture programmes at the university level in the PRC	• LWK Hong Kong was a platinum sponsor of 18th Master of Architecture Graduation Show of The Chinese University of Hong Kong. • LWK Hong Kong sponsored Hong Kong Design Institute Graduation Show that showcased students work to the public in June 2014 • LWK Landscape Limited, a subsidiary of the Group, sponsored. The Hong Kong Institute of Landscape Architects 25th Anniversary's Event in July 2014 • Paralab Limited, a subsidiary of the Group, sponsored The University of Hong Kong as the technology partner in 3D scanning and 3D printing for their urbanisation program in Myanmar
• directly carry out advertisement through various media platforms	• Advertisement on Shenzhen construction net (www.szjs.com.cn) • LWK Yiheng was appointed as adviser of the Times House Magazine which is a real estate publication in the PRC • LWK Yiheng was appointed as a Council Member of the New Architecture Magazine which is an architecture journal in the PRC • A Director being key speaker in the Summit on Retail Complex Development and Design of the PRC held at Hilton Xian • A staff of LWK Hong Kong was interviewed by South China Morning Post on a conceptual design of "Detox Home" and on how to make a dream home into reality
3. To expand the Group's offices and teams	
• set up offices for the operations of landscape architecture, town planning and interior design to cater for our potential growth of these three practice areas	• Hong Kong office was expanded for the operation of landscape architecture, town planning and interior design
• carry out our expansion and transformation of our current offices in first tier cities in the PRC to regional offices	• Shenzhen, Shanghai and Guangzhou offices were expanded with more operation space and facilities
• develop our offices in second-tier cities in the PRC to provide design support to our Hong Kong headquarters and other regional offices	• Office enhancement was done for Chengdu office

USE OF PROCEEDS

During the year ended 31 December 2014, the net proceeds from the Placing had been applied as follows:

	Planned use of proceeds (adjusted with final placing price) as stated in the Prospectus during the period from 20 December 2013 (Listing Date) to 31 December 2014	Actual use of proceeds during the year ended 31 December 2014
	HK$ million	HK$ million
To enhance our information technology infrastructure		
• Design Information	1.4	0.6
• Cost Control/Resources Management	1.1	0.7
• BIM/3D Printing	1.0	2.4
To carry out marketing activities in the PRC	1.2	1.3
To expand our offices and teams	3.8	9.2
	8.5	14.2

Notes:

(a) The business objectives as stated in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

(b) The unused net proceeds as at 31 December 2014 have been placed as interest bearing deposits with licensed bank in Hong Kong.

(c) Actual use of proceeds on enhancement of our information technology infrastructure was lower than planned use of proceeds because the testing and implementation plan of the design information and cost management systems has been rescheduled to the first quarter of 2015 for thorough data transfer. Also, internal programmer has been assigned to establish our database programs, hence, no outsource is required.

(d) Actual use of proceeds on expansion of our office and teams was higher than planned use of proceed because the Group has speeded up its development by setting up and expanding several offices in the PRC during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Liang Ronald (梁鵬程), aged 65, was appointed a Director on 13 May 2013 and redesignated as the chairman of the Group and an executive Director on 5 December 2013. Mr. Liang is a founder of the Group and is responsible for the overall corporate development of the Group, managing relationships with clients and exploring new business opportunities. Mr. Liang graduated from the school of architecture of the South Australian Institute of Technology, Adelaide, Australia with a diploma in technology (architecture) in 1975.

Mr. Liang has over 30 years of experience in the architectural service industry with over 25 years of experience in Hong Kong. Prior to the establishment of Liang Wong Kou & Partners HK in 1985, Mr. Liang developed his career in architectural practices in Australia. Mr. Liang has also gained project experience from numerous projects in Hong Kong, the PRC, Macau and South Korea. In terms of community service, Mr. Liang is currently an executive committee member of the Association of Architectural Practices in Hong Kong.

Mr. Liang has been a registered architect in the state of New South Wales since 1980, an authorised person under the Buildings Ordinance of Hong Kong since 1984, a registered architect in Hong Kong since 1991, and a holder of class 1 registered architect qualification in the PRC since 2004. He also holds memberships in the following institutes:

- the Australian Institute of Architects since 1977;
- the Royal Institute of British Architects since 1981; and
- the Hong Kong Institute of Architects ("**HKIA**") since 1989.

Mr. Liang is a director of certain subsidiaries of the Group.

Mr. Fu Chin Shing (符展成), aged 48, is the compliance officer of the Company and was appointed as the chief executive officer of the Group and an executive Director on 5 December 2013. He joined the Group in 1991 and was promoted to the rank of director in 1998. He is primarily responsible for overseeing the overall operations and strategic planning of the Group, managing relationships with clients and exploring new business opportunities. He graduated from the University of Hong Kong with a bachelor's degree of arts in architectural studies in 1988 and a bachelor's degree in architecture in 1991.

Mr. Fu has over 22 years of experience in the architectural service industry in Hong Kong and the PRC.

He has been an authorised person under the Buildings Ordinance of Hong Kong and a registered architect in Hong Kong since 1993. He holds professional membership in the HKIA since 1992. He is also a class 1 registered architect in the PRC.

Mr. Fu is a director of certain subsidiaries of the Group.

Mr. Wang Jun You (王君友), aged 50, was appointed as an executive Director on 5 December 2013. Mr. Wang joined the Group with the rank of director in 2011. Mr. Wang is primarily responsible for strategic planning and overseeing the operations in the PRC, managing relationships with clients and exploring new business opportunities. He graduated from Tsinghua University with a master's degree in architecture in 1989.

Mr. Wang has over 25 years of experience in the architectural service industry in the PRC. He has obtained a class 1 registered architect in the PRC since 2001. Prior to joining the Group, Mr. Wang has gained managerial experience in architectural companies in the PRC. He has been involved in residential projects in the PRC. Mr.Wang is a director of a significant subsidiary established in the PRC. Mr. Wang is the spouse of Ms. Li Min, a member of senior management of the Group.

Mr. Lo Kin Nang (盧建能), aged 45, was appointed as an executive Director on 5 December 2013. He joined the Group in 1997 and was promoted to the rank of director in 2010. He is responsible for strategic planning, corporate development and overseeing the operations in Hong Kong. He graduated from the University of New South Wales in Australia with a bachelor's degree in architecture in 1996.

Mr. Lo has over 18 years of experience in the architectural service industry mainly in Hong Kong by being involved in projects in Hong Kong and the PRC. He served as an evaluation expert member of the Shenzhen Construction Bureau (深圳市住房和建設局建設工程評標專家庫專家成員) in 2012.

Mr. Lo has been a registered architect in Hong Kong since 2001 and a BEAM Pro since 2011. He holds professional membership in the HKIA since 2001. He is also a class 1 registered architect in the PRC.

Mr. Ng Kwok Fai (吳國輝), aged 44, was appointed as an executive Director on 5 December 2013. He initially joined the Group in 1996 and later rejoined in 2004. He was promoted to the rank of director in 2010 and is responsible for overseeing the operations in Hong Kong. He graduated from the University of Hong Kong with a bachelor's degree in arts (architectural studies) in 1992 and a master's degree in architecture in 1995.

Mr. Ng has over 16 years of experience in the architectural service industry in Hong Kong. He was involved in the Group's projects in Hong Kong and the PRC.

Mr. Ng has been a registered architect in Hong Kong since 1998 and an authorised person under the Buildings Ordinance of Hong Kong since 1999. He holds professional membership in the HKIA since 1998. He is also a class 1 registered architect in the PRC.

Mr. He Xiao (何曉), aged 47, was appointed as an executive Director on 5 December 2013. He joined the Group with the rank of director in 2007 and is responsible for overseeing the operations in the PRC, managing relationships with clients and exploring new business opportunities. He graduated from Huazhong University of Science & Technology (華中科技大學) in 1988 with a bachelor's degree in architecture.

Mr. He has over 10 years of experience in the architectural service industry. He has gained project experience by being involved in architectural design, urban and landscape design projects in the PRC.

Mr. He is a director of certain subsidiaries of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lo Wai Hung (盧偉雄), aged 55, was appointed as an independent non-executive Director on 5 December 2013. He graduated from James Cook University of North Queensland with a bachelor's degree in commerce in 1985. He is an associate member of the Institute of Chartered Accountants in Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Lo is an independent non-executive director of Shandong Weigao Group Medical Polymer Company Limited (stock code: 1066) and Talent Property Group Limited (stock code: 760), the shares of both companies are listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and an independent director of China Merchant Property Development Co. Ltd. (stock code: 000024), the shares of which are listed on the Shenzhen Stock Exchange.

Mr. Wang Julius (王哲身), aged 53, was appointed as an independent non-executive Director on 5 December 2013. He received his undergraduate studies in economics at the University of New Hampshire and a master's degree in business administration from Harvard Business School in 1991. Mr. Wang has experience in the investment management industry. He was most recently a managing director of Samena Asia Managers Limited between 2009 and 2014. Mr. Wang was previously a managing director of China Apollo Holdings Limited (stock code: 512) between 1997 and 1998 and a non-executive director of Symphony Holdings Limited (stock code: 1223) in 2001, the shares of both companies are listed on the Stock Exchange.

Mr. Yu Chi Hang (alias, Yue Chi Hang) (余熾鏗), aged 65, was appointed as an independent non – executive Director on 5 December 2013. He graduated from the University of Hong Kong with a bachelor's degree in architectural studies in 1972 and a bachelor's degree in architecture in November 1974. He also holds professional membership in the HKIA since 1976. Mr. Yu has over 32 years of service with the Hong Kong government. He joined the Hong Kong government as graduate architect in 1976 and was promoted to chief architect in February 1988. He was appointed as the deputy director of the Architectural Services Department in July 1998. He took up the position of director of the Architectural Services Department in November 2002 and retired in July 2009. Mr. Yu received the Silver Bauhinia Star award from the Hong Kong government in 2009 and was previously an official Justice of the Peace.

Chongqing International Community

SENIOR MANAGEMENT

Mr. Chan Pak Yuen (陳柏源), aged 37, is the director of architecture. He is responsible for the operations in Shenzhen. Mr. Chan graduated from the University of Hong Kong with a bachelor's degree in architectural studies and a master's degree in architecture in December 1999 and December 2002, respectively. He joined the Group in July 2002 as an architectural assistant and was promoted to the rank of director in April 2012. Mr. Chan has been a registered architect in Hong Kong and has held professional membership in the HKIA since 2006.

Mr. Chan Chui Man (陳聚文), aged 39, is the director of architecture. He is responsible for assisting the executive Directors in overseeing the operations in Hong Kong. Mr. Chan graduated from the University of Hong Kong with a bachelor's degree in architectural studies and a master's degree in architecture in December 1997 and November 2000, respectively. He joined the Group in June 2000 as an architectural assistant and was promoted to the rank of director in Jan 2014. Mr. Chan has been a registered architect in Hong Kong since 2003, an authorised person under the Buildings Ordinance of Hong Kong since 2014, a LEED AP of US Green Building Council since 2009 and a BEAM Pro since 2011. He has held professional membership in the HKIA since 2003.

Mr. Ma Kwai Lam Lambert (馬桂霖), aged 46, is the director of architecture. He is responsible for assisting the executive Directors in overseeing the operations in Hong Kong. Mr. Ma graduated from Virginia Polytechnic Institute and State University, USA with a bachelor's degree in architecture in 1995. He joined the Group in July 2009 and was promoted to the rank of director in Jan 2014. Mr. Ma has almost 20 years of experience in the architectural service industry in Hong Kong. Mr. Ma has held professional membership in the HKIA since 2011 and has been a registered architect in Hong Kong since 2012.

Ms. Yu Wing Sze (余詠詩), aged 38, is the company secretary and authorised representative of the Company and chief financial officer of the Group. She is responsible for overseeing the overall financial management of the Group. Ms. Yu graduated from the University of Hong Kong with a bachelor's degree in accounting and finance in December 1998. She joined the Group and served as finance and accounting director of LWK (Hong Kong) in August 2011. She has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since 2003. She was admitted as a member and a fellow of the Association of Chartered Certified Accountants in November 2001 and December 2006, respectively. Ms. Yu has over 16 years of accounting and auditing experience accumulated for working for international accounting firm and a main board listed company in Hong Kong.

Ms. Li Min (李敏), aged 50, is the financial controller of LWK Yiheng and LWK Shenzhen. She is responsible for the finance, administration and human resources management for the operations in the PRC. Ms. Li graduated from the Liaoning University (遼寧大學) with a bachelor's degree in biology in July 1988. Ms. Li was accredited as an engineer (工程師) by the Title Management Office of Shenzhen City (Second Evaluation Committee of Engineer Qualification of Construction Engineering) (深 圳市職稱管理辦公室(深圳市建築工程技術工程師資格第二評審委員會)) in November 1999 with over 10 years engineering experience. Before joining the Group in 2011, Ms. Li served as financial controller and deputy general manager in an architectural firm in Shenzhen and having many years managerial experience. Ms. Li is the spouse of Mr. Wang, an executive Director and a significant Shareholder of the Group.

Ms. Zhang Li Juan (張麗娟), aged 50, is the operations controller in the PRC. She is responsible for the operations and contract management for the projects in the PRC. Ms. Zhang graduated from Chongqing Professional Construction College (重慶建築專科學校) with a professional certificate in management in construction engineering (建築工程管理專業) in July 1988. Ms. Zhang has over 20 years of managerial experience in operations and/or contract departments. She was accredited as an engineer (工程師) by the Title Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in March 1998.

Top: Trinity Tower, Cheung Sha Wan
Bottom: Mount One, Fanling

ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

C Cheng Holdings Limited is one of the leading comprehensive architectural service provider in Hong Kong and the PRC. Its corporate mission is the pursuit of excellence in architectural design, with the goal of improving the quality of life through architecture while enhancing both personal and public living environments. The Group sees itself as providing a benchmark for excellence in performance for the industry as a whole.

The Group is a leading knowledge-based professional consultancy manned by a large group of experts in their fields, who share a common vision for architectural design: functional, sustainable, and user-friendly. Without the knowledge base of architects, designers, and facilitators, the Group could never have achieved its current leading position. Quite simply, its human resources are its most important asset. Retaining and nurturing talent, and growing its talent base, are among its key priorities.

The first part of this environment, social and governance report describes the efforts the Group has made and continues to make in workplace quality to ensure it is a place that architects and other design professionals aspire to be a part of. It speaks to both the vibrant corporate culture the Group striving to achieve for its employees and the many benefits that inspiring loyalty and a wholehearted commitment to its corporate goals.

As a consultancy-based business, the Group is not a manufacturer or producer of goods. Its environmental impact is measured primarily through the sustainability features of the design work the Group undertakes for its clients, which is tailored to different kinds of environments and conditions throughout Asia.

The second part of this report lays out the Company's credentials in sustainable design, and showcases the work it is doing to make environmental substainability a core part of the overall design process.

High-quality architectural design is about enhancing living and working environments for everyone. To do this, architects must reflect constantly on the needs of every part of the community. Therefore, it is only natural that the Group places great emphasis on community participation. It does this by both sponsoring and donating to worthy social causes and by encouraging its staff members to play their own parts in the communities where it operates. By doing so, the Group is extending its interaction with the people it serves and playing a wider part in creating a better society for all. These efforts of contributing to the society are outlined in the third part of this report.

WORKING AMBIENCE

The Group designs for clients and users of all ages, nationalities, genders, and socio-economic backgrounds, so it is essential for the workplace to reflect the diversity of human experience. The Group is an equal-opportunity employer, and its market-leading position has been built on a policy of encouraging talent and hiring such talent regardless of age, gender, ethnicity, or religion. As of 31 December 2014, the Group has employed about 670 staff Located among Hong Kong, the PRC and Asia Pacific.

Creativity is at the heart of much of what the Group does; shaping the right environment for creativity and diversity is essential. Its commitment to diversity means ensuring that it has a good balance of male and female employees and that it selects and retains experts from different nationalities, ethnicities, and cultural backgrounds to create environments where the flow of ideas and experience generates exciting and creative outputs.

The rights of women and minority groups are built into the Group's employment policies. The office handbook, being available to all staff, includes the relevant clauses of Hong Kong's Equal Opportunities Policy, as a firm statement of reiterating it as company policy. This is applied in all areas, from recruitment to promotion. The employee pay scale is based solely on the professional qualifications, performance and the seniority of staff, and this is clearly stated in its salary system details. In 2014, the Group employed 425 male employees (approximately 63% of its workforce) and 246 female employees (approximately 27% of its workforce) across Hong Kong, the PRC, and Asia Pacific. This ratio reflects the current proportions for the architectural design industry, in which more men than women tend to graduate and move into the profession.

As a knowledge-based professional consultancy firm in an industry in which creativity and innovation are much prized, the Group constantly enhances the skills and professionalism of its staff. The Group believes it is in its interest to advance its employees in their careers, expose them constantly to new ideas, and to encourage and facilitate their ongoing professional training. It undertakes this in two main ways: professional and personal sharing sessions and workshop activities.

The Group organises various sharing sessions to enable its senior staff to pass on valuable information to others, in conjunction with in-house training that covers basic technical skills. Over the past year, these sharing sessions and training courses have covered topics, such as architectural lighting, three-dimensional printing and modelling techniques, and the principles of feng shui. The Group has also sponsored numerous project-specific seminars. In addition, it provides up to ten days of examination leave for staff pursuing professional qualifications, and periodically provides staff with opportunities for overseas travel and training.

Providing a comfortable and creative working environment for its employees further enhances the spirit of collaboration at the Company. The Group promotes social events to encourage cohesiveness and a team spirit among staff. To this end, the main offices are each set up with a bar area where staff can relax and socialise after work. Besides providing valuable opportunities to socialise, these activities offer opportunities for creative brainstorming, sharing ideas, and building stronger internal bonds among the workforce. Major annual social events include a Christmas party with festive food, and a spring dinner following the Chinese New Year break; both include part games and lucky draws.

The Group strives to maintain a positive and happy atmosphere across its operations. Recognising that at times issues may arise that could compromise this atmosphere, it has an established grievance procedure that allows staff to raise, discuss, and resolve any problems they may encounter in their work environments. All grievances are handled independently with complete confidentiality.

ENVIRONMENTAL PROTECTION

The Group is a knowledge-based consultancy firm focusing on the design of different types of built environments. Its physical operations are primarily office based with minimal environmental impact. Its most significant environmental impact comes from the quality of architectural design and landscaping work. The buildings the Group designs will occupy a place in the wider environment for decades, perhaps centuries. The Group, therefore, insists that within the briefs provided by clients, sustainability and environmental friendliness should be at the forefront of its presentation.

The Group has over twenty-five years of experience in designing optimally efficient buildings with close attention paid to the use of natural resources, which reduced environmental impact, and lower running costs. Over the years, the Group has accumulated key in-house professionals with special expertise in sustainability. Currently, it has more than twenty senior staff with professional qualifications in green building and design. These personnel ensure that new developments in materials and technology for sustainability and energy efficiency are constantly being incorporated into its clients' designs, and that the Group is designing buildings with a zero carbon impact on the environment. At the same time, these environmental features also improve the surroundings and enhance the sustainability of the communities in which they are situated.

In short, the Group is leading the way in promoting best practices in environmental design and the move towards sustainability. This is illustrated by the fact that many of buildings designed by the Group have been widely recognised as displaying excellence through their environmental and energy efficient designs. In terms of energy saving, all its designs meet the stringent sustainability criteria of Hong Kong's LEED, BEAM Pro, or Beam Plus certification under the Hong Kong Green Building Council. The Company is a member of the Business Environment Council, the China Green Building (Hong Kong) Council, and the Hong Kong Green Building Council.

Many of the Group's recent or ongoing projects demonstrate a commitment to sustainability. One such project is the town planning design for the luxury development in the ecologically precious Mai Po area of northeast Hong Kong. Celebrated as a wetland area that attracts numerous migratory birds, Mai Po has strict development regulations governing the Wetlands Restoration Area. The Group's master layout plan design concept for Wo Shang Wai adopts a delicate balance between aesthetics, development, sustainability, and the environment, and it is a showcase of how it blends sustainable design concepts with luxury living requirements. Conversely, the design for the Qilin Sci-Tech Innovation Park in Nanjing has a different character. The project, composed of the corporate headquarters for SINOPEC, data and research centres, IT offices, and hotel and shopping facilities, has been designed as a low-carbon comprehensive development. This means all aspects of its design and construction account for carbon emissions reduction at the design level.

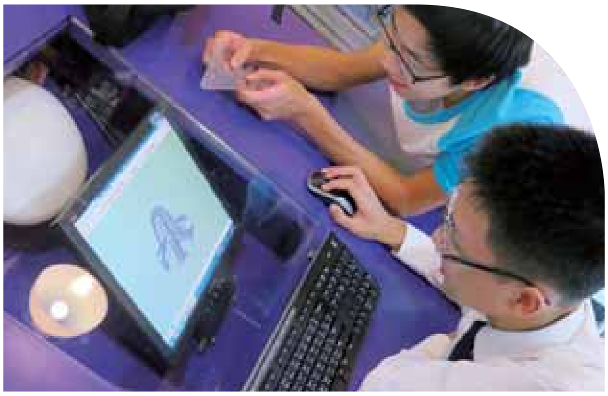
For the internal operations, principles of green operations and environmental protection are implemented in a number of different areas. As an architectural service provider, paper is a major component of the Group's production work. Staff members are encouraged to print double sided and two pages per sheet where possible. All waste paper is collected on a weekly basis for recycling and, more generally, employees are educated in the principles of 'reduce, reuse, and recycle'. Energy consumption is kept to a minimum.

COMMUNITY INVOLVEMENT

Ultimately, the Group's architectural design and consultancy work serves a vast spectrum of groups and individuals within society. The building blocks of the Group's design philosophy are diversity, accessibility, and social cohesion. This part is logically extended into its programme of community participation, where it assists the widest possible variety of groups and individuals.

There are two aspects to the Group's social involvement and contributions. On one hand is 'active' participation; this refers to the Group's proactive involvement in running sponsorships, offering donations and, in similar ways, providing various groups with concrete assistance in areas of need. The other aspect is 'passive' contributions, encouraging and facilitating staff to become involved in community activities and charitable/voluntary work. In both these areas it aims to serve a diverse segment of society, from primary school students to the elderly and all stages in between. In 2014, more than 1,000 people in need benefited directly from financial and knowledge-based contributions from the Group and its staff.

An important way in which the Group organises its active social contributions is by taking part in charitable social programmes run by outside bodies. For instance, the Group is very active in the Building a Five-Star Home programme organised by St James' Settlement, which directly benefited 178 primary school students throughout 2014. The Group has been participating in this programme for four years, and its efforts were recognised in October 2014 when it received an excellence award in the 2013–14 Best Corporate Volunteer Service Project competition organised by the Social Welfare Department.



The Group's professional expertise is often the most valuable assets offered to its external charity partners. Under Project WeCan, organised by Wharf Holdings, the Group offered new learning opportunities for students from fourteen secondary schools across Hong Kong in 2014. Furthermore, the Group offered free consultancy services on architectural design for the Hong Kong Jockey Club Shenzhen Society for Rehabilitation Yee Hong Heights (YHH), which provides both long-term and short-term residential nursing care for the elderly and intensive rehabilitation therapy programmes. The Group's input directly benefited 360 elderly people and people with disabilities in both Hong Kong and the PRC by enhancing their living conditions. Similar participation in the Light Be project run by Social Ventures helped needy families find rental properties to alleviate their poverty, an initiative that benefited forty-five families and over 100 needy individuals over the year.

The Group's expertise as architects and designers is something that can be profitably shared with the community. It regularly tries to inspire talented young people to enter the profession and to help the public generally understand the value of good design for better living. With these goals in mind, the Group sponsored career talks for architecture students as part of the architecture month of The Hong Kong Institute of Architects, "Hey June! 30 Days of Architecture!" It also sponsored the eighteenth Master of Architecture Graduation Show at The Chinese University of Hong Kong and the Hong Kong Design Institute Graduation Show. The Group was delighted that these efforts resulted in a business excellence certificate of recognition under the Partner Employer Award organised by the Hong Kong General Chamber of Small and Medium Business in December 2014.

In terms of what the Group calls 'passive' community efforts, it has seen remarkable and enthusiastic efforts from its staff around the region, especially in the Hong Kong base. The company policy stresses that employee participation is to be encouraged and supported, not simply because of the benefits it brings to the organisations concerned. There is a real interaction at grass-roots level between staff and the wide range of members of the public served in the business, bringing valuable insights for the Group.

In 2014, many staff participated wholeheartedly in the Community Chest Corporate Challenge 2014 and the Community Chest Wheelock Swim for a Million 2014, with two teams of swimmers representing the Company. Staff also participated in Green Revolution of the Rainbow Foundation by showing support for the needy and underprivileged in the community while raising much-needed funds. Among its many welfare activities, the Company showed support for environmental protection in Hong Kong by both donating to and participating in the Vanke Run for Fun event on 13 December 2014. This provided funds in support of the conservation and education work of the World Wide Fund for Nature Hong Kong.

The Group recognises the value of Corporate Social Responsibility (CSR) engagement and the need to continue looking for appropriate social initiatives to engage in. To this end it has established a Youth Chamber in 2014. Reporting directly to the top management, the Youth Chamber brings together talented designers and architects to stimulate discussion and elicit suggestions relating to CSR initiatives and to encourage staff to take part in the CSR programmes run or sponsored by the Group. The Chamber is currently made up of 12 members from different teams and offices and meets on an ad hoc basis. It plays an important role in driving the Group's overall efforts in support of a wide spectrum of deserving causes within the community.

As with its environmental efforts, a significant aspect of the Group's contribution to society lies in the nature of the work it is engaged in. Its urban renewal and heritage conservation design work, for instance, plays an important part in rejuvenating living environments and enhancing city life for the communities living there. Its commitment to heritage conservation and the role it plays in helping government and related bodies successfully preserve heritage buildings and landscapes is vital in terms of helping transmit cultural history, care for precious relics of past eras, and integrating the traces of the region's history into contemporary living. Society as a whole benefits from these heritage preservation projects on a number of levels. The Group's work in successfully preserving heritage buildings involves not simply extending the lives of old buildings, but also in creating new and innovative uses for historic buildings, promoting active public participation in heritage conservation, and creating improvements at the community level.

In Hong Kong, the Group has been involved in the preservation of a number of buildings of great cultural and historical significance, including: the former Legislative Council Building in Central; the Blue House Cluster in Wan Chai; Murray House in Stanley; the Fanling Magistracy Building; and the Lam Tsuen Wishing Forest Pavilion. These major projects prove the Group's commitment to sensitive heritage management, with outcomes that enable communities to revitalise historical areas, not as mere museum pieces, but as vibrant parts of contemporary community life.

CORPORATE GOVERNANCE

Details of the Group's corporate governance practices are set out in the "Corporate Governance Report" section in this Annual Report.

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2014, the Company complied with the Code provisions set out in Appendix 15 of the Corporate Governance Code and Corporate Governance Report (the "**Code**") of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("**GEM**") Listing Rules of the Stock Exchange (the "**GEM Listing Rules**").

CORPORATE GOVERNANCE PRACTICES

The Company is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making; (ii) the improvement in transparency and disclosure of information to shareholders; (iii) the continuance of respect for the rights of shareholders and the recognition of the legitimate interests of the shareholders; and (iv) the improvement in management of risk and the enhancement of performance by the Group. The Company will continue to monitor and review its corporate governance practices to ensure compliance with the regulatory requirements and to meet the expectations of the shareholders and investors.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings regarding securities transactions for the year ended 31 December 2014 and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

BOARD OF DIRECTORS

The Board is entrusted with the overall responsibility for promoting the success of the Company by directing and supervising the Company's business and affairs. The ultimate responsibility for the day to day management of the Company is delegated to the chairman, chief executive officer and the senior management of the Company. In practice, the Board takes responsibilities for decision making in all major matters of the Company. The day-to-day management, administration and operation of the Company are delegated to the executive Directors and senior management. Approval has to be obtained from the Board prior to any significant transactions entered into by the Group and the Board has the full support of them to discharge its responsibilities.

As at the date of this report, the Board comprises nine Directors, including six executive Directors and three independent non-executive Directors. The composition of the Board is set out as follows:

Executive Directors

Mr. Liang Ronald (Chairman)
Mr. Fu Chin Shing (Chief Executive Officer)
Mr. Wang Jun You
Mr. Lo Kin Nang
Mr. Ng Kwok Fai
Mr. He Xiao

Independent Non-Executive Directors

Mr. Lo Wai Hung
Mr. Wang Julius
Mr. Yu Chi Hang

Each independent non-executive Director has given an annual written confirmation of his independence to the Company, and the Company considers them to be independent under Rule 5.09 of the GEM Listing Rules.

The Board meets at least four times a year at approximately quarterly intervals and additional meetings will be convened as and when required. During the year ended 31 December 2014, the record of attendance of each Director is set out as follows:

Directors	board meeting attended/ eligible to attend	general meeting attended/ eligible to attend
Executive Directors		
Mr. Liang Ronald	8/8	1/1
Mr. Fu Chin Shing	8/8	1/1
Mr. Wang Jun You	8/8	1/1
Mr. Lo Kin Nang	8/8	1/1
Mr. Ng Kwok Fai	8/8	1/1
Mr. He Xiao	8/8	1/1
Independent Non-Executive Directors		
Mr. Lo Wai Hung	8/8	1/1
Mr. Wang Julius	8/8	1/1
Mr. Yu Chi Hang	8/8	1/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and duties of the Chairman and the Chief Executive Officer of the Company are carried out by different individuals.

The Chairman of the Board is Mr. Liang Ronald, who provides leadership for the Board and ensures its effectiveness in all aspects. With the support of the senior management, the Chairman is also responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at the Board meetings.

The Chief Executive Officer is Mr. Fu Chin Shing, who is in charge of the Company's day-to-day management and operations and focuses on implementing objectives, policies and strategies approved and delegated by the Board.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The current articles of association of the Company (the "**Articles**") provide that subject to the manner of retirement by rotation of directors as from time to time prescribed by the GEM Listing Rules, at each annual general meeting, one-third of the directors for the time being shall retire from office by rotation and that every director shall be subject to retirement by rotation at least once every 3 years.

Independent non-executive Directors are appointed for a specific term subject to retirement by rotation and re-election in accordance with the Articles. Each Independent non-executive Directors is required to inform the Company as soon as practicable if there is any change that may affect his independence and must provide an annual confirmation of his independency to the Company.

The Board recommended the re-appointment of the retiring Directors standing for re-election at the forthcoming annual general meeting of the Company. Details of the information of the retiring Directors standing for re-election are set out in the circular accompany the notice of the annual general meeting.

CONTINUING PROFESSIONAL DEVELOPMENT

The Directors are aware of the requirement under the code provision A.6.5 of the Code regarding continuous professional development. During the year, the Company had arranged a training session to all Directors in regards to director's duty which was conducted by an external professional firm. In addition, the Directors also reviewed the reading materials related to corporate governance and regulations that provided to them concerning latest developments in corporate governance practices and relevant legal and regulatory developments. All Directors provided the Company a record of training they received in 2014.

DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance covers on directors' and officers' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

BOARD COMMITTEES

The Board has established three committees, namely audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**") and nomination committee (the "**Nomination Committee**"), to oversee particular aspects of the Company's affairs. Their respective terms of reference are set out in the Company's website.

Audit Committee

The Company has established the Audit Committee on 5 December 2013 with terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs C3.3 and D3.1 of the Code. The primary duties of the Audit Committee include, among other things, reviewing and supervising the financial reporting process and internal control systems, as well as the overall risk management of the Group, reviewing the consolidated financial statements and the quarterly, interim and annual reports of the Group, reviewing the terms of engagement and scope of audit work of the external auditors, and performing the corporate governance function.

The composition of the Audit Committee is as follows:

Mr. Lo Wai Hung (Chairman)
Mr. Wang Julius
Mr. Yu Chi Hang

The members of the Audit Committee possess diversified industry experience and the chairman of the Audit Committee has appropriate professional qualifications and experience in accounting matters.

The Audit Committee has reviewed with the management of the Group the financial and accounting policies and practices adopted by the Group, its internal controls and financial reporting matters and the above audited annual results of the Group for the year ended 31 December 2014.

According to the current terms of reference, the Audit Committee shall meet at least four times a year. Five meetings were held by the Audit Committee for the year ended 31 December 2014. The record of attendance of each member of the Audit Committee is set out as follows:

Name of member of the Audit Committee	meeting attended/ eligible to attend
Mr. Lo Wai Hung	5/5
Mr. Wang Julius	5/5
Mr. Yu Chi Hang	5/5

Remuneration Committee

The Company has established the Remuneration Committee on 5 December 2013 with terms of reference in compliance with paragraph B.1.1 of the Code. The primary duties of the Remuneration Committee include, among other things, formulating and making recommendations to the Board on the remuneration policy, determining the specific remuneration packages of all executive Directors and senior management and making recommendations to the Board of the remuneration of independent non-executive directors.

The composition of the Remuneration Committee is as follows:

Mr. Yu Chi Hang (Chairman)
Mr. Fu Chin Shing
Mr. Lo Wai Hung

One meeting was held by the Remuneration Committee for the year ended 31 December 2014 and the record of attendance of each member of the Remuneration Committee is set out as follows:

Name of member of the Remuneration Committee	meeting attended/ eligible to attend
Mr. Yu Chi Hang	1/1
Mr. Fu Chin Shing	1/1
Mr. Lo Wai Hung	1/1

Nomination Committee

The Company has established the Nomination Committee on 5 December 2013 with terms of reference in compliance with paragraph A.5.2 of the Code. The primary duties of the Nomination Committee include reviewing the structure, size and composition of the Board, identifying and nomination of directors and making recommendations to the Board on appointment and re-appointment of Directors.

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance in compliance with paragraph A.5.6 of the Code.

When identifying suitable candidates for directorship, the Nomination Committee will carry out the selection process by making reference to the skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company's needs and other relevant statutory requirements and regulations. Qualified candidates will then be recommended to the Board for approval.

The composition of the Nomination Committee is as follows:

Mr. Liang Ronald (Chairman)
Mr. Wang Julius
Mr. Yu Chi Hang

One meeting was held by the Nomination Committee for the year ended 31 December 2014 and the record of attendance of each member of the Nomination Committee is set out as follows:

Name of member of the Nomination Committee	meeting attended/ eligible to attend
Mr. Liang Ronald	1/1
Mr. Wang Julius	1/1
Mr. Yu Chi Hang	1/1

Accountability and Audit

Financial Reporting

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the Independent Auditor's Report) for preparing the financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report.

Internal Control and Risk Management

The Board is responsible for the Company's internal control system and risk management procedures and for reviewing the effectiveness of the Company's internal control. The system of internal control aims to help achieving the Group's business objectives, adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The Group is committed to the identification, monitoring and management of risks associated with its business activities. The Group's internal control system is designed to provide reasonable assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of business objective.

The Board has reviewed the effectiveness of the Group's material internal controls and concluded that in general, the Group's internal control system is effective and adequate, no material deficiencies has been identified.

Auditor's Remuneration

The remuneration in respect of the services provided by the independent auditors of the Company for the Group for the years ended 31 December 2014 and 2013 respectively are analysed as follows:

Services rendered	Fees paid/payable 2014 HK$'000	 2013 HK$'000
Audit services	**1,028**	950
Non-audit services		
– Reporting accountant for the Company's placing	**–**	3,350
– Review of quarterly and interim financial information	**520**	–
– Internal control review	**–**	300
– Tax compliance and planning review	**228**	115
– Review of result announcements	**20**	20
	1,806	4,735

Company Secretary

Ms. Yu Wing Sze was appointed as the company secretary of the Company on 5 December 2013. She has been a certified public accountant of the Hong Kong Institute of Certified Public Accountants since 2003. She was admitted as a member and a fellow of the Association of Chartered Certified Accountants in November 2001 and December 2006, respectively.

For the year ended 31 December 2014, She has undertaken not less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules.

Shareholders' right

The general meetings of the company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("**EGM**").

Right to convene extraordinary general meeting

Any one or more members holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal office as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company at the Company's principal place of business in Hong Kong at 15th Floor, North Tower, World Finance Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong, and such may consist of several documents in like form, each signed by one or more requisitionist(s).

The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the company secretary of the Company will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered members. On the contrary, if the request which has been verified is not in order, the shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested. If within twenty-one days from the date of the deposit of the requisition the Board fails to proceed to convene such meeting, the requisitionist(s), may convene a meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed by the Company to the requisitionist(s).

The notice period to be given to all the registered members for consideration of the proposal raised by the requisitionist(s) concerned at the EGM varies according to the nature of the proposal, as follows:

(a) At least 14 clear days' notice in writing (and not less than 10 business days) if the proposal constitutes an ordinary resolution of the Company;

(b) At least 21 clear days' notice in writing (and not less than 10 business days) if calling for the proposal constitutes a special resolution of the Company in EGM.

Right to put enquiries to the Board

Shareholders have the right to put enquiries to the Board. All enquiries shall be first directed to the company secretary of the Company at the Company's principal place of business in Hong Kong at 15th Floor, North Tower, World Finance Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong.

Right to put forward proposals at general meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Company Law (2011 Revision). However, shareholders are requested to follow Article 58 of the Company's Articles for including a resolution at an EGM. The requirements and procedures are set out above. Pursuant to Article 85 of the Articles, no person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election as a director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 17.50(2) of the GEM Listing Rules. The procedures for shareholders of the Company to propose a person for election as director is posted on the Company 's website.

Investor relations

The Board recognises the importance of good communications with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public.

The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The corporate website of the Company (www.cchengholdings.com) has provided an effective communication platform to the public and the shareholders.

During the year ended 31 December 2014, there had been no significant change in the Company's constitutional documents.

DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in Note 37 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss and other comprehensive income statement on page 48.

The board of Directors of the Company (the "Board") does not recommend the payment of any dividend for the year ended 31 December 2014 (2013: Nil) and propose that the profit for the year be retained.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the four financial years is set out on page 102 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended 31 December 2014 are set out in Note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in Note 29 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2014.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 51 to 52 of this annual report.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to shareholders, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as at 31 December 2014 amounted to approximately HK$64,693,000 (2013: HK$67,041,000).

DIRECTORS

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

Executive directors

Mr. Liang Ronald (Chairman)
Mr. Fu Chin Shing (Chief Executive Officer)
Mr. Wang Jun You
Mr. Lo Kin Nang
Mr. Ng Kwok Fai
Mr. He Xiao

Independent non-executive directors

Mr. Lo Wai Hung
Mr. Wang Julius
Mr. Yu Chi Hang

Pursuant to Article 84(1) of the Company's Articles of Association, at each annual general meeting one-third of the Directors' for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

In accordance with the provisions of the Company's Articles of Association, Mr. Fu Chin Shing, Mr. He Xiao, and Mr. Lo Wai Hung will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

Each of executive Director has entered into a service agreement with the Company for a period of three years commencing from 5 December 2013 and will continue thereafter until termination in accordance with the terms of the agreement.

Each of the independent non-executive Directors has entered into a service agreement with the Company for a term of three years, subject to retirement by rotation and re-election at annual general meeting and until terminated by not less than one months' notice in writing served by either party on the other.

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received written annual confirmation from each of its independent non-executive Director in respect of their independence in accordance with the requirements of the Rule 5.09 of the GEM Listing Rules and all independent non-executive Directors are considered to be independent.

DIRECTORS' AND CHIEF EXECUTIVES INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2014, the interests and short positions of the Directors and the chief executive and their associates in the shares and share options of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

(1) Long positions

Name of Director	Company/name of associated company	Nature of interest	Number of shares held	Approximate of percentage of shareholding
Liang Ronald	The Company	Interest in a controlled corporation	83,068,000	46.15%
	The Company	Beneficial interest	800,000 (Note 1)	0.44%
Fu Chin Shing	The Company	Interest in a controlled corporation	36,632,000	20.35%
	The Company	Beneficial interest	800,000 (Note 1)	0.44%
Wang Jun You	The Company	Interest in a controlled corporation	15,300,000	8.5%
	The Company	Beneficial interest	800,000 (Note 1)	0.44%
	The Company	Interest of spouse	100,000 (Note 2)	0.06%
	LWK Yiheng	Equity interest	–	1.00%
Lo Kin Nang	The Company	Beneficial interest	800,000 (Note 1)	0.44%
Ng Kwok Fai	The Company	Beneficial interest	800,000 (Note 1)	0.44%
He Xiao	The Company	Beneficial interest	800,000 (Note 1)	0.44%

Note: (1) These represent the shares to be issued and alloted by the Company upon exercise of the options granted under the pre-IPO share option scheme.

(2) Mr. Wang Jun You, being spouse of Ms. Li Min, is deemed to be interested in 100,000 shares held by Ms. Li under the SFO.

(2) Short positions

Save as disclosed above and as at 31 December 2014, none of the directors or the chief executive nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations.

SHARE OPTION SCHEME

Particulars of the Company's share option scheme and pre-IPO share option scheme (the "**Share Option Schemes**") are set out in Note 36 to the consolidated financial statements.

The Share Option Schemes have been adopted to provide incentive or reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest. No share options have been granted pursuant to the Share Option Schemes during the year ended 31 December 2014.

The following table discloses movements in the Company's pre-IPO share options during the year:

Category of grantees	Outstanding at beginning of year	Granted during the year	Exercised during the year	Forfeited during the year	Expired during the year	Outstanding during the year
Executive Directors	4,800,000	–	–	–	–	4,800,000
Senior management	1,200,000	–	–	–	–	1,200,000
Other employees	6,525,000	–	–	–	–	6,525,000
	12,525,000	–	–	–	–	12,525,000

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No director had a material 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 at the end of the year or at any time during the year ended 31 December 2014.

COMPLIANCE OF NON-COMPETITION UNDERTAKING

Mr. Liang Ronald, Rainbow Path International Limited and Veteran Ventures Limited (collectively, the "**Covenantors**") have entered into a deed of non-competition dated 16 December 2013 in favour of the Company (the "**Deed of Non-competition**") pursuant to which each of the Covenantors irrevocably undertakes, among other things, that it/he shall not, and shall procure that none of their respective associates (other than members of the Group) shall, during the period in which (i) the shares of the Company (the "**Shares**") remained listed on the Stock Exchange; and (ii) the Covenantors and their associates (other than members of the Group), individually or jointly, are entitled to exercise, or control the exercise of, not less than 30% of the voting power at general meetings of the Company, directly or indirectly, either on their own account, in conjunction with, on behalf of, or through any person, firm or company, among other things, carry on, participate or be interested, engaged or otherwise involved in or acquire or hold (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) any business of architecture, landscape architecture, town planning, interior design and heritage conservation and any other new business which the Group may undertake from time to time after the listing on the GEM.

In order to ensure the Covenantors have complied with the Deed of Non-competition, the following actions have been taken:

(i) The Company has required each of the Covenantors to give confirmation to the Company on an annual basis as to whether he or it has complied with the Deed of Non-competition;

(ii) Each of the Covenantors has provided to the Company such written confirmation (a) in respect of his/its compliance with the Deed of Non-competition for the year ended 31 December 2014; and (b) stating that he/it has not entered into any business which may be in competition with the business carried on by the Group from time to time;

(iii) The independent non-executive directors of the Company has reviewed the status of compliance by each of the Covenantors with the undertakings in the Deed of Non-competition during the year ended 31 December 2014 and confirmed that, so far as they can ascertain, the Covenantors have complied with the Deed of Non-competition; and

(iv) The Company has enquired each of the Covenantors, from time to time, on whether he/it has engaged in any business which competes or might compete with the business of the Group before publication of this annual report and the Company has gained an understanding from the Covenantors that each of the Covenantors has not engaged in any business which compete or might compete with the business of the Group.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors, the controlling shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group during the year ended 31 December 2014, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

INTERESTS OF THE COMPLIANCE ADVISER

As at 31 December 2014, as notified by the Company's compliance adviser, China Everbright Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 16 December 2013, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

MANAGEMENT CONTRACT

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the year.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 31 December 2014, no person other than the Directors or chief executive of the Company had any interests or short positions in the shares and underlying shares of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

Long positions in the shares of the Company:

Name of Shareholder	Name of the company in which interest is held	Capacity	Total number of ordinary shares	Long/short position	Percentage of total issued share capital in the Company
Rainbow Path International Limited	The Company	Beneficial owner (Note 1)	75,868,000	Long	42.15%
Veteran Ventures Limited	The Company	Beneficial owner (Note 1)	7,200,000	Long	4.00%
Vivid Colour Limited	The Company	Beneficial owner (Note 2)	36,632,000	Long	20.35%
Jun Ming Investments Limited	The Company	Beneficial owner (Note 3)	15,300,000	Long	8.5%
Liang Sharon	The Company	Interest of spouse (Note 4)	83,868,000	Long	46.59%
Chung Wai Chi, Connie	The Company	Interest of spouse (Note 5)	37,432,000	Long	20.79%
Li Min	The Company	Interest of spouse (Note 6)	16,100,000	Long	8.94%
	The Company	Beneficial owner (Note 7)	100,000	Long	0.06%

Notes:

1. Rainbow Path International Limited and Veteran Ventures Limited are 100% owned by Mr. Liang Ronald.

2. Vivid Colour Limited is 100% owned by Mr. Fu Chin Shing.

3. Jun Ming Investments Limited is 100% owned by Mr. Wang Jun You.

4. Ms. Liang Sharon, being spouse of Mr. Liang Ronald, is deemed to be interested in the 83,868,000 shares held by Mr. Liang Ronald under the SFO.

5. Ms. Chung Wai Chi, Connie, being spouse of Mr. Fu Chin Shing, is deemed to be interested in the 37,432,000 shares held by Mr. Fu Chin Shing under the SFO.

6. Ms. Li Min, being spouse of Mr. Wang Jun You, is deemed to be interested in the 16,100,000 shares held by Mr. Wang Jun Yau under the SFO.

7. It represents the shares to be issued and alloted by the Company upon exercise of the options granted under the pre-IPO share option scheme.

CONNECTED AND RELATED PARTY TRANSACTIONS

The Company had not entered into any connected transaction during the year ended 31 December 2014 which is required to be disclosed under the GEM Listing Rules. Related party transactions entered into by the Group during the year ended 31 December 2014 are disclosed in Note 35 to the consolidated financial statements. The related party transactions set out in Note 35 to the consolidated financial statements did not constitute connected transactions under the GEM Listing Rules.

REMUNERATION POLICY

The remuneration policy for the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having considered the factors such as the Group's financial performance, the achievement of special targets and the individual performance of the Directors etc.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme is set out in Note 37 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

From publicly available information and as far as the Directors are aware, the Company has maintained a sufficient public float throughout the year ended 31 December 2014 and has continued to maintain such a float as at the date of this annual report.

CHARITABLE DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK$1,029,000.

MAJOR CLIENTS AND SUPPLIERS

For the year ended 31 December 2014, the aggregate revenue attributable to the Group's five largest clients represented approximately 37.4% of the Group's total revenue. The revenue attributable to the Group's largest client represented approximately 10.9% of the Group's total revenue for the same period.

For the year ended 31 December 2014, the aggregate sub-consultancy fee paid to the Group's five largest suppliers represented approximately 2.3% of the Group's total costs of services. The sub–consultancy fee to the Group's largest supplier represented approximately 0.89% of the Group's total costs for the same period.

None of the Directors nor any of their associates nor any shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest clients and/or five largest suppliers during the year.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event occurring after the reporting period.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Liang Ronald
CHAIRMAN

24 March 2015

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

TO THE SHAREHOLDERS OF C CHENG HOLDINGS LIMITED
思城控股有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of C Cheng Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 48 to 101, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

24 March 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Revenue	6	**384,384**	324,007
Cost of services		**(269,832)**	(231,561)
Gross profit		**114,552**	92,446
Other income	7	**302**	840
Other gains and losses	8	**(2,285)**	1,152
Administrative expenses		**(75,073)**	(57,522)
Listing expenses		**–**	(16,086)
Finance costs	9	**(93)**	(143)
Profit before taxation	10	**37,403**	20,687
Income tax expense	12	**(9,112)**	(9,515)
Profit for the year		**28,291**	11,172
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation		**(1,137)**	1,284
Other comprehensive (expense) income for the year		**(1,137)**	1,284
Total comprehensive income for the year		**27,154**	12,456
Profit (loss) for the year attributable to:			
Owners of the Company		**28,798**	8,978
Non-controlling interests		**(507)**	2,194
		28,291	11,172
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		**27,664**	10,165
Non-controlling interests		**(510)**	2,291
		27,154	12,456
Earnings per share (expressed in HK cents)	13		
Basic		**16.0**	6.6
Diluted		**15.9**	6.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	15	23,262	13,561
Goodwill	16	4,779	4,899
Intangible assets	17	1,744	2,094
Rental and utility deposits	18	5,892	4,106
Deferred tax assets	19	147	12
		35,824	24,672
Current assets			
Held for trading investments	20	688	521
Amounts due from customers for contract work	21	136,685	126,616
Progress billings receivable from contract customers	22	106,001	78,813
Prepayments and other receivables	18	2,426	9,564
Pledged bank deposits	23	2,545	2,545
Bank balances and cash	23	55,533	56,410
		303,878	274,469
Current liabilities			
Trade payables	24	5,467	6,019
Accruals and other payables	25	66,737	64,777
Amounts due to customers for contract work	21	127,638	112,584
Amount due to a director	26	–	2,030
Obligations under finance leases	27	346	323
Income tax payable		5,551	6,308
Bank overdraft	28	–	1,111
		205,739	193,152
Net current assets		98,139	81,317
Total assets less current liabilities		133,963	105,989

	Notes	2014 HK$'000	2013 HK$'000
Non-current liabilities			
Obligations under finance leases	27	676	1,022
Deferred tax liabilities	19	3,098	3,237
		3,774	4,259
Net assets		130,189	101,730
Capital and reserves			
Issued capital	29	1,800	1,800
Reserves		128,739	99,777
Equity attributable to owners of the Company		130,539	101,577
Non-controlling interests		(350)	153
Total equity		130,189	101,730

The consolidated financial statements on pages 48 to 101 were approved and authorised for issue by the board of directors on 24 March 2015 and are signed on its behalf by:

Mr. Liang Ronald
DIRECTOR

Mr. Fu Chin Shing
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to owners of the Company									
	Issued capital HK$'000	Share premium HK$'000	Statutory reserve HK$'000 (Note a)	Share option reserve HK$'000	Other reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$000
At 1 January 2013	1,020	–	2,165	–	336	6,733	43,988	54,242	2,370	56,612
Profit for the year	–	–	–	–	–	–	8,978	8,978	2,194	11,172
Exchange differences arising on translation	–	–	–	–	–	1,187	–	1,187	97	1,284
Total comprehensive income for the year	–	–	–	–	–	1,187	8,978	10,165	2,291	12,456
Transfer to statutory reserve	–	–	661	–	–	–	(661)	–	–	–
Acquisition of LWK Design (Macau) Limited ("LWK Macau") (Note b)	(20)	–	–	–	94	–	–	74	(103)	(29)
Acquisition of additional interest in 深圳市梁黃顧藝恒建築設計有限公司 ("LWK Yiheng") (Note c)	–	–	–	–	809	–	–	809	(4,405)	(3,596)
Recognition of equity-settled share-based payments (Note d)	–	–	–	114	5,210	–	–	5,324	–	5,324
Effect of the Share Swap pursuant to the group reorganisation (Note 29)	(620)	54,139	–	–	(53,519)	–	–	–	–	–
Issue of shares (Note 29)	450	36,900	–	–	–	–	–	37,350	–	37,350
Capitalisation issue (Note 29)	970	(970)	–	–	–	–	–	–	–	–
Expenses incurred in connection with the issue of shares	–	(6,387)	–	–	–	–	–	(6,387)	–	(6,387)
At 31 December 2013	1,800	83,682	2,826	114	(47,070)	7,920	52,305	101,577	153	101,730
Profit (loss) for the year	–	–	–	–	–	–	28,798	28,798	(507)	28,291
Exchange differences arising on translation	–	–	–	–	–	(1,134)	–	(1,134)	(3)	(1,137)
Total comprehensive income (expense) for the year	–	–	–	–	–	(1,134)	28,798	27,664	(510)	27,154
Transfer to statutory reserve	–	–	505	–	–	–	(505)	–	–	–
Recognition of equity-settled share-based payments	–	–	–	1,298	–	–	–	1,298	–	1,298
Capital contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	7	7
At 31 December 2014	1,800	83,682	3,331	1,412	(47,070)	6,786	80,598	130,539	(350)	130,189

Note a: The statutory reserve is non-distributable and the transfer to this reserve is determined by the board of directors of the subsidiaries in the People's Republic of China (the "PRC") in accordance with the relevant laws and regulations of the PRC. Appropriation to such reserve is made out of net profit after taxation reported in the statutory financial statements of the PRC subsidiaries while the amount and allocation basis is decided by their respective boards of directors annually. This reserve can be used to offset accumulated losses or to increase capital upon approval from the relevant authorities.

Note b: On 11 June 2013, LWK & Partners (HK) Limited ("LWK Hong Kong") and LWK Conservation Limited ("LWK Conservation"), both wholly owned subsidiaries of the Company, acquired the entire quota capital of LWK Macau from Mr. Ronald Liang ("Mr. Liang") and Mr. Fu Chin Shing ("Mr. Fu") at a cash consideration of MOP30,000 (equivalent to approximately HK$29,000). Other reserve represents (i) the difference between the consideration and the attributable net assets of LWK Macau at the date of transfer and; (ii) the transfer of the quota capital of LWK Macau attributable to owners of the Company. After the acquisition, LWK Macau became a wholly owned subsidiary of LWK Hong Kong.

Note c: On 21 June 2013, LWK Hong Kong entered into equity transfer agreement with Mr. Wang Jun You ("Mr. Wang") to acquire additional 24% interest in LWK Yiheng, a non-wholly owned subsidiary of LWK Hong Kong, for a cash consideration of RMB2,830,000 (equivalent to approximately HK$3,596,000) which was completed on 28 August 2013.

Note d: On 10 June 2013, Mr. Liang and Mr. Fu transferred 79,310 and 33,990 shares of LWK Hong Kong (representing, in aggregate, 11.33% of the entire issued share capital of LWK Hong Kong), respectively, to Mr. Wang for a total consideration of HK$8.28 million. The amount of HK$5,210,000 recognised in other reserve represents the effect of the share based payment to Mr. Wang estimated by reference to difference between the consideration and the fair value of the 11.33% of LWK Hong Kong at the date of transfer.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	2014 HK$'000	2013 HK$'000
Operating activities		
Profit before tax	37,403	20,687
Adjustments for:		
Depreciation of property, plant and equipment	5,710	4,156
Loss (gain) on disposal of property, plant and equipment	746	(1,697)
Allowance for doubtful debts	1,284	1,214
Interest expenses and finance lease charges	93	143
Amortisation of intangible assets	315	1,202
(Gain) loss from changes in fair value of held for trading investments	(182)	49
Interest income	(302)	(74)
Recognition of equity-settled share-based payments	1,298	5,324
Operating cash flows before movements in working capital	46,365	31,004
Increase in rental and utility deposits	(1,825)	(855)
Increase in amounts due from customers for contract work	(12,253)	(47,698)
Increase in progress billings receivable from contract customers	(29,029)	(6,742)
Decrease (increase) in prepayments and other receivables	7,102	(778)
Increase in amounts due to customers for contract work	16,683	10,035
(Decrease) increase in trade payables	(548)	1,108
Increase in accruals and other payables	2,558	20,593
Cash generated from operations	29,053	6,667
Interest and finance lease charges paid	(93)	(143)
Income tax paid	(9,978)	(8,410)
Net cash from (used in) operating activities	18,982	(1,886)
Investing activities		
Purchases of property, plant and equipment	(16,461)	(4,446)
Proceeds from disposal of property, plant and equipment	107	3,786
Interest received	302	74
Increase in pledged bank deposit	–	(801)
Net cash used in investing activities	(16,052)	(1,387)

	2014 HK$'000	2013 HK$'000
Financing activities		
Repayment of obligations under finance leases	**(323)**	(419)
Acquisition of LWK Macau	–	(29)
Acquisition of additional interest in LWK Yiheng	–	(3,596)
Proceeds from issue of shares	–	37,350
Expenses incurred in connection with issue of shares	–	(6,387)
Advance from a director	–	6,700
Repayment to a director	**(2,030)**	(4,670)
Net cash (used in) from financing activities	**(2,353)**	28,949
Net increase in cash and cash equivalents	**577**	25,676
Cash and cash equivalents at the beginning of the year	**55,299**	29,054
Effect of foreign exchange rate changes	**(343)**	569
Cash and cash equivalents at end of the year	**55,533**	55,299
Represented by:		
Bank balances and cash	**55,533**	56,410
Bank overdraft	–	(1,111)
	55,533	55,299

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. GENERAL

The Company was incorporated on 13 May 2013 in the Cayman Islands under the Companies Law, Chapter 22 (law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time and its shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 20 December 2013 ("Listing Date"). The addresses of the registered office and principal place of business of the Company are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 15th Floor, North Tower, World Finance Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong, respectively. The directors of the Company consider the immediate holding company and ultimate holding company of the Group is Rainbow Path International Limited, a limited liability company incorporated in the British Virgin Islands (the "BVI"), and the ultimate controlling party is Mr. Liang.

The Company is an investment holding company and its subsidiaries are mainly engaged in the provision of comprehensive architectural service.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. GROUP REORGANISATION

Before the completion of the group reorganisation as more fully explained in the section headed "Corporate Reorganisation" in Appendix IV to the prospectus of the Company dated 16 December 2013, LWK Hong Kong was owned by Mr. Liang, Mr. Fu and Rich World Services Limited (controlled by Mr. Liang) as to 65%, 28% and 7%, respectively. LWK Macau was incorporated on 9 July 2012 and owned by Mr. Liang and Mr. Fu as to 70% and 30%, respectively.

On 11 June 2013, LWK Hong Kong and LWK Conservation, both wholly owned subsidiaries of the Company, acquired the entire capital of LWK Macau from Mr. Liang and Mr. Fu for a cash consideration of MOP30,000 (equivalent to approximately HK$29,000) (the "Macau Acquisition"). LWK Hong Kong and LWK Macau were under the common control of Mr. Liang both before and after the Macau Acquisition and that control is not transitory, therefore, the principles of merger accounting under Accounting Guideline 5 *Merger Accounting for Common Control Combinations* has been applied for the Macau Acquisition.

On 10 June 2013, Mr. Liang and Mr. Fu transferred 79,310 and 33,990 shares of LWK Hong Kong (representing, in aggregate, 11.33% of the entire issued share capital of LWK Hong Kong), respectively to Mr. Wang for a total consideration of HK$8,280,000. Upon completion, LWK Hong Kong was ultimately owned as to 61.53%, 27.14% and 11.33% by Mr. Liang, Mr. Fu and Mr. Wang, respectively. On 21 June 2013, LWK Hong Kong entered into equity transfer agreement with Mr. Wang to acquire additional 24% interest in LWK Yiheng, a non-wholly owned subsidiary of LWK Hong Kong, for a cash consideration of RMB2,830,000 (equivalent to approximately HK$3,596,000) which was completed on 28 August 2013.

After interspersing the Company and Helffrich Ventures Limited ("Helffrich Ventures") between the shareholders and LWK Hong Kong which was completed on 5 December 2013 (the "Share Swap"), the Company became the holding company of the Group.

Accordingly, the consolidated financial statements have been prepared as if the Company had always been the holding company of the Group.

The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year ended 31 December 2013 have been prepared as if the current group structure had been in existence for the year ended 31 December 2013, or since the respective dates of incorporation/establishment of the relevant companies now comprising the Group, where this is a shorter period.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the consolidated financial statements for the year ended 31 December 2014, the Group has adopted all the HKFRSs which are effective for the financial year beginning 1 January 2014.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 July 2014
5 Effective for annual periods beginning on or after 1 January 2016
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 9 Financial Instruments (Continued)

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Except for the potential early and additional recognition of credit losses based on the expected loss model in relation to the Group's financial assets measured at amortised costs, the directors of the Company anticipate that the application of HKFRS 9 in the future may not have an impact on the amounts reported in respect of the Group's financial assets and liabilities based on an analysis of the Group's finance instruments at 31 December 2014.

HKFRS 15 Revenue from Contracts with Customers

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 15 Revenue from Contracts with Customers (Continued)

Under HKFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company are still in the progress of assessing the impact of HKFRS 15 on the amounts reported and disclosures made in the Group's consolidated financial statements at the moment. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Except for the impact of HKFRSs 9 and 15, the directors of the Company anticipate the application of other new and revised HKFRSs will have no material impact on the Group's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance (Cap. 32).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combinations (other than business combinations involving entities under common control)

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred 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. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits,* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and related taxes.

Where the outcome of a contract of comprehensive architectural service can be estimated reliably, revenue from a fixed price contract of comprehensive architectural service is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims, and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a contract of comprehensive architectural service cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Service income is recognised when services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the Group's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as a finance lease) and buildings held for use in the supply of services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment loss, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contracts of comprehensive architectural service

Where the outcome of a contract of comprehensive architectural service can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a contract of comprehensive architectural service cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statements of financial position, as a liability, as deposits from customers. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statements of financial position under progress billings receivables from contract customers.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at FVTPL, loans and receivables and available-for-sale financial assets ("AFS"). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial assets and is included in the other gains and losses line item. Fair value is determined in the manner described in note 31.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. loans and receivables (including progress billings receivable from contract customers, other receivables, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

AFS

AFS are non-derivatives that are either designated or not classified as any of the other categories. Equity securities held by the Group that are classified as AFS and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amounts of AFS are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Financial assets are assessed for impairment individually.

Objective evidence of impairment for receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of progress billings receivable from contract customers, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a progress billings receivable from a contract customer is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities including trade payables, other payables, amount due to a director and bank overdraft are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below).

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at costs less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at costs less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Equity-settled share-based payment transactions

Share-based payment transactions

In respect of equity-settled share-based payment granted to employees, the fair value of services is determined by reference to the fair value of the equity instruments granted at the date of grant and is recognised as an expense in full at the grant date when the equity instruments granted vest immediately, with a corresponding increase in equity under other reserve.

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity under share option reserve.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

Retirement benefits scheme

Payments to the Mandatory Provident Fund Scheme and state-managed retirement benefit schemes, which are defined contribution plans, are recognised as an expense when employees have rendered services entitling them to the contribution.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the management of the Group is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are 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.

Contracts of comprehensive architectural service

Management estimates the amount of foreseeable losses or attributable profits of architecture works based on the latest available budgets of the contracts of comprehensive architectural service with reference to the overall performance of each contract of comprehensive architectural service and management's best estimates and judgments.

Notwithstanding that management reviews and revises the estimates of contract costs for the contract of comprehensive architectural service as the contract progresses, the actual outcome of the contract in terms of its total costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Impairment of progress billings receivable from contract customers

The allowance for bad and doubtful receivable from contract customers is estimated based on the evaluation of collectability and aging analysis of individual trade debts performed by the management. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. As at 31 December 2014, the carrying amount of progress billings receivable from contract customers is approximately HK$106,001,000 (2013: HK$78,813,000), net of allowance for doubtful debts of approximately HK$3,029,000 (2013: HK$1,784,000).

Estimated impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets resulted from the acquisition of LWK Yiheng are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and the intangible assets have been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2014, the aggregate carrying amounts of goodwill and intangible assets are approximately HK$5,954,000 (2013: HK$6,424,000). Details of impairment testing of goodwill are set out in Note 16.

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the contract revenue for comprehensive architectural service recognised during the year.

The Group has only one single operating segment of provision of comprehensive architectural service. The Group's chief operating decision maker (the Chief Executive Officer of the Group) regularly reviews the consolidated results of the Group as a whole for the purposes of resource allocation and assessment of performance.

The Group considers segment revenue and segment results as revenue from external customers and profit for the year before considering the effect of intangible asset recognised and fair value adjustments arising from acquisition of LWK Yiheng and the related tax effect ("LWK Yiheng Fair Value Adjustments"). No segment information on assets and liabilities is presented as such information is not reported to the Group's chief operating decision maker.

	2014 **HK$'000**	2013 HK$'000
Segment revenue	**384,384**	324,028
Reconciliation		
LWK Yiheng Fair Value Adjustments	**–**	(21)
Consolidated revenue	**384,384**	324,007
Segment result	**30,461**	14,157
Reconciliation		
LWK Yiheng Fair Value Adjustments	**(2,170)**	(2,985)
Consolidated profit for the year	**28,291**	11,172

Revenue from major services

The following is an analysis of the Group's revenue from its major services:

	2014 **HK$'000**	2013 HK$'000
Architecture	**347,062**	303,284
Landscape architecture, town planning, interior design and heritage conservation	**37,322**	20,723
	384,384	324,007

6. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-current assets other than deferred tax assets.

	Revenue from external customers		Non-current assets	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Place of domicile of group entities:				
Hong Kong	**118,131**	76,991	**15,592**	11,158
PRC	**179,346**	162,911	**19,115**	13,502
Others	**756**	661	**970**	–
Foreign location/countries (Note)*:*				
PRC	**76,426**	78,634	**–**	–
Others	**9,725**	4,810	**–**	–
	384,384	324,007	**35,677**	24,660

Note: The amounts represent revenue generated from a group entity where its geographical location of projects are different from its place of domicile.

Information about major customers

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

	2014 HK$'000	2013 HK$'000
Customer A	**42,089**	N/A[1]

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

7. OTHER INCOME

	2014 HK$'000	2013 HK$'000
Interest income on bank deposits	**302**	74
Sundry income	**–**	766
	302	840

8. OTHER GAINS AND LOSSES

	2014 HK$'000	2013 HK$'000
(Loss) gain on disposal of property, plant and equipment	**(746)**	1,697
Allowance for doubtful debts	**(1,284)**	(1,214)
Net foreign exchange (loss) gain	**(437)**	718
(Gain) loss from changes in fair value of held for trading investments	**182**	(49)
	(2,285)	1,152

9. FINANCE COSTS

	2014 HK$'000	2013 HK$'000
Interest expense on:		
Bank overdraft	**17**	43
Obligations under finance leases	**76**	100
	93	143

10. PROFIT BEFORE TAXATION

	2014 HK$'000	2013 HK$'000
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	**1,028**	950
Depreciation of property, plant and equipment	**5,710**	4,156
Amortisation of intangible assets (Note 1)	**315**	1,202
Operating lease payments (Note 2)	**19,774**	13,487
Staff costs		
– Salaries, allowances and other benefits	**230,730**	192,089
– Operating lease payments	**768**	744
– Contributions to retirements benefits	**7,757**	5,135
– Equity-settled share-based payments	**1,298**	5,324
Total staff costs (including director's emoluments)	**240,533**	203,292

Note 1: Included in cost of services.

Note 2: For the year ended 31 December 2014, the amount includes the operating lease payments for staff quarters approximately amounting to HK$768,000 (2013: HK$744,000), which are included in the total staff costs above.

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the directors of the Company were as follows:

		Other emoluments			
	Fees	Salaries and other benefits	Bonus (Note 2)	Retirement benefit scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2014					
Executive directors					
Mr. Liang	–	8,427	3,325	96	11,848
Mr. Fu (Note 1)	–	5,010	1,425	84	6,519
Mr. Wang	–	3,137	3,200	44	6,381
Mr. He Xiao	–	2,172	2,200	17	4,389
Mr. Lo Kin Nang	–	2,390	–	17	2,407
Mr. Ng Kwok Fai	–	2,390	–	17	2,407
	–	23,526	10,150	275	33,951
Independent non-executive directors					
Mr. Lo Wai Hung	–	150	–	–	150
Mr. Wang Julius	–	150	–	–	150
Mr. Yu Chi Mang (alias, Yue Chi Hang)	–	150	–	–	150
	–	450	–	–	450
2013					
Executive directors					
Mr. Liang	–	3,790	2,940	96	6,826
Mr. Fu (Note 1)	–	2,913	1,547	84	4,544
Mr. Wang (Note 3)	–	5,832	2,688	44	8,564
Mr. He Xiao	–	1,687	500	15	2,202
Mr. Lo Kin Nang	–	1,882	500	15	2,397
Mr. Ng Kwok Fai	–	1,915	500	15	2,430
	–	18,019	8,675	269	26,963
Independent non-executive directors					
Mr. Lo Wai Hung	–	13	–	–	13
Mr. Wang Julius	–	13	–	–	13
Mr. Yu Chi Mang (alias, Yue Chi Hang)	–	13	–	–	13
	–	39	–	–	39

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' emoluments (Continued)

Notes:

(1) Mr. Fu is the Chief Executive Officer of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive Officer.

(2) The performance related incentive payment is defined by reference to the performance of the Group for the years ended 31 December 2014 and 2013.

(3) During the year ended 31 December 2013, included in the other benefits is an amount of HK$5,210,000, representing equity-settled share-based payment to Mr. Wang as an inducement upon joining the Group. Details of the transaction have been set out in Note (d) to the consolidated statement of changes in equity.

During the years ended 31 December 2014 and 2013, except as disclosed in note (3) above, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. No director of the Company has waived any remuneration during the years ended 31 December 2014 and 2013.

(b) Employees' emoluments

The five highest paid individuals in the Group for the years ended 31 December 2014 and 2013 were all directors (including the Chief Executive Officer) of the Company and details of their emoluments are included above.

12. INCOME TAX EXPENSE

	2014 HK$'000	2013 HK$'000
The income tax expense (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	937	2,817
PRC Enterprise Income Tax ("EIT")	8,347	6,609
Macau Complementary Tax	54	–
	9,338	9,426
Deferred tax:		
Current year (Note 19)	(226)	89
	9,112	9,515

12. INCOME TAX EXPENSE (Continued)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

According to the State Council Circular on Transitional Policy of Enterprise Income Tax (Guo Fa [2007] No. 39), the income tax rate applicable to 梁黃顧設計顧問(深圳)有限公司 ("LWK Shenzhen"), a wholly owned subsidiary of the Company, and LWK Yiheng is 25% for both years.

According to the Law no. 12/2011 of Macau Special Administrative Region of the PRC, LWK Macau is entitled to a tax exemption allowance of MOP300,000 (approximately to HK$295,500) followed by tax rate of 12% (2013: MOP200,000 (approximately to HK$197,000) followed by progressive tax rates of 9% and 12%).

Details of deferred taxation are set out in Note 19.

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2014 HK$'000	2013 HK$'000
Profit before taxation	**37,403**	20,687
Tax at the 16.5%	**6,171**	3,413
Tax effect of expenses not deductible for tax purpose	**528**	4,034
Tax effect of income not taxable for tax purpose	**(33)**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**1,155**	889
Effect of different tax rates of profits generated in the PRC	**1,391**	1,149
Utilisation of tax loss previously not recognised	**(148)**	–
Tax effect of tax losses not recognised	**291**	148
Overprovision in prior year	**(11)**	–
Others	**(232)**	(118)
Income tax expense	**9,112**	9,515

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2014 HK$'000	2013 HK$'000
Earnings:		
Earnings for the purposes of basic and diluted earnings per share:		
Profit for the year attributable to the owners of the Company	**28,798**	8,978
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**180,000,000**	136,479,452
Effect of dilutive potential ordinary shares in respect of share options outstanding	**1,080,457**	152,845
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**181,080,457**	136,632,297

The calculation of the weighted average number of shares outstanding during the year ended 31 December 2013 has been adjusted for the effect of the Share Swap (as defined in Note 2) and the Capitalisation Issue (as defined in Note 29).

14. DIVIDEND

No dividend was paid or proposed by the Company during the years ended 31 December 2014 and 2013, nor has any dividend been proposed since the end of the reporting period.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK$'000	Leasehold improvement HK$'000	Furniture, fixtures and office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
COST					
At 1 January 2013	2,632	5,064	22,817	1,954	32,467
Additions	–	53	4,393	–	4,446
Disposals/write-off	(2,710)	(762)	(1,857)	(355)	(5,684)
Exchange realignment	78	11	302	18	409
At 31 December 2013	–	4,366	25,655	1,617	31,638
Additions	–	9,379	7,082	–	16,461
Disposals/write-off	–	(939)	(489)	–	(1,428)
Exchange realignment	–	(38)	(327)	(7)	(372)
At 31 December 2014	–	12,768	31,921	1,610	46,299
ACCUMULATED DEPRECIATION					
At 1 January 2013	701	2,055	12,867	1,675	17,298
Charge for the year	–	867	3,073	216	4,156
Eliminated on disposals/write-off	(722)	(762)	(1,792)	(319)	(3,595)
Exchange realignment	21	11	170	16	218
At 31 December 2013	–	2,171	14,318	1,588	18,077
Charge for the year	–	1,702	3,980	28	5,710
Eliminated on disposals/write-off	–	(137)	(438)	–	(575)
Exchange realignment	–	(3)	(166)	(6)	(175)
At 31 December 2014	–	3,733	17,694	1,610	23,037
CARRYING AMOUNT					
At 31 December 2014	–	9,035	14,227	–	23,262
At 31 December 2013	–	2,195	11,337	29	13,561

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, after taking into account of their estimated residual value, are depreciated on a straight-line basis at the following rates per annum:

Leasehold land and buildings	Over the shorter of the term of the lease, or 20 years
Leasehold improvement	20%
Furniture, fixture and office equipment	20%
Motor vehicles	20%

The leasehold land and buildings are located on land held under medium term leases in the PRC.

Included in property, plant and equipment is office equipment with carrying value of HK$995,000 (2013: HK$1,336,000) which is held under finance leases.

16. GOODWILL

	HK$'000
COST	
At 1 January 2013	4,758
Exchange realignment	141
At 31 December 2013	4,899
Exchange realignment	(120)
At 31 December 2014	4,779

Goodwill arose from the acquisition of 75% equity interest in LWK Yiheng during the year ended 31 December 2011 which is engaged in provision of comprehensive architectural service in the PRC.

For the purpose of impairment testing, goodwill has been included in one cash generating unit, represented by LWK Yiheng (the "LWK Yiheng CGU").

The management determines that there is no impairment on the LWK Yiheng CGU as at 31 December 2014 and 2013. The recoverable amount of LWK Yiheng has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 19.13% as at 31 December 2014 and 2013 respectively. LWK Yiheng's revenue growth rate during the 5-year period is not more than 3% which is based on the management's estimate on LWK Yiheng's human resources capacity and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted revenue and gross margin, such estimation is based on LWK Yiheng's past performance and management's expectations for the market development. The management determines that any reasonably possible change in any of these assumptions would not cause the carrying amount of the goodwill exceeds its recoverable amount.

17. INTANGIBLE ASSETS

	License HK$'000	Club membership HK$'000	Total HK$'000
COST			
At 1 January 2013	4,740	569	5,309
Exchange realignment	141	–	141
At 31 December 2013	4,881	569	5,450
Exchange realignment	(120)	–	(120)
At 31 December 2014	4,761	569	5,330
AMORTISATION			
At 1 January 2013	2,074	–	2,074
Charge for the year	1,202	–	1,202
Exchange realignment	80	–	80
At 31 December 2013	3,356	–	3,356
Charge for the year	315	–	315
Exchange realignment	(85)	–	(85)
At 31 December 2014	3,586	–	3,586
CARRYING AMOUNT			
At 31 December 2014	1,175	569	1,744
At 31 December 2013	1,525	569	2,094

During the period from January to August 2013, the license was amortised over its remaining license period up to March 2015. In September 2013, the relevant authority approved the license period for a term of five years expiring in September 2018 and the amortisation of the license has been adjusted prospectively. Club membership with an indefinite useful life is stated at cost less accumulated impairment losses.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2014 HK$'000	2013 HK$'000
Prepayments	**1,527**	777
Rental and utility deposits	**5,940**	4,106
Advances to staff	**271**	1,014
Other receivables (Note)	**580**	7,773
	8,318	13,670
Analysed for reporting purpose as:		
Non-current assets	**5,892**	4,106
Current assets	**2,426**	9,564
	8,318	13,670

Note:

As at 31 December 2013, HK$7,200,000 was transferred to an underwriter out of the proceeds from issue of shares for settlement of professional fees on behalf of the Company. The unutilised balance was refunded to the Company in February 2014.

19. DEFERRED TAXATION

The following are the major components of deferred tax (liabilities) assets recognised and movements therein during current and prior reporting periods:

	Accelerated tax depreciation HK$'000	Amounts due from/to customers for contract work HK$'000	Intangible assets acquired in business combination HK$'000	Fair value adjustments on contracts of comprehensive architectural service HK$'000	Others HK$'000	Total HK$'000
At 1 January 2013	(650)	655	(668)	(2,397)	–	(3,060)
Credit (charge) to profit or loss	237	(1,321)	302	693	–	(89)
Exchange realignment	–	–	(15)	(61)	–	(76)
At 31 December 2013	(413)	(666)	(381)	(1,765)	–	(3,225)
Credit (charge) to profit or loss	151	(794)	78	644	147	226
Exchange realignment	–	–	9	39	–	48
At 31 December 2014	(262)	(1,460)	(294)	(1,082)	147	(2,951)

19. DEFERRED TAXATION (Continued)

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2014 **HK$'000**	2013 HK$'000
Deferred tax assets	**147**	12
Deferred tax liabilities	**(3,098)**	(3,237)
	(2,951)	(3,225)

No deferred tax asset has been recognised in respect of the unutilised tax losses of HK$1,764,000 (2013: HK$894,000) and allowance for doubtful debts of HK$2,921,000 (2013: HK$1,784,000) due to the unpredictability of future profit streams. The tax losses available may be carried forward indefinitely.

Under the Law of the PRC on Enterprise Income Tax Implementation Regulation, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. As at 31 December 2014 and 2013, deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to undistributed profits of the PRC subsidiaries approximately amounting to HK$38,275,000 (2013: HK$15,463,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

20. HELD FOR TRADING INVESTMENTS

	2014 **HK$'000**	2013 HK$'000
Unlisted trading fund in the PRC	**688**	521

21. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

	2014 HK$'000	2013 HK$'000
Contracts in progress at the end of the reporting period:		
Costs incurred to date plus recognised profits less recognised losses	**1,334,940**	1,077,703
Less: progress billings	**(1,325,893)**	(1,063,671)
	9,047	14,032
Analysed for reporting purposes as:		
Amounts due from customers for contract work	**136,685**	126,616
Amounts due to customers for contract work	**(127,638)**	(112,584)
	9,047	14,032

As at 31 December 2014, advances received from customers for contract work amounted to HK$24,009,000 (2013: HK$15,506,000) and are included in accruals and other payables.

22. PROGRESS BILLINGS RECEIVABLE FROM CONTRACT CUSTOMERS

	2014 HK$'000	2013 HK$'000
Gross amount	**109,030**	80,597
Less: Allowance for doubtful debts	**(3,029)**	(1,784)
	106,001	78,813

The movements in the allowance for doubtful debts were as follows:

	2014 HK$'000	2013 HK$'000
At beginning of the year	**1,784**	551
Recognised during the year	**1,284**	1,214
Exchange realignment	**(39)**	19
At end of the year	**3,029**	1,784

In order to manage the credit risks associated with progress billings receivable effectively, credit limits of customers are evaluated periodically. Before accepting any new customer, the Group conducts research on the creditworthiness of the new customer and assesses the potential customer's credit quality. Progress billings receivables that are neither past due nor impaired are of good credit quality according to Group's evaluation.

22. PROGRESS BILLINGS RECEIVABLE FROM CONTRACT CUSTOMERS (Continued)

As at 31 December 2014, included in the allowance for doubtful debts were individually impaired receivables of HK$3,029,000 (2013: HK$1,784,000) which had been long outstanding. The Group does not hold any collateral over these balances.

The Group does not have a standardised and universal credit period granted to its customers. The credit period granted to individual customer is within 90 days in general and up to 180 days, which the Group considered on a case-by-case basis, depending on the credibility and reputation of the customers and as stipulated in the project contract. The following is an aged analysis of progress billings receivable, presented based on the invoice date at the end of each reporting period, and net of allowance recognised:

	2014 HK$'000	2013 HK$'000
Within 30 days	**34,441**	27,603
Over 30 days and within 90 days	**35,206**	33,521
Over 90 days and within 180 days	**7,446**	5,506
Over 180 days	**28,908**	12,183
	106,001	78,813

As at 31 December 2014, included in the Group's progress billings receivable balances were debtors with aggregate carrying amount of approximately HK$58,897,000 (2013: HK$34,080,000) which were past due at the end of each reporting period for which the Group has not provided for allowance for doubtful debts.

Aging of progress billings receivables at the end of each reporting period which are past due but not impaired:

	2014 HK$'000	2013 HK$'000
Past due within 30 days	**14,584**	13,209
Past due over 30 days and within 90 days	**19,473**	12,609
Past due over 90 days and within 180 days	**6,814**	1,640
Past due over 180 days	**18,026**	6,622
	58,897	34,080

23. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

As at December 2014, bank balances carry interest at market rates which range from 0.01% to 3.48% per annum (2013: 0.01% to 0.50% per annum).

Pledged bank deposits, carry interest at floating market rate of 0.01% per annum (2013: 0.01% per annum), are used to secure general banking facilities granted to the Group and are therefore, classified as current assets.

24. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2014 **HK$'000**	2013 HK$'000
Within 30 days	**4,091**	4,469
Over 30 days and within 90 days	**616**	577
Over 90 days	**760**	973
	5,467	6,019

The average credit period on trade payables is generally 30 to 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time-frame.

25. ACCRUALS AND OTHER PAYABLES

	2014 **HK$'000**	2013 HK$'000
Accrued payroll and bonuses	**36,109**	36,027
Deposits from customers	**24,009**	15,506
PRC other tax payables	**1,163**	2,316
Payables of listing expenses and share issue costs	**–**	6,793
Accrued expenses and other payables	**5,456**	4,135
	66,737	64,777

26. AMOUNT DUE TO A DIRECTOR

The amount at 31 December 2013 was unsecured, interest free and repayable on demand. The amount was fully settled during the year.

27. OBLIGATIONS UNDER FINANCE LEASES

It is the Group's policy to lease certain of its office equipment under finance leases. The lease term is 5 years.

For the year ended 31 December 2014, interest rates underlying all obligations under finance lease are fixed at respective contract dates at 5.84% per annum (2013: ranging from 5.84% to 6.04% per annum).

	Minimum lease payments at		Present value of minimum lease payments at	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Amounts payable under finance leases:				
Within one year	**399**	399	**346**	323
In more than one year but not more than two years	**399**	399	**370**	346
In more than two years but not more than five years	**313**	712	**306**	676
	1,111	1,510	**1,022**	1,345
Less: Future finance charges	**(89)**	(165)	**–**	–
Present value of lease obligations	**1,022**	1,345	**1,022**	1,345
Less: Amounts due for settlement within 12 months (shown under current liabilities)			**(346)**	(323)
Amounts due for settlement after 12 months			**676**	1,022

The rights to the leased assets are reverted to the lessors in the event of default of the lease obligations by the Group.

28. BANK OVERDRAFT

As at 31 December 2013, bank overdraft carried interest at 3.5% per annum over Hong Kong Interbank Offered Rate ("HIBOR"). The bank overdraft was secured by pledged bank deposits (Note 23).

29. ISSUED CAPITAL

Ordinary shares of HK$0.01 each	Number of shares	HK$'000
Authorised		
At 13 May 2013 (date of incorporation) (Note 1)	38,000,000	380
Increase on 5 December 2013 (Note 2)	962,000,000	9,620
At 31 December 2014 and 2013	1,000,000,000	10,000
Issued and paid up		
At 13 May 2013 (date of incorporation) (Note 1)	1	–
Issue under the Share Swap (Note 3)	37,999,999	380
Issue of new shares upon listing (Note 4)	45,000,000	450
Capitalisation Issue (Note 5)	97,000,000	970
At 31 December 2014 and 2013	180,000,000	1,800

Note 1: On 13 May 2013, the Company was incorporated in the Cayman Islands as an exempted company with an authorised share capital of HK$380,000 divided into 38,000,000 shares of HK$0.01 each, with one fully paid share issued to the initial subscriber. On the same day, the subscriber share was transferred to Rainbow Path International Limited.

Note 2: Pursuant to the written resolutions passed by the shareholders on 5 December 2013, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 ordinary shares to HK$10,000,000 divided into 1,000,000,000 ordinary shares by the creation of additional 962,000,000 new ordinary shares which shall, when issued and paid, rank pari passu in all respects with the existing issued ordinary shares (other than participation in the capitalisation issue).

Note 3: Pursuant to the share swap agreement dated 5 December 2013 entered into amongst Mr. Liang, Mr. Fu, Mr. Wang and Rich World Services Limited (owned by Mr. Liang and Mr. Fu) (the "Transferors"), the Company and Helffrich Ventures Limited ("Helffrich Ventures"), the Transferors agreed to transfer the entire issued share capital in LWK Hong Kong to the Company (to be held through Helffrich Ventures) in consideration of and in exchange for the issue by the Company of 21,355,999 ordinary shares to Rainbow Path International Limited (investment holding company set by Mr. Liang), 10,313,200 ordinary shares to Vivid Colour Limited (investment holding company set by Mr. Fu), 4,305,400 ordinary shares to Jun Ming Investments Limited (investment holding company set by Mr. Wang), and 2,025,400 ordinary shares to Veteran Ventures Limited (investment holding company set by Mr. Liang) credited as fully paid, respectively.

Note 4: On 19 December 2013, the Company placed 45,000,000 shares at HK$0.83 per share for a total gross proceed of HK$37,350,000. The proceed will be used to finance the implementation of the business plans as set forth in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated 16 December 2013.

Note 5: On 20 December 2013, a sum of HK$970,000 standing to the credit of the share premium account of the Company was capitalised by applying such sum in paying up in full a total of 97,000,000 shares (the "Capitalisation Issue").

All issued shares rank pari passu in all respects with each other.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed shares during the years ended 31 December 2014 and 2013.

30. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The objectives of the management of the Group when managing capital are to safeguard the Group's ability as a going concern in order to provide returns for shareholders and to support future development of business through optimisation of debt and equity balances. The Group's strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued capital, reserves and retained profits.

The Group reviews the capital structure periodically and manages its overall structure through payment of dividends and new share issues.

31. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2014 HK$'000	2013 HK$'000
Financial assets		
Fair value through profit or loss		
– Held for trading investments	688	521
Loans and receivables (including cash and cash equivalents)	164,930	146,555
	165,618	147,076
Financial liabilities		
At amortised cost	34,932	35,594
Obligations under finance leases	1,022	1,345
	35,954	36,939

b. Financial risk management objectives and policies

Details of the Group's financial instruments are disclosed in the respective notes. The risks associated with the Group's financial instruments include market risk (interest rate risk, currency risk, other price risk) and credit risk and liquidity risk.

The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

31. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to its variable-rate pledged bank deposits, bank balances and bank overdraft and exposed to fair value interest rate risk in relation to fixed-rate obligations under finance leases. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The Group was exposed to fluctuation of HIBOR in respect of its bank overdraft.

No sensitivity analysis is presented as in the opinion of the management of the Group, a reasonable possible change in interest rate will not have a significant impact on the consolidated financial statements during both years.

Currency risk

Certain bank balances, progress billings receivable from contract customers and accruals and other payables of the Group are denominated in foreign currency of the respective group entities which are exposed to foreign currency risk.

The carrying amounts of the Group's bank balances, progress billings receivable from contract customers and accruals and other payables denominated in RMB at the end of each reporting period are as follows:

	2014 HK$'000	2013 HK$'000
Bank balances	24,222	429
Progress billings receivable from contract customers	31,941	14,719
Other payables	(16,459)	–
	39,704	15,148

LWK Hong Kong, of which its functional currency is HK$, had amounts due from LWK Shenzhen and LWK Yiheng at 31 December 2014 and 2013 which are denominated in RMB. As at 31 December 2014, the aggregate intra-group balance is approximately HK$11,588,000 (2013: HK$12,530,000).

The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

The following table details the Group's sensitivity to a 5% increase and decrease in HK$ against RMB. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items including the above intra-group balances and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit where HK$ weakens 5% against RMB. For a 5% strengthening of HK$ against RMB, there would be an equal and opposite impact on the post-tax profit and the balances below would be negative.

31. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Currency risk (Continued)

	2014 HK$'000	2013 HK$'000
Profit for the year	**2,141**	1,156

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Other price risk

The Group is exposed to equity price risk through its held for trading investments. The management manages this exposure by monitoring its portfolio of investments. During the years ended 31 December 2014 and 2013, the Group exposed to price risk in relation to its investment in unlisted trading fund in the PRC.

Sensitivity analysis

The management considered that the exposure to price risk in relation to held for trading investments is minimal, accordingly, no sensitivity analysis is presented for both years.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statements of financial position. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual progress billings receivable from contract customers and other receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

As at 31 December 2014, the Group's concentration of credit risk by geographical locations of the projects is in the PRC, which accounted for approximately HK$70,800,000 (2013: HK$61,099,000) of the total progress billings receivable.

The Group has a concentration of customers. For the year ended 31 December 2014, aggregate sales to the top five customers of the Group accounted for approximately 37.4% (2013: 37.1%) of the total revenue. Amounts due from them as at 31 December 2014 amounted to approximately HK$21,417,000 (2013: HK$41,912,000), representing 20.2% (2013: 53.2%) of progress billings receivable. These major customers are mainly Hong Kong developers and PRC developers with good reputation.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

31. FINANCIAL INSTRUMENTS (Continued)

b. Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

At the end of the reporting period, the Group has available unutilised bank facilities of approximately HK$17,380,000 (2013: HK$1,269,000). The banks may at any time immediately modify, withdraw, terminate, cancel, suspend or make demand for repayment of the whole or any part of the facilities or vary the terms applicable to the facilities.

Liquidity risk analysis

The following table analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows of financial liabilities based on the earliest date of which the Group can be required to pay. The tables include both interest and principal cash flows.

	Weighted average interest rate	On demand and less than 1 year	1 year to 5 years	Total undiscounted cash flows	Carrying amount at 31 December
	%	HK$'000	HK$'000	HK$'000	HK$'000
2014					
Non-derivative financial liabilities					
Trade payables	–	5,467	–	5,467	5,467
Accruals and other payables	–	29,465	–	29,465	29,465
Obligations under finance Leases	5.84	399	712	1,111	1,022
		35,331	712	36,043	35,954
2013					
Non-derivative financial liabilities					
Trade payables	–	6,019	–	6,019	6,019
Accruals and other payables	–	26,434	–	26,434	26,434
Amount due to a director	–	2,030	–	2,030	2,030
Bank overdraft	4.37	1,111	–	1,111	1,111
Obligations under finance Leases	5.90	399	1,111	1,510	1,345
		35,993	1,111	37,104	36,939

31. FINANCIAL INSTRUMENTS (Continued)

c. Fair value

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

The held for trading investments are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique used).

Financial assets	Fair value as at 2014 HK$'000	Fair value as at 2013 HK$'000	Fair value hierarchy	Valuation technique and key inputs
Held for trading investments – unlisted trading fund in the PRC	688	521	Level 2	Based on the fair value of underlying assets and liabilities which are substantially derived from Level 1 inputs

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group considers that carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values which have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

32. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of each reporting period, the Group had contracted for the following future minimum lease payments:

	2014 HK$'000	2013 HK$'000
Within one year	**22,039**	16,995
In the second to fifth years inclusive	**26,839**	18,746
Total	**48,878**	35,741

Operating lease payments represent rentals payable by the Group for certain of its office properties and staff quarters. Leases are negotiated for terms ranging from 2 to 3 years at fixed rentals.

33. PLEDGE OF ASSETS

The Group has pledged short-term bank deposits with an aggregate carrying amount of HK$2,545,000 (2013: HK$2,545,000) to banks to secure general banking facilities granted to the Group.

34. RETIREMENT BENEFITS SCHEMES

For the operations in Hong Kong, the Group participates in a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The Group and the employees shall make contributions based on a percentage of the employee's basic salary with a cap of HK$1,500 (HK$1,250 prior to 1 June 2013) per month and charged to profit or loss as they become payable in accordance with the rules of Mandatory Provident Fund Scheme.

For the operations in the PRC, the employees of the Group are members of state-managed retirement benefits scheme operated by the PRC government. The relevant subsidiaries are required to contribute a specific percentage of the payroll costs to the retirement benefits scheme.

The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions. During the year, the total amounts contributed by the Group to the schemes and cost charged to the profit or loss represents contributions paid/payable to the schemes by the Group at rates specified in the rules of the schemes.

For the year ended 31 December 2014, the retirement benefits scheme contributions made by the Group approximately amounted to HK$7,534,000 (2013: HK$6,260,000).

35. RELATED PARTY TRANSACTIONS

(1) Mr. Liang, the controlling shareholder and a director of the Company, provided personal guarantee to secure the bank overdraft of the Group. The personal guarantee to secure the bank overdraft (Note 28) of the Group was released during the year ended 31 December 2013.

(2) On 11 June 2013, LWK Hong Kong and LWK Conservation, both wholly owned subsidiaries of the Company, acquired the entire quota capital of LWK Macau from Mr. Liang and Mr. Fu at a cash consideration of MOP30,000 (equivalent approximately to HK$29,000). Details are set out in Note (b) to the consolidated statement of changes in equity.

(3) On 10 June 2013, Mr. Liang and Mr. Fu transferred 79,310 and 33,990 shares of LWK Hong Kong (representing, in aggregate, 11.33% of the entire issued share capital of LWK Hong Kong), respectively, to Mr. Wang for a total consideration of HK$8.28 million. Details are set out in Note (d) to the consolidated statement of changes in equity.

(4) On 21 June 2013, LWK Hong Kong entered into equity transfer agreement with Mr. Wang to acquire additional 24% interest in LWK Yiheng, a non-wholly owned subsidiary of the Group, for a cash consideration of RMB2,830,000 (equivalent to approximately HK$3,596,000). The acquisition was completed on 28 August 2013.

(5) The remuneration of directors and other members of key management are disclosed in Note 11.

36. SHARE-BASED PAYMENT TRANSACTIONS

Share Option Scheme

The Company's Share Option Scheme was adopted pursuant to a resolution passed on 5 December 2013 for the primary purpose of providing incentives or rewards to participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group incentives to directors and eligible employees, and will expire on 5 December 2023. The total number of shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors or their respective associates in excess of 0.1% of the Company's share capital or with an aggregate value in excess of HK$5 million based on the closing price of the shares at the date of each grant must be approved in advance by the Company's shareholders. Options granted must be taken up within one month of the date of grant, upon payment of HK$1 per option. Options may be exercised at any time from the date of grant of the share option to the tenth anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share. During the years ended 31 December 2014 and 2013, there is no option granted under the Share Option Scheme.

Pre-IPO Share Option Scheme

The Company's Pre-IPO Share Option Scheme was adopted pursuant to a resolution passed on 5 December 2013 for the primary purpose of recognising and motivating the contributions that the directors, members of senior management and other employees have made or may make to the Group, and expired on 20 December 2013. At 31 December 2014 and 2013, the number of shares in respect of which options had been granted and remained outstanding under the Pre-IPO Scheme Option Scheme was 12,525,000, representing 6.96% of the shares of the Company in issue at that date.

Details of specific categories of options granted under Pre-IPO Share Option Scheme are as follows:

Type	Date of grant	Number of options granted	Vesting period	Exercise period	Exercise price	Fair value at grant date
Executive directors	6 December 2013	4,800,000	6 December 2013 to the date before the third anniversary date of the Listing Date	From the third anniversary date of the Listing Date to the fourth anniversary date of the Listing Date (both dates inclusive)	HK$0.83	HK$0.27
Other employees	6 December 2013	7,725,000	6 December 2013 to the date before the second anniversary date of the Listing Date	From the second anniversary date of the Listing Date to the third anniversary date of the Listing Date (both dates inclusive)	HK$0.83	HK$0.22

36. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

Pre-IPO Share Option Scheme (Continued)

The following table discloses movements of the Company's share options held by employees and directors during the year ended 31 December 2014 and 2013:

	Outstanding at 1.1.2014	Granted during the year	Exercised during the year	Forfeited during the year	Expired during the year	Outstanding at 31.12.2014
Pre-IPO share options	12,525,000	–	–	–	–	12,525,000
Exercisable at the end of the year						–
Weighted average exercise price	HK$0.83	–	–	–	–	HK$0.83

	Outstanding at 1.1.2013	Granted during the year	Exercised during the year	Forfeited during the year	Expired during the year	Outstanding at 31.12.2013
Pre-IPO share options	–	12,525,000	–	–	–	12,525,000
Exercisable at the end of the year						–
Weighted average exercise price	–	HK$0.83	–	–	–	HK$0.83

On 5 December 2013, 12,525,000 options were granted and the aggregate estimated fair value of the options granted on that date is HK$3,030,000.

These fair values at grant date were calculated using The Black-Scholes option pricing model. The major inputs into the model were as follows:

	Executive directors	Other employees
Exercise price	HK$0.83	HK$0.83
Expected volatility	40.71%	39.24%
Expected life	4 years	3 years
Risk-free rate	0.69%	0.39%

Expected volatility was determined by using the historical volatility of the comparable companies' share prices over the previous 4 and 3 years for the share options granted to executive directors and other employees respectively. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations. The variables and assumptions used in The Black-Scholes option pricing model in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised the total expense of HK$1,298,000 (2013: HK$114,000) for the year ended 31 December 2014 in relation to share options granted by the Company.

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

General information of principal subsidiaries

Name of subsidiary	Place and date of incorporation/ establishment	Place of operation	Proportion of ownership interest and voting right owned by the Group 2014	2013	Issued and fully paid share capital/paid up registered capital	Principal activities
LWK Hong Kong	Hong Kong 19 October 1995	Hong Kong	100%	100%	HK$1,000,000	Provision of comprehensive architectural service and investment holding
LWK Conservation	Hong Kong 12 June 2006	Hong Kong	100%	100%	HK$10,000	Provision of comprehensive architectural service
LWK Macau	Macau 9 July 2012	Macau	100%	100%	MOP30,000	Provision of comprehensive architectural service
LWK Shenzhen	PRC 20 September 2002 (Note a)	PRC	100%	100%	HK$1,000,000	Provision of comprehensive architectural service
LWK Yiheng	PRC 24 September 1986 (Note b)	PRC	99%	99%	RMB3,000,000	Provision of comprehensive architectural service

None of the subsidiaries had issued any debt securities at the end of the year.

Notes:

a. Registered as a wholly foreign-owned enterprise under the law of the PRC.

b. Registered as a sino-foreign equity joint venture under the law of the PRC.

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Details of non-wholly owned subsidiaries that has material non-controlling interests

Details of LWK Yiheng, a non-wholly owned subsidiary with material non-controlling interests, and other immaterial subsidiaries with non-controlling interests are set out below.

	2014 HK$'000	2013 HK$'000
Profit (loss) allocated to non-controlling interests of		
LWK Yiheng	100	2,207
Immaterial subsidiaries	(607)	–
	(507)	2,207
Accumulated non-controlling interests		
LWK Yiheng	249	153
Immaterial subsidiaries	(599)	–
	(350)	153

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

Details of non-wholly owned subsidiaries that has material non-controlling interests (Continued)

Summarised financial information in respect of LWK Yiheng is set out below. The summarised financial information below represents the amounts including goodwill and other fair value adjustments resulting from acquisition accounting but before intra-group eliminations.

	2014 HK$'000	2013 HK$'000
Current assets	**108,147**	72,711
Non-current assets	**17,584**	11,401
Current liabilities	**(94,551)**	(61,782)
Non-current liabilities	**(1,375)**	(2,146)
Total equity	**29,805**	20,184
Revenue	**181,053**	111,754
Expenses	**(170,961)**	(105,932)
Profit for the year	**10,092**	5,822
Other comprehensive (expense) income for the year	**(472)**	502
Total comprehensive income for the year	**9,620**	6,324
Dividends paid to non-controlling interests	**–**	–
Net cash inflow from operating activities	**2,867**	10,933
Net cash outflow from investing activities	**(7,070)**	(2,274)
Net cash (outflow) inflow	**(4,203)**	8,659

During the year ended 31 December 2013, the Group acquired additional interest in LWK Yiheng, the details of which are disclosed in Note (c) to the consolidated statement of changes in equity. The difference of HK$809,000 between the decrease in the non-controlling interests and the consideration paid has been credited to other reserve.

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2014 HK$'000	2013 HK$'000
Non-current asset		
Unlisted investment in a subsidiary	**54,519**	54,519
Current assets		
Other receivables	**160**	7,200
Amount due from a subsidiary	**755**	–
Bank balances	**22,874**	18,150
	23,789	25,350
Current liabilities		
Accruals	**494**	7,227
Amount due to a subsidiary	**9,909**	3,687
	10,403	10,914
Net current assets	**13,386**	14,436
Total assets less current liabilities	**67,905**	68,955
Capital and reserves		
Share capital	**1,800**	1,800
Reserves	**66,105**	67,155
	67,905	68,955

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

	Share premium HK$'000	Share option reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 13 May 2013 (date of incorporation)	–	–	–	–
Loss and total comprehensive expense for the period	–	–	(16,641)	(16,641)
Recognition of equity-settled share-based payment	–	114	–	114
Effect of Share Swap (Note 29)	54,139	–	–	54,139
Capitalisation Issue (Note 29)	(970)	–	–	(970)
Issue of shares (Note 29)	36,900	–	–	36,900
Expenses incurred in connection with the issue of shares	(6,387)	–	–	(6,387)
At 31 December 2013	83,682	114	(16,641)	67,155
Loss and total comprehensive expense for the year	–	–	(2,348)	(2,348)
Recognition of equity-settled share-based payment	–	1,298	–	1,298
At 31 December 2014	83,682	1,412	(18,989)	66,105

FINANCIAL SUMMARY

	For the year ended 31 December			
	2011 HK$'000	2012 HK$'000	2013 HK$'000	**2014** **HK$'000**
RESULTS				
Revenue	198,478	268,282	324,007	**384,384**
Profit for the year	12,952	27,228	11,172	**28,291**
Earnings per share				
Basics (HK cents)	8.9	18.8	6.6	**16.0**
Diluted (HK cents)	N/A	N/A	6.6	**15.9**

	As at 31 December			
	2011 HK$'000	2012 HK$'000	2013 HK$'000	**2014** **HK$'000**
ASSETS AND LIABILITIES				
Total assets	136,784	210,303	299,141	**339,702**
Total liabilities	(102,653)	(153,691)	(197,411)	**209,513**
	34,131	56,612	101,730	**130,189**
Equity attribute to owners of the Company	33,345	54,242	101,577	**130,539**
Non-controlling interests	786	2,370	153	**(350)**
	34,131	56,612	101,730	**130,189**